

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
January 28, 2020

<u>Minute No.</u>	<u>Event/Action</u>
	General
	Chairman Campo convened the Port Commission meeting and provided opening remarks
	Minutes
2020-0128-01	Approve the minutes of the November 11, 2019 and December 11, 2019 Port Commission meetings
	Appearances
2020-0128-02(a)	Chairman Campo introduced Jim Blackburn, Co-Director, Severe Storm Prediction, Education, & Evacuation from Disasters (SSPEED) Center at Rice University, who addressed the Port Commission
2020-0128-02(b)	Chairman Campo asked if anyone else would like to address the Port Commission; there was no response
	Staff Reports
2020-0128-03	Roger Guenther, Executive Director, and Tom Heidt, Chief Operating Officer, presented a summary of selected operational matters
	F. Executive
2020-0128-04	Staff Report – Selected agenda items – Tom Heidt, Chief Operating Officer
2020-0128-05	Award a five-year contract, with an option to renew for an additional five years, for offsite storage of the Port Authority's business records to VeriTrust Corporation
2020-0128-06	Approve and adopt the proposed 2020 Strategic Plan
	G. Commercial

<u>Minute No.</u>	<u>Event/Action</u>
2020-0128-07	Staff Report – agenda item – John Moseley, Chief Commercial Officer
2020-0128-08	Authorize a second amendment to the lease agreement with Alltrans Port Services, LLC of approximately 4.23 acres out of Block 23C in Industrial Park East for an additional five years commencing no earlier than February 1, 2020 for the annual base rent of \$161,163 subject to an annual 3% increase
2020-0128-09	Authorize the extended term of a month-to-month lease with Enterprise Terminating Services, L.P. for approximately 30 acres out of Block 2 of the Beltway 8 Tract, commencing March 1, 2020
2020-0128-10	Approve a lease agreement with Cooper/Ports America LLC, for approximately 1.62 acres located in Block 6A of Northside Turning Basin for a four-year term commencing January 1, 2020 at an annual rental of \$65,163, increasing 3% annually, with a rent abatement over 37 months of \$190,390 (against the \$258,202 total), for tenant’s improvement work (as amended)
2020-0128-11	Approve a lease agreement for a one-year term with Empire Stevedoring (Houston), Inc., for approximately 0.74 acres out of Block 1 in the Southside Wharves effective no earlier than February 1, 2020, at an annual rent of \$31,326
2020-0128-12	Approve a lease agreement for a one-year term with Empire Stevedoring (Houston), Inc., for approximately 2.75 acres out of Block 11 in the Turning Basin Area (West) effective no earlier than February 1, 2020, at an annual rent of \$59,940
2020-0128-13	Approve a five-year lease agreement with Port Terminal Railroad Association for approximately 0.46 acres at Clinton Drive and Dorsett Street, Houston, Texas effective no earlier than February 1, 2020 at an annual base rent of \$10,018, subject to an annual 3% increase
2020-0128-14	Approve a subdivision re-plat issued by the City of Houston of an approximate 10.40-acre tract of land located at 9100 Mississippi St. for development of warehousing facilities by the Port Authority’s tenant, Dixie Cullen Interests, Inc.
	H. Finance
2020-0128-15	Staff Report – Selected agenda items – Tim Finley, Chief Financial Officer

<u>Minute No.</u>	<u>Event/Action</u>
2020-0128-16	Approve the purchase of insurance from various carriers effective March 1, 2020, for the Port Authority's primary and excess property and casualty insurance coverage needs
2020-0128-17	Authorize funding of the Port Authority's self-insurance loss fund account for workers' compensation and liability claims for insurance year 2020-2021 and authorize its third-party claims administrator to pay claims in accordance with the Amended Insurance Program and Indemnification Policy dated February 2018
2020-0128-18	Approve the audited financial statements for the Port Authority Restated Retirement Plan for the fiscal year ended July 31, 2019
2020-0128-19	Approve new investment managers for the Port Authority Restated Retirement Plan (Pension Plan) and the Port Authority OPEB Plan
	I. Infrastructure
2020-0128-20	Staff Report – agenda item – Rich Byrnes, Chief Infrastructure Officer
2020-0128-21	Approve staff's ranking of vendors and award a professional services contract to perform construction material testing services in 2020 for small projects at all Port Authority facilities and locations to the top-ranked proposer: staff ranking – first, Raba Kistner; second, Professional Services, Inc.; and third, Aviles Engineering Corporation Port Commission adopted the staff-recommended ranking and authorized award
2020-0128-22	Award a construction contract to Resicom, Inc. for annual concrete replacement in 2020 at Turning Basin Terminal
2020-0128-23	Award a construction contract to Forde Construction for annual pavement replacement in 2020 at Barbours Cut Terminal and Bayport Container Terminal
2020-0128-24	Award a construction contract to Jerdon Enterprise, L.P. for entry gate driveway modifications at Bayport Container Terminal
2020-0128-25	Award a professional services contract to Jacobs Engineering Group, Inc. for design and construction phase services for the construction of Wharf 6 at Bayport Container Terminal
2020-0128-26	Enter into an Interlocal Agreement with Harris County to provide wage rate compliance services for a one-year term

<u>Minute No.</u>	<u>Event/Action</u>
2020-0128-27	Amend the professional services contract with Lockwood, Andrews & Newnam, Inc. to perform additional services associated with the entry gate driveway modifications at Bayport Container Terminal
2020-0128-28	Amend the professional services contract with CAVU International 1, LLC for continuous improvement, process execution checklists development, and operational excellence facilitation
2020-0128-29	Approve a change order with Fused Industries, LLC to perform additional work associated with the rail spur at Bayport Container Terminal
2020-0128-30	Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Wharf 3, construction of electrical infrastructure, and Lighter Aboard Ship (LASH) dock demolition at Barbours Cut Terminal
2020-0128-31	Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal
2020-0128-32	Approve a change order with Archer Western Construction, LLC for City of La Porte building permit fees associated with the expansion of gate facilities at Barbours Cut Terminal
2020-0128-33	Approve a change order to Matthews Brothers Dredging, Inc., for additional dredging at the Port Authority's Jacintoport and CARE Terminals and to increase the contract duration by 90 days
2020-0128-34	Authorize the Port Authority to negotiate and enter into an Interlocal Agreement among the Port Authority, City of Houston, and Harris County Flood Control District to facilitate effective collaboration on joint infrastructure projects as well as leveraging each other's capabilities
2020-0128-35	Issue a letter of support to the Galveston Bay Estuary Program for its Galveston Bay Plan, 2nd Edition
2020-0128-36	Approve the renewal of expiring Port Authority licenses for new ten-year terms: Air Products LLC, CenterPoint Energy Houston Electric, LLC, CenterPoint Energy Intrastate Pipelines, Inc., CenterPoint Energy Resources Corporation, Equistar Chemicals, LP, ExxonMobil Pipeline Company, Praxair, Inc., KM Liquids Terminals LLC, LBC Houston LP, NuStar Logistics, LP, Pasadena Refining Systems, Inc., Sekisui Specialty Chemicals America, LLC, Southwestern Bell Telephone Company, and TPC Group LLC

<u>Minute No.</u>	<u>Event/Action</u>
2020-0128-37	Issue a seismic exploration permit to Seismic Acquisition Services, LLC for 3-D and 2-D seismic exploration of 806 acres and 2.4 miles in Scotts Bay and the Houston Ship Channel respectively
2020-0128-38	Issue a pipeline license to Wink to Webster Pipeline LLC for a 36-inch crude oil pipeline under and across Goose Creek at two locations
2020-0128-39	Issue a pipeline license to Wink to Webster Pipeline LLC for a 36-inch crude oil pipeline under and across Cedar Bayou
2020-0128-40	Issue a distribution/transmission line license to Comcast of Houston LLC for one fiber optic line over and across the Southside Mainline Railroad right-of-way
2020-0128-41	Issue a marine construction permit to San Jacinto College to construct a bulkhead with docking capabilities on the Bayport Ship Channel
2020-0128-42	Amend an electrical transmission line license to CenterPoint Energy Houston Electric, LLC for a 100- foot extension of a 12-kV electrical transmission line over and across the Southside Mainline railroad right-of-way

J. Operations

2020-0128-43	Staff Report – agenda item – Jeff Davis, Chief Financial Officer
2020-0128-44	Approve staff's ranking of vendors and award a two-year contract for maintenance and repairs of elevators at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal to the top-ranked proposer: staff ranking – first, RICO Elevators, Inc.; second, Elevator Repair Service, Inc.; and third, EMR Elevator, Inc. Port Commission adopted the staff-recommended ranking and authorized award
2020-0128-45	Award an annual contract to Power Line Solutions, Inc. for the purchase of electrical repair services to high-mast poles at Bayport Container Terminal
2020-0128-46	Award a contract to Konecranes for purchase of Smart Port interface services
2020-0128-47	Issue a purchase order to Netsync Network Solutions, Inc. for purchase of fifty WIFI routers and antennae and ancillary equipment, using Texas Department of Information Resources cooperative purchase program

Minute No.

Event/Action

K. People

- 2020-0128-48 **Staff Report** – agenda items – Jessica Shaver, Chief People Officer
- 2020-0128-49 Award a two-year contract with LinkedIn Corporation, the sole source provider, for recruiting and trade marketing access and services
- 2020-0128-50 Adopt the Incentive Awards Program Policy

L. Port Security and Emergency Operation

- 2020-0128-51 **Staff Report** – Selected agenda items – Marcus Woodring, Chief Port Security and Emergency Operations Officer
- 2020-0128-52 Enter into a two-year interlocal agreement with San Jacinto College to provide fireboat simulation training for the Fire Department
- 2020-0128-53 Issue a purchase order to Motorola Solutions for the purchase of land mobile radio equipment including radios, batteries, chargers, related hardware, and accessories for the Port Operations and Port Security and Emergency Operations Divisions, using the Houston-Galveston Area Council's cooperative purchase program
- 2020-0128-54 Issue a purchase order to SAFEWARE Inc. for purchase of a stand-by generator for Fire Station 1 at Turning Basin Terminal, using the U.S. Communities cooperative purchase program

M. Technology

- 2020-0128-55 **Staff Report** – Selected agenda items – Charles Thompson, Chief Information Officer
- 2020-0128-56 Approve staff's ranking of vendors and award a contract for Cisco SmartNet maintenance (hardware, software, and subscriptions) to the top-ranked proposer: staff ranking - first, Red River Technologies; second, Netsync Network Solutions
- Port Commission adopted the staff-recommended ranking and authorized award
- 2020-0128-57 Issue a purchase order to CDW Government LLC for purchase of miscellaneous computer parts and accessories, using the National Intergovernmental Purchasing Alliance, a cooperative purchase program
- 2020-0128-58 Issue a purchase order to SHI Government Solutions, Inc. for purchase of VMware annual software licensing and software support to the Port

Minute No.

Event/Action

Authority's existing IT infrastructure, using Texas Department of Information Resources' cooperative purchase program

Recess Open Meeting and Convene Executive Session

Reconvene Open Meeting

2020-0128-59

Motion to authorize the Port Authority to enter into agreements for legal services with Baker Botts LLP and Littler Mendelson P.C. on the terms discussed in Executive Session, and authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing

2020-0128-60

Motion to authorize the Port Authority to amend the lease with Contanda Greens Bayou Terminal LLC on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing

Adjourn Meeting

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

**Houston, Texas
January 28, 2020**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on January 28, 2020 at 9:01 a.m., at the Port of Houston Authority Executive Office, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following commissioners, staff, and counsel were present:

Ric Campo, Chairman
Theldon R. Branch, III, Commissioner
Wendy Cloonan, Commissioner
Dean E. Corgey, Commissioner
Stephen H. DonCarlos, Commissioner
Clyde E. Fitzgerald, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

Chairman Campo convened the meeting by welcoming everyone to the twelfth decade of the Port Commission. He noted that the Strategic Plan was on the agenda for approval and highlighted its four strategic goals, placing an emphasis on the first goal: People. Chairman Campo recognized that staff makes the Port Authority what it is, added that one of the goals was to make the Port Authority one of the best places to work, and to continue to do that, a great culture needed to be cultivated, and pay and benefits must also be competitive.

Chairman Campo recognized Infrastructure as the next goal, noting that this goal was directly tied to deepening and widening the Houston Ship Channel and emphasizing that the project needed the Chief's Report and Water Resources Development Act (WRDA) approval in 2020. He added that financing must also get worked out to allow the project to be completed on a fast track.

Chairman Campo observed that the next strategic goal, Partnerships, was about creating more value for everyone around the channel, and not just for a small group. The Port Authority needed to create partnerships with all users of the channel.

Finally, Chairman Campo highlighted the fourth strategic goal: Stewardship. This goal was about taking care of the environment and surrounding communities and making sure that investments were made to improve the community and drive job growth.

Chairman Campo promised that when the Port Commission met next January it would be amazed at what had been accomplished in the previous year.

(2020-0128-01) Chairman Campo called for a motion to approve the minutes of the November 11, 2019 Budget Workshop and the December 11, 2019 Port Commission meeting. Commissioner Mease moved for approval, seconded by Commissioner Corgey. The minutes were approved as written.

(2020-0128-02) Appearances

(a) Chairman Campo introduced Jim Blackburn, Co-Director, Severe Storm Prediction, Education, and Evacuation from Disasters (SSPEED) Center at Rice University, who addressed the Port Commission.

Mr. Blackburn explained that his group had had two meetings with cities and jurisdictions around Galveston Bay since he last appeared before the Port Commission. He had been speaking about his project, the Galveston Bay Park Plan (GBPP), and these meetings had helped produce a frequently asked questions document.

Mr. Blackburn noted that the GBPP must be compatible with the coastal barrier and not interfere with the Port Authority's Project 11. The current GBPP would expand the channel from 700 feet to 900 feet and dredged material would be used to create a barrier. Federal funding for the project would not be pursued; rather financing would come from private entities, "resilience bonds," and other sources. The project would not cause any additional flooding, have minimal environmental impact, and be recreational and open to all. Mr. Blackburn believed it was possible to achieve all of these goals and looked forward to working on the project in the coming years.

Chairman Campo wanted clarification as to whether the widening of the channel from 700 feet to 900 feet would require federal money. Mr. Blackburn assured the chairman that no part of the GBPP, including the widening of the channel, would be carried out with federal money. Chairman Campo noted that that was new information to him. He had thought that the Port Authority, after completion of the current deepening and widening project, would immediately begin new efforts to widen the channel even further. Knowing that the GBPP would be in effect and attempting to finance such a further widening of the channel without federal funding would be a benefit.

Mr. Blackburn stated that forming a task force to look at the economic tools available would be greatly beneficial and could be accomplished as soon as a governmental body requested such assistance. There may be insurance "resilience bonds" available to fund the GBPP. FEMA may also be interested in partial funding because of flood insurance reductions. There were very innovative possibilities for funding that had never been explored before.

Commissioner Mease asked what the estimated cost of the GBPP plan was. Mr. Blackburn explained that current estimates were in the \$3 to \$5 billion range. If the GBPP

were to be built, then the U.S. Army Corps of Engineers (Corps) would save \$2 billion since it would not have to build the gates at Clear Lake and Dickinson Bayou.

Chairman Campo inquired as to the status of the technical analysis and design. Mr. Blackburn stated that SSPEED was currently waiting on funding. The next phase of work would consist of three pieces: the technical engineering work, the economic analysis, and the environmental analysis. Most of the work would be focused on engineering and economic impact, and he recognized that this work would cost \$1 million or more.

Commissioner Mease wanted clarification on the \$1 million figure and asked if Mr. Blackburn was representing that the project could be engineered for that amount. Mr. Blackburn clarified that for \$1 million he believed the project could be engineered to a point where a permit application could be submitted to the Corps. He noted that the design specifications for the GBPP needed to be at the same level as for the coastal spine.

In response to Commissioner Mease's inquiry, Mr. Blackburn noted that he had met with twelve representatives from the various cities at two separate meetings. The Port Authority sponsored a meeting and Commissioner Garcia sponsored another. Now that the holidays were over Mr. Blackburn would be meeting with more city representatives.

Commissioner Mease stressed that he would not support the GBPP, or any project that had the potential to interfere with the Port Authority's deepening and widening project. Mr. Blackburn remarked that he looked forward to trying to convince Commissioner Mease otherwise.

Commissioner DonCarlos wanted to know how the repayment of bond financing would work. Mr. Blackburn explained that the concept of social impact bonds calculated repayment based on benefit of the project. He stressed that the money was not a grant and there would be a sponsor, most likely Harris County.

Commissioner Corgey asked where the long-term funding to sustain the project would come from. Mr. Blackburn explained that the Port Authority would be the primary source as the work would be tied to the normal maintenance schedule for the ship channel. He noted he had not studied that aspect in detail but presumed the work would fall into the normal operations of the federal project.

Commissioner Corgey questioned if Harris, Chambers, and Galveston counties would participate. Mr. Blackburn noted that a sponsor would be needed, and it could even be Texas State Parks, since the recreational benefits from the project were unique and had not been seen before. While the three counties would be part of the project, it made the most sense to consider it a state park. The Corps has never had recreational activity associated with a dredge disposal site before.

(b) Chairman Campo asked if anyone else would like to address the Port Commission; there was no response.

(2020-0128-03) Mr. Guenther highlighted 2019 staff contributions and accomplishments as follows:

People

- Staff completed a comprehensive benefits evaluation which resulted in some enhancements to health and welfare benefits last fall (free short-term disability, 50% dental, and life insurance enhancements).
- The Port Authority adopted and rolled out a new incentive award program for 2020.
- Turnover rate of 6.1% in 2019 was the lowest since 2003 and the third lowest in 26 years. This occurred during an extremely competitive labor market where the unemployment rate was at a 50-year low.
- The Port Authority was testing new shifts for the Police and Fire departments that better fit and supported the work they did.
- Through dedicated effort, staff was able to deliver positive outcomes for other challenges and goals for the year.

Growth

- The fourth consecutive year of double-digit twenty-foot equivalent unit (TEU) growth (11% in 2019) and just shy of 3 million TEUs.
- Three new container services and two general cargo liner services.
- More than 4 million tons of steel, which was down a bit from 2018, but well above average and a solid year for the General Cargo facilities.
- Overall total record tonnage of 37.8 million tons through the public facilities, a 5% increase over 2018.
- Several lease agreements and extensions, including renewal with long-time tenant Volkswagen, securing long term business and job growth at the City Docks, with total lease revenues increasing by 6%.
- All of this growth in commerce across the public docks drove another record year in operating revenue for the Port Authority.

Infrastructure

- Number One priority in terms of infrastructure was the Houston Ship Channel (HSC) improvement project.
- The feasibility study of the HSC improvement project was successfully completed and forwarded to Corps headquarters for the Chief's Report.

- Advocacy for authorization of the project and inclusion in a WRDA 2020 bill had been carried out alongside industry partners. Advocacy included many trips to Washington D.C. and meetings with members of Congress, the White House, Corps leadership, and other leaders to maintain the visibility of the project.
- Staff continued to engage weekly with industry stakeholders to maintain a coordinated effort for approval, advocacy, and financing goals for the expedited construction of the deepening and widening.
- \$179 million in new investments to Port Authority facilities was awarded, to meet the demands of continued growth; investments included rebuilding wharves, fenders, access gates, replacement of pavement and rail, and improved drainage.
- Completed procurement of 17 rubber-tired gantry (RTG) cranes and three ship-to-shore (STS) cranes, and commissioned 3 STS cranes at the Bayport Container Terminal.
- Added 73 acres of container yard and initiated construction of a rail spur at Bayport.
- Broke ground on a new entry gate facility at Barbours Cut Terminal.
- Completed a major upgrade of the Navis terminal operating system.
- Staff had established a working group with the City of Houston, Harris County, and the Corps to manage sediment flowing into the channel from the flood mitigation network.

Stewardship (includes safety, security, environmental, and community relations)

- Regarding safety, the Port Authority's lost time frequency rate based on man hours was 0.51 (the industry average was at 3.8), which was the lowest it had ever been.
- The safe working environment continued as maintenance staff is delivering tremendous equipment reliability. Operations staff and ILA employees gave Port Authority shipping lines and truckers outstanding productivity and service.
- The Port Authority's Fire Department engaged in numerous incidents in support of channel industries to minimize the impacts and ensure the safety of those involved, including the ITC event and the collision/spill in the channel.
- The Port Commission approved a Cybersecurity Policy with standards and guidelines, and the Information Technology Department had rigorously implemented the tools to support this policy to minimize risks.
- The Port Authority was engaged in a disparity study that was on track and expected to conclude later this year. The small business team was well in front of providing the data needed for the success of this study.
- The Port Authority co-sponsored the Maritime and Logistics Youth Expo with Harris County Precinct 2 and the U.S. Coast Guard. More than 500 students and educators attended the event.

- Staff continued to implement the Environmental Leadership Strategy, which included electric vehicles, hybrid RTG cranes, and leadership through the Port Authority's recycling program.
- Port Authority staff volunteered more than 2,400 hours in the community.
- The Port Authority Police Department's Silver Santa drive contributed to the Jacinto City Health Care Center and the Mexican Heritage Center.
- Finally, a successful internship program resulted in a community project at Mission Milby that won the Mayor's Proud Partners award through Keep Houston Beautiful.

Mr. Guenther recognized and thanked Quintin Reynolds, a foreman for the STS cranes and an employee of the Port Authority celebrating 45 years of service.

Mr. Heidt recognized Curtis Duncan, Controller for the Port Authority, and the accounting team of Juan Rodriguez, Marilyn Bundage, Magda Salinas, Patricia Borjas, Yolanda "Nessie" Ramirez, and Larry Bischof for receiving the Government Finance Officers Association's Certificate of Achievement for Excellence for Financial Reporting for the 45th straight year. This was the highest award a government entity can receive for accounting and finance.

(2020-0128-04) Chairman Campo recognized Tom Heidt, Chief Operating Officer, to provide a report of selected agenda items.

Mr. Heidt explained that agenda Item F1 was to award a five-year contract for offsite business record storage. Record retention laws for government entities were very strict and records must be kept for a long time.

Chairman Campo remarked that retention laws should be updated to allow for, at the minimum, digitizing records instead of mandating paper records be retained. It cost a lot of money to store records.

(2020-0128-05) RCA F1 was presented, moved by Commissioner Mease, seconded by Commissioner Corgery. Chairman Campo, and Commissioners Branch, Cloonan, Corgery, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F1 PASSED.

(2020-0128-06) RCA F2 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, Corgery, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F2 PASSED.

(2020-0128-07) Chairman Campo recognized John Moseley, Chief Commercial Officer, to provide a report of selected agenda items.

Mr. Moseley stressed that the Commercial Division would be sharpening its focus in the new year, both in its business development strategy and strengthening of real estate assets, to continue the growth and diversity that it had been working to accomplish. He added that Costco Wholesale began shipping to the Port of Houston in the fourth quarter of 2019.

Mr. Moseley explained that agenda Item G2 was a request for ratification of a month-to-month lease with Enterprise Terminaling Services at the Port Authority's Beltway 8 property. He also asked that the Port Commission consider an amendment to Item G3 for a 1.62-acre lease with Cooper/Ports America with a rental abatement over 37 months of \$190,000 for tenant's improvement work at the site.

Commissioner Cloonan moved to amend Item G3 to approve a lease with Cooper/Ports America, LLC, as follows:

- The premises were located in Block 6A of Northside Turning Basin;
- The rent would increase 3% annually; and
- There would be a rent abatement over 37 months of \$190,390 (against the \$258,202 total), for tenant's improvement work;

seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. Item G3 AMENDED.

Mr. Moseley noted that agenda Items 1, 4, 5, and 6 were to approve term leases of one to five years with tenants who had previously been on month-to-month leases. Item 7 was for the approval of a subdivision re-plat.

Commissioner Mease asked if the term leases accounted for the 3% increase previously authorized by the Port Commission. Mr. Moseley answered in the affirmative.

(2020-0128-08) RCA G1 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2020-0128-09) RCA G2 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G2 PASSED.

(2020-0128-10) RCA G3 was presented as amended, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G3 PASSED.

(2020-0128-11) RCA G4 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G4 PASSED.

(2020-0128-12) RCA G5 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G5 PASSED.

(2020-0128-13) RCA G6 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G6 PASSED.

(2020-0128-14) RCA G7 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G7 PASSED.

Commissioner Fitzgerald observed that cruise ships at the Port of Galveston were pushing out auto and breakbulk ships, specifically a RoRo vessel. He asked if there was any idea where the vessels were relocating to.

Mr. Moseley noted that the auto industry in general was down. Signing the Volkswagen lease in the previous month was a step in the right direction and staff is working to find alternate sites; he also referenced the Auto Warehousing Company (AWC) lease at the Bayport Auto Terminal approved by the Port Commission. Mr. Moseley explained that there were challenges with bringing autos to the Turning Basin Terminal due to the 610 bridge.

Mr. Guenther commented that the rail spur project at Bayport was an added value meant to attract business to the auto terminal. Mr. Moseley explained that there have been conversations with AWC to get more autos destined for the Midwest.

(2020-0128-15) Chairman Campo recognized Tim Finley, Chief Financial Officer, to provide a report of selected agenda items.

Mr. Finley observed there were two agenda items related to risk management and two related to retirement matters. Item H1 was a request for purchasing the annual property and casualty policies for the fiscal period beginning March 1, 2020. Quotes were solicited from over 50 carriers for the various policies and 38 responses were received. He noted there had been a hardening in the marketplace in the coming year, and losses in the global underwriting community had affected the markets.

Mr. Finley noted that two categories influenced the prospective increase, one being property coverage, which showed a 10% increase over the previous year. Double digit increases as high as 15% in this category for the City of Houston, Harris County, and Jefferson County validated the 10% increase the Port Authority was facing. Chairman Campo emphasized that the 10% increase was actually a very good number considering property insurance values for his company went up 19% in Houston, Austin, and Dallas. Mr. Finley agreed and stressed that the cost for the past five years had been flat with a few decreases.

Commissioner Branch noted that the 10% increase was only for property. He wanted to know what the overall increase would be. Mr. Finley explained that the increase overall was 24%-25%, driven by the second category: equipment. Mr. Finley observed that equipment largely was comprised of the wharf cranes, valued at just under \$300 million. In the past the Port Authority had a single carrier holding all the risk, but changes in management had resulted in said carrier's willingness to only take 30% moving forward. This resulted in staff's solicitation of proposals for a layered or syndicated approach to cover the rest of the value, which accounted for a 74% increase in equipment.

Mr. Finley stressed that the relationships built with the underwriting community for property resulted in those same carriers willingness to pick up syndicated or layered coverage on the equipment side as well. Mr. Heidt noted that historically staff had not spent a lot of time on the equipment side of risk as there had always been a carrier that was willing to give a great deal, and this year staff would spend more time reviewing the market.

Commissioner Branch asked if any thought had been given to taking on the risk and self-insurance portions of the policy. Mr. Finley explained that the proposed item includes taking the self-insured component of workers' compensation coverage up to \$1 million.

Mr. Finley reported that Item H2 was for the claim year beginning March 2020 and is associated with workers' compensation and general liability. The actuary called for \$2.4 million, but staff was asking for \$2 million as the Port Authority had historically come in below estimates, due largely to the work of staff on managing claims.

He added that there had been a good discussion the previous day at the Pension and Benefits Committee meeting related to Item H3. The external auditors gave a presentation regarding the defined benefit plan financial statements, reported no findings and issued an unmodified, or “clean,” opinion. Furthermore, on a pro-forma basis, the plan was 100% funded.

Mr. Finley explained that Item H4 sought approval of new investment managers for the retirement plan assets. Staff hosted investment advisors from AndCo Consulting to provide a recommendation on new investment managers for several of the new asset categories, and Mr. Finley confirmed that the managers were those that the Pension and Benefits Committee selected. For Real Estate, the committee recommended splitting the allocation fifty-fifty between American Realty Advisors and Stockbridge; for Infrastructure, the committee recommended IFM Investors; and for Global Tactical Asset Allocation, which is a catchall of equities, bonds, and currencies, the committee recommended BlackRock Advisors. The money represented in these funds was about \$40 million out of the \$280 million between the defined benefit plan and the Other Post-Employment Benefits (OPEB) plan.

(2020-0128-16) RCA H1 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. RCA H1 PASSED.

(2020-0128-17) RCA H2 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. RCA H2 PASSED.

(2020-0128-18) RCA H3 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. RCA H3 PASSED.

(2020-0128-19) RCA H4 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. RCA H4 PASSED.

(2020-0128-20) Chairman Campo recognized Rich Byrnes, Chief Infrastructure Officer, to provide a report of selected agenda items.

Mr. Byrnes highlighted all departments that helped contribute to the \$179 million in infrastructure spending in 2019. In addition, last year the Port Authority approved 157 pipeline renewals and marine construction permits, which supported the broader port in promoting commerce and advancing the Stewardship goal.

Mr. Byrnes noted that the 22 items on the agenda totaled approximately \$5.9 million in funds and would generate approximately \$600,000 in revenues from pipeline licenses. Seven items related to professional services or interlocal agreements. Agenda Item I4 involved a sediment control and capture working group that was formed in the previous year. Staff was now requesting a Corps study to identify the sources of sediment and then identify the technology to control it; an interlocal agreement among the Corps, the City of Houston's Resiliency Office, Harris County Flood Control, and the Port Authority was needed for this project. Item I15 was a request for a letter of support for the Galveston Bay Estuary Program draft plan. The plan was a TCEQ program focused on promoting water quality, habitat restoration, and community engagement.

Mr. Byrnes observed that three items were routine construction contracts for pavement replacement and driveway improvements at the Bayport Container Terminal. All three contracts were with local small businesses and totaled approximately \$2.5 million. Seven items concerned pipeline and construction permits, including a marine construction permit for San Jacinto Community College and a permit for seismic exploration in Scott Bay.

Mr. Byrnes commented that five items were requests for change orders. Item I9 is a change order for the Bayport rail spur in the amount of \$667,000 comprised of four components: replacing an 8-inch water line at Poly One, replacing a 24-inch pipe with two 18-inch pipes, modifying a rail switch temporary pad, and adding cross-over track.

Items I10 and I11 were change orders for two McCarthy projects at the Barbour's Cut Terminal. One was to install a temporary pump to maintain fire suppression while the current system was updated. The pump would be added to the final system upon completion. The other was for the removal and replacement of an 8-inch pipe with a 12-inch one. Item I12 is a payment to Archer Western Construction for covering the Port Authority obligation for a construction permit with the City of La Porte.

Commissioner DonCarlos wanted to know why staff did not know a building permit would be required for the work being done. Mr. Byrnes explained that when the notice to proceed was given, the amount for the permit was unknown. Mr. Eriksson added that there had been negotiation at the time to attempt to exempt the Port Authority from the fee.

Commissioner Mease inquired if the \$130,000 figure for the permit was correct. Mr. Byrnes clarified that it was and noted that the prior permit was for an even larger amount. Mr. Heidt reiterated that when the gate was last done in 2006 the cost of the permit was \$180,000.

Mr. Byrnes remarked that the last change order on the agenda was for dredging at Jacintoport and CARE Terminals because the volume of sedimentation and shoaling had increased almost twenty-fold.

Chairman Campo wanted confirmation that the pipeline license fees had been re-evaluated and were competitive with other ports, and Mr. Byrnes confirmed that was correct: the fees were now approximately three times higher. Mr. Heidt commented that the fees would be re-evaluated in a year and noted that the new fee structure had resulted in additional income of \$322,000 for a ten-year license.

Commissioner DonCarlos wanted clarification regarding seismic testing, asking if it was for petroleum. Mr. Byrnes explained it was for traditional oil and gas work. Commissioner DonCarlos noted that a similar proposal had been attempted about 15 years previously to drill in Scott Bay and there was pushback from the public. He wanted to know if the intent was to put production platforms in the water. Mr. Byrnes stated the first step was exploration. The Port Authority would be the last entity to sign off on the permit application.

Commissioner DonCarlos asked if a construction permit would have to be granted by the Port Authority to an entity that wanted to put an oil platform in the water. Mr. Eriksson clarified that if the Port Authority were issuing a seismic permit then it would likely also have to issue a construction permit.

(2020-0128-21) RCA I1 was presented. Commissioner Corgey moved for staff ranking – first, Raba Kistner; second, Professional Services, Inc.; and third, Aviles Engineering Corporation, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I1 PASSED.

(2020-0128-22) RCA I2 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2020-0128-23) RCA I3 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2020-0128-24) RCA I4 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2020-0128-25) RCA I5 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch,

Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I5 PASSED.

(2020-0128-26) RCA I6 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I6 PASSED.

(2020-0128-27) RCA I7 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I7 PASSED.

(2020-0128-28) RCA I8 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I8 PASSED.

(2020-0128-29) RCA I9 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I9 PASSED.

(2020-0128-30) RCA I10 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I10 PASSED.

(2020-0128-31) RCA I11 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I11 PASSED.

(2020-0128-32) RCA I12 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I12 PASSED.

(2020-0128-33) RCA I13 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I13 PASSED.

(2020-0128-34) RCA I14 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I14 PASSED.

(2020-0128-35) RCA I15 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I15 PASSED.

(2020-0128-36) RCA I16 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I16 PASSED.

(2020-0128-37) RCA I17 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I17 PASSED.

(2020-0128-38) RCA I18 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I18 PASSED.

(2020-0128-39) RCA I19 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I19 PASSED.

(2020-0128-40) RCA I20 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I20 PASSED.

(2020-0128-41) RCA I21 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I21 PASSED.

(2020-0128-42) RCA I22 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Branch,

Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I22 PASSED.

(2020-0128-43) Chairman Campo recognized Jeff Davis, Chief Port Operations Officer, to provide a report of selected agenda items.

Mr. Davis noted there were four items on the agenda for the Operations Division. The first related to maintenance, repair, and safety inspections for 35 elevators. The elevators were located in buildings and in wharf cranes at the container terminals. The second item pertained to an annual contract for purchase of electrical repair services, as there had been issues with the high-mast lighting at the Bayport Container Terminal and staff was not suited to perform the work.

Mr. Davis explained that the final two items were related to the position detection project. The project system provides automatic updates for container locations as containers were handled by the RTGs in the container yard. The automatic process would replace the current process in which the crane operator would manually input container locations.

(2020-0128-44) RCA J1 was presented. Commissioner Mease moved for staff ranking – first, RICO Elevators, Inc.; second, Elevator Repair Service, Inc., and third, EMR Elevator, Inc., seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2020-0128-45) RCA J2 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2020-0128-46) RCA J3 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J3 PASSED.

(2020-0128-47) RCA J4 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J4 PASSED.

(2020-0128-48) Chairman Campo recognized Jessica Shaver, Chief People Officer, to provide a report of selected agenda items.

Ms. Shaver explained that the first item was for renewal of a two-year contract with LinkedIn. The Port Authority uses LinkedIn for recruiting and employee marketing services. Over 40% of Port Authority professional hires were a result of this contract.

Ms. Shaver noted the second item was for the adoption of an incentive rewards program policy. The incentive program was intended to assist with retaining and attracting the best talent possible to work at the Port Authority and to motivate current employees to achieve common goals and results for the organization. The policy outlines the rules and responsibilities for the administration and funding of the program. The 2020 incentive program was included in the 2020 budget approved by the Port Commission and the incentive plan document was approved by the Compensation Committee in December of 2019.

Ms. Shaver explained that potential payouts of the incentive plan depend on how the Port Authority performed relative to its 2020 net operating cash flow of \$185 million, along with the completion of key strategic goals, including the completion of the 2020 Houston Ship Channel expansion milestones and the Corps renewal of the Bayport permit. Other goals included keeping a lost time incident rate of under 0.95, participation in employee engagement surveys, a 5% increase in employee recognition nominations, and an increase in participation at employee engagement events. In order to be eligible for the performance bonus, employees must complete all mandatory training on time.

Chairman Campo remarked that the 40% of hires coming from LinkedIn shows that social media is a dominant force.

(2020-0128-49) RCA K1 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2020-0128-50) RCA K2 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2020-0128-51) Chairman Campo recognized Marcus Woodring, Chief Port Security and Emergency Operations Officer, to provide a report of selected agenda items.

Mr. Woodring explained that the Port and Waterways Safety Assessment, conducted every year by the Coast Guard, was recently completed. The top three categories discussed were economics, dimensions, and congestion. Comments were taken from the 30 industry experts regarding these categories and the report would be released in two to three months.

Mr. Woodring highlighted that his division had been working with the Transportation Security Administration for the past six months on the Security Enhancement Through Assessment program. Phase 1 of this program included an attempt to breach security and Phase 2 was an analysis of the results. The process was then repeated several times, each with unique mitigating factors. He noted that the Port Authority's improvement over the course of the six-month program was the highest the TSA had ever seen, and that the Port Authority was the first port to ever go through this program as it was mostly used at schools and trucking companies.

Mr. Woodring provided an update regarding the Coronavirus as a potential impact to shipping around the world. The Coast Guard accepts 96-hour advance notice of arrival: ships coming into port must provide information for the Coast Guard to screen for both security and safety. Coast Guard Headquarters put out a notice recently reminding ships of the requirement to report a sick or deceased crew member to the Center for Disease Control upon arrival in the United States.

Mr. Woodring observed that the local Coast Guard office had since put out a notice to shipping stating that if any of the last five ports of call had been in China, or if any crew member had been in China in the last 30 days, then the ship must immediately notify the local Coast Guard prior to entering port, and these caveats had been added to the normal Coast Guard screening process. Some ports in southeast Asia which were closer to the epicenter of the outbreak have put in place more robust screening processes.

Chairman Campo emphasized conversations he had with both the county and city discussing the regional response to the virus: local public officials are working hard on the situation, and everyone was on high alert status.

Commissioner Corgey asked if Mr. Woodring had heard about the possibility of crew coming from China being quarantined, explaining that some ship owners were concerned. Mr. Woodring replied that he had not heard anything about quarantines in the United States. He also noted that this situation had happened in the past, with the SARS and Ebola outbreaks, and although concerning, this was not new to the shipping industry.

Mr. Woodring described the three items on the agenda for his division. The first was a contract with San Jacinto College for the use of a fireboat simulator; as San Jacinto College is a governmental entity, Port Commission approval is required. The second was for an open purchase order for radio parts such as antennas, microphones, and the occasional broken radio; the purchase order was not intended for the purchase of mass quantities of radios. The last item was a request for a generator for the Fire Department which was previously approved by the Port Commission but rescinded when the Port Authority was unable to come to terms with the winning bidder last fall.

(2020-0128-52) RCA L1 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2020-0128-53) RCA L2 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L2 PASSED.

(2020-0128-54) RCA L3 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L3 PASSED.

(2020-0128-55) Chairman Campo recognized Charles Thompson, Chief Information Officer, to provide a report of selected agenda items.

Mr. Thompson reported that Items M2 and M3 on the agenda for the Technology Department were annual renewals for maintenance and support. Item M1 related to maintenance of the Cisco SmartNet purchased three years ago. Staff recently submitted an RFP that asked for annualized payments, the highest level of Cisco certification, and unlimited patching of devices for security services, and the top-ranked proposer included everything that was asked for.

(2020-0128-56) RCA M1 was presented. Commissioner DonCarlos moved for staff ranking – first, Red River Technologies; and second, Netsync Network Solutions, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2020-0128-57) RCA M2 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M2 PASSED.

(2020-0128-58) RCA M3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M3 PASSED.

Chairman Campo recognized and welcomed Captain Robert Thompson, the new Presiding Officer of the Houston Pilots.

At 10:16 a.m., Chairman Campo called for a brief recess and advised that the Executive Session would follow. At 10:30 a.m., Chairman Campo instructed Mr. Eriksson to make the following announcement:

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) 33 U.S.C.A. §§5(b) and 2236, and (b) proposed agreements for legal services with Baker Botts L.L.P. and Littler Mendelson P.C.; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including disposition of Banana Bend, Pelican Island, and Beltway 8 and Barbour's Cut Terminal vicinity properties; (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*); and (5) Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*).

Immediately thereafter the Port Commission retired into closed session.

At 11:42 a.m., Chairman Campo reconvened the open meeting at the Port of Houston Authority Executive Office Boardroom, at 111 East Loop North, Houston, Texas 77029, with the following Commissioners, staff and counsel in attendance:

Ric Campo, Chairman
Theldon R. Branch, III, Commissioner
Wendy Cloonan, Commissioner
Dean E. Corgey, Commissioner
Stephen H. DonCarlos, Commissioner
Clyde E. Fitzgerald, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

(2020-0128-59) Commissioner Cloonan moved to authorize the Port Authority to enter into agreements for legal services with Baker Botts LLP and Littler Mendelson P.C. on the terms discussed in Executive Session and authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing, seconded by

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

(2020-0128-60) Commissioner Branch moved to authorize the Port Authority to amend the lease with Contanda Greens Bayou Terminal LLC on the terms discussed in Executive Session and authorize the Executive Director to do all things necessary to give effect to the foregoing, seconded by Commissioner Mease. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

Chairman Campo clarified to everyone that there would be a Port Commission meeting in February, closer to the beginning of the month.

At 11:43 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the January 28, 2020 meeting of the Port Commission of the Port of Houston Authority.



Ric Campo, Chairman



Erik A. Eriksson, Secretary

F. EXECUTIVE

Subject	1. Award a five-year contract, with an option to renew for an additional five years, for offsite storage of the Port Authority's business records to VeriTrust Corporation, in an amount not to exceed \$300,000.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, award a five-year contract, with an option to renew for an additional five years at a 4% increase, for offsite storage of the Port Authority's business records to VeriTrust Corporation, in an amount not to exceed \$300,000 for the five-year period, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Records & Information Management

Staff Contact:

Margot Campbell

Background:

The Port Authority maintains its legacy business records for statutorily-mandated retention periods. To make the best use of its onsite office facilities and to provide protection for its records, the Port Authority contracts for secure, controlled offsite storage services for its hardcopy records and for its backup tape media; such services include delivery, pickup, and related records management. Proper offsite storage enables the Port Authority to continue to comply with the Texas Local Government Records Act, which requires it to provide convenient access, maintenance, and preservation of its records.

The contract with the current offsite storage company, Rita's Tape Media LLC dba CompuPro Global (CompuPro), will expire February 28, 2020.

Pursuant to the Procurement Policy, staff issued a request for proposals (RFP) No. 1339 for the procurement of offsite storage of the Port Authority business records.

A total of eighty-seven vendors were notified through the Port Authority's BuySpeed e-procurement system (BuySpeed), and the RFP was advertised in a local newspaper. Five vendors downloaded the RFP materials from BuySpeed. The Port Authority received one proposal by the published deadline of November 13, 2019.

Staff Evaluation/Justification:

The proposal response was reviewed and evaluated by staff in accordance with the selection criteria published in the RFP.

Staff has determined that VeriTrust Corporation (VeriTrust) is a responsible offerer whose proposal provides a lowest and best evaluated offer resulting from negotiations giving consideration to evaluation factors set forth in the RFP. Staff has prepared a matrix based on the evaluation factors and recommends that the Port Commission award this contract as described herein.

VeriTrust, in partnership with CompuPro, is the incumbent provider, therefore the physical records will remain in their current location and the high-quality service is expected to continue.

VeriTrust provides or has recently provided records storage and management services to multiple local governmental entities including the Harris County District Clerk, Harris County Sheriff, Port of Galveston, and City of Bellaire. Additionally, VeriTrust has been designated by the City of Houston as a Hire Houston First City/Local Business.

F. EXECUTIVE

Subject	2. Approve and adopt the proposed 2020 Strategic Plan.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, approve and adopt the proposed 2020 Strategic Plan, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:
General

Department:
Executive

Staff Contact:
Roger Guenther

Background:
Section 5007.221 of the Texas Special District Local Laws Code requires that:

- (a) Appropriate staff shall develop a long-range plan containing:
 - (1) a mission and values statement;
 - (2) an assessment of the authority's state as of the date of the plan;
 - (3) an assessment of the projected operating environment over the course of the long-range plan;
 - (4) a discussion of high-level goals, strategies, and priorities;
 - (5) a scheme for ongoing evaluation of progress toward stated goals, including performance measures; and
 - (6) other strategic planning elements, as considered appropriate by the staff or port commission.
- (b) The Port Commission shall establish a planning horizon of at least 10 years for the long-range plan;
- (c) the staff shall identify and collaborate with stakeholders to obtain input on the long-range plan; and
- (d) the Port Commission may amend and shall adopt the plan and any updates to the plan in an open meeting.

By Minute No. 2015-0428-05, the Port Commission approved and adopted the 2015 Strategic Plan - Mission, Vision, Strategic Goals, and Objectives.

The Port Authority is also required, by Section 5007.221(f) of the Code, to re-evaluate its long-range and strategic plans every five years.

Since the 2015 plan's adoption, the Port Authority continues to execute its mission "To Move the World and Drive Regional Prosperity" and has made enormous progress towards its vision to become "America's Distribution Hub for the Next Generation." Several of the plan's goals and objectives have been completed and processes have been developed to support their long-term relevance for the Port Authority. At the same time, new challenges and opportunities have emerged which warrant recognition and inclusion in planning the Port Authority's future. In order to maintain a competitive advantage, the Port Authority must also address evolving market changes.

By Minute No. 2019-0226-35, the Port Commission approved a professional services contract with ICF SH&E to update the Port Authority Strategic Plan and provide strategic planning services for the Port Authority. The development of the proposed Strategic Plan was led by a "Design Team" of 15 staff members from across the entire organization, assisted by ICF SH&E.

Staff Evaluation/Justification:

The Port Commission was briefed and provided input on preliminary and final drafts of the 2020 Strategic Plan at a Special Port Commission Meeting on September 24, 2019, and at the Port Commission meeting on December 11, 2019, respectively. ICF SH&E and staff also held focus groups for employees and external industry and community stakeholders to solicit input regarding the priorities identified in the plan. Feedback has been thoroughly evaluated and incorporated into this final draft of the Strategic Plan.

Staff recommends to the Port Commission that the proposed 2020 Strategic Plan - Mission, Vision, Core Values, Strategic Goals, and Objectives be approved and adopted.

G. COMMERCIAL

Subject **1. Authorize a second amendment to the lease agreement with Alltrans Port Services, LLC of approximately 4.23 acres out of Block 23C in Industrial Park East for an additional five years commencing no earlier than February 1, 2020 for the annual base rent of \$161,163 subject to an annual 3% increase.**

Meeting Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 28, 2020 meeting, authorize a second amendment to the lease agreement with Alltrans Port Services, LLC of approximately 4.23 acres out of Block 23C in Industrial Park East for an additional five years commencing no earlier than February 1, 2020 for the annual base rent of \$161,163 subject to an annual 3% increase, 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 - GROWTH (Grow and diversify the business base)

Category

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

By Minute No. 2014-1028-48, the Port Commission authorized the Port Authority to lease to Alltrans Port Services, LLC (Alltrans) approximately 3.79 acres out of Block 23C in Industrial Park East for a term commencing on November 1, 2014 and terminating on October 31, 2019.

By Minute No. 2015-0127-34, the Port Commission authorized the Port Authority to amend the lease agreement to increase the acreage from 3.79 acre to approximately 4.23 acres for a term commencing on February 1, 2015, with the same expiration date as described above.

Alltrans has now requested an extension of the lease term until January 31, 2025. Pending approval of its request, Alltrans has remained in possession of the leased premises, and has continued to pay rent at the prior lease rate.

Staff Evaluation/Justification:

Staff reviewed the request from Alltrans and recommends the Port Commission approve the second amendment to the lease agreement.

G. COMMERCIAL

Subject	2. Authorize the extended term of a month-to-month lease with Enterprise Terminaling Services, L.P. for approximately 30 acres out of Block 2 of the Beltway 8 Tract, commencing March 1, 2020.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, authorize the extended term of a month-to-month lease with Enterprise Terminaling Services, L.P. for approximately 30 acres out of Block 2 of the Beltway 8 Tract, commencing March 1, 2020, 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 - GROWTH (Grow and diversify the business base)

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

The Port Authority currently has a month-to-month lease with Enterprise Terminaling Services, L.P. (Enterprise) that will have been in effect for more than a year after February 29, 2020. Enterprise's current monthly rental is \$76,512 monthly/\$918,145 annually, which is based on the Port Authority's new rate for month-to-month leases.

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

Staff Evaluation/Justification:

Staff recommends the extended term of this month-to-month lease with Enterprise.

G. COMMERCIAL

Subject **3. Approve a lease agreement with Cooper/Ports America LLC, for approximately 1.62 acres out of Northside Turning Basin for a four-year term commencing January 1, 2020 at an annual rental of \$65,163.**

Meeting Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its December 11, 2019 meeting, approve a lease agreement with Cooper Ports America LLC, for approximately 1.62 acres out of Northside Turning Basin for a four-year term commencing January 1, 2020 at an annual rental of \$65,163, and further authorize the Executive Director to do all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

Cooper/Ports America LLC (C/PA) is currently leasing the approximately 1.62 acres on a month-to-month lease temporarily until a term lease is approved by the Port Commission. The property is being used as a truck office to alleviate much of the traffic from the Port Authority Executive Building.

The current rate proposed is a negotiated abated rate due to all the work C/PA has done to the property and will be doing to the property such as demolition, stabilization, asphaltting, and building improvements.

Staff Evaluation/Justification:

Staff reviewed the request and recommends the Port Commission approve the lease agreement with C/PA.

G. COMMERCIAL

Subject	4. Approve a lease agreement for a one-year term with Empire Stevedoring (Houston), Inc., for approximately 0.74 acres out of Block 1 in the Southside Wharves effective no earlier than February 1, 2020, at an annual rent of \$31,326.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, approve a lease agreement for a one-year term with Empire Stevedoring (Houston), Inc., for approximately 0.74 acres out of Block 1 in the Southside Wharves effective no earlier than February 1, 2020, at an annual rent of \$31,326, 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 - GROWTH (Grow and diversify the business base)

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

Empire Stevedoring (Houston), Inc. (Empire) has requested that the Port Authority lease it approximately 0.74 acres in the Southside Wharves for a one-year term, in lieu of continuing on a month-to-month basis.

Empire has leased the property since 2006 for steel storage and handling.

Staff Evaluation/Justification:

Staff recommends approval of a one-year lease with Empire on the terms described above.

G. COMMERCIAL

Subject **5. Approve a lease agreement for a one-year term with Empire Stevedoring (Houston), Inc., for approximately 2.75 acres out of Block 11 in the Turning Basin Area (West) effective no earlier than February 1, 2020, at an annual rent of \$59,940.**

Meeting Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 28, 2020 meeting, approve a lease agreement for a one-year term with Empire Stevedoring (Houston), Inc., for approximately 2.75 acres out of Block 11 in the Turning Basin Area (West) effective no earlier than February 1, 2020, at an annual rent of \$59,940, 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 - GROWTH (Grow and diversify the business base)

Category:
Leases

Department:
Real Estate

Staff Contact:
R. D. Tanner

Background:
Empire Stevedoring (Houston), Inc. (Empire) has requested that the Port Authority lease it approximately 2.75 acres in the Turning Basin Terminal Area (West) for a one-year term in lieu of continuing a month-to-month basis.

Empire has leased the property since 2011 for steel storage and handling.

Staff Evaluation/Justification:
Staff recommends approval of a one-year lease with Empire on the terms described above.

G. COMMERCIAL

Subject	6. Approve a five-year lease agreement with Port Terminal Railroad Association for approximately 0.46 acres at Clinton Drive and Dorsett Street, Houston, Texas effective no earlier than February 1, 2020 at an annual base rent of \$10,018, subject to an annual 3% increase.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, approve a five-year lease agreement with Port Terminal Railroad Association for approximately 0.46 acres at Clinton Drive and Dorsett Street, Houston, Texas effective no earlier than February 1, 2020, at an annual base rent of \$10,018, subject to an annual 3% increase, 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 - GROWTH (Grow and diversify the business base)

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

Since 1999, the Port Terminal Railroad Association (PTRA) has leased the referenced 0.46-acre property for the storage of rail cars. On April 1, 2009, the subject lease was converted to a month-to-month basis. PTRA has now proposed to lease the property for a five-year term.

Staff Evaluation/Justification:

Staff recommends approval of a five-year lease term with PTRA on the terms described above.

G. COMMERCIAL

Subject	7. Approve a subdivision re-plat issued by the City of Houston of an approximate 10.40-acre tract of land located at 9100 Mississippi St. for development of warehousing facilities by the Port Authority's tenant, Dixie Cullen Interests, Inc.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, approve a subdivision re-plat issued by the City of Houston of an approximate 10.40-acre tract of land located at 9100 Mississippi St. for development of warehousing facilities by the Port Authority's tenant, Dixie Cullen Interests, 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.

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

Dixie Cullen Interests, Inc. has completed the renovation of the existing 30,500 sq. ft. warehouse at 9100 Mississippi St. and plans to construct up to approximately 110,000 sq. ft. of heavy lift crane-served warehousing space on the remainder of the approximately 10.40 acre leased premises.

The subdivision plat of record, Volume 230, Page 11, in the Harris County Map Records, shows the approximate 10.40 acres, as Mississippi Park, Milo L. Strickland and Janyth E. Strickland (Tract 1) and Unrestrictive Reserve "A", Block 1, Turning Basin Industrial District, Section Six (Tract 2). The re-plat would redefine the boundary line of Port Authority-owned property and resolve a number of legacy encumbrances and development obstacles.

Staff Evaluation/Justification:

Staff reviewed the request by Dixie Cullen Interests, Inc. and recommends the Port Commission approve the subdivision re-plat covering the Port Authority's 10.40 acre tract located at 9100 Mississippi St. within the City of Houston.

H. FINANCE

Subject	1. Approve the purchase of insurance from various carriers effective March 1, 2020, for the Port Authority's primary and excess property and casualty insurance coverage needs, in a total amount not to exceed \$3,900,000.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	<p>The Port Commission, at its January 28, 2020 meeting, (i) approve the purchase of insurance from various carriers effective March 1, 2020, 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 \$3,900,000, (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 reasonable or necessary to give effect to the foregoing.</p> <p>Type of Coverage; Premium; Carrier(s)</p> <p>(1) Property (buildings, contents, electronic data processing equipment); \$1,428,264 with Various Carriers in a Layered Program, as depicted on participation graph</p> <p>(2) Contractors Equipment - \$1,668,830; Various Carriers – Layered Program</p> <p>(3) Excess Workers' Compensation - \$212,795 with carrier, Midwest Employers</p> <p>(4) Excess Umbrella (2nd year) - \$678,553 with carrier, Lloyd's</p> <p>(5) Hull/Protection & Indemnity (Marine) - \$113,355 with carriers: Berkley and Star Net</p> <p>(6) Public Officials - \$126,669 with carrier, AIG</p> <p>(7) Terrorism - \$69,825 with Lloyd' Syndicate carrier</p> <p>(8) Boiler & Machinery/Equipment Breakdown - \$82,576 with carrier, Travelers</p> <p>(9) Broad Form Pollution - \$10,077 with carriers: Starr, State National, Ascot, and Berkshire Specialty</p> <p>(10) Crime - \$7,999 with carrier, Travelers</p> <p>(11) Fiduciary and Excess Fiduciary - \$38,600 with carrier, Great American</p> <p>(12) Cyber - \$27,425 with carrier, Hudson</p>

Category:

Awards, Amendments & Change Orders

Department:

Risk Management

Staff Contact:

Norma Essary

Background

By Minute No. 2019-0226-14, the Port Commission awarded a one-year contract extension to McGriff, Seibels & Williams of Texas, Inc. (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:

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.

The total amount requested by staff of \$3,900,000 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.

H. FINANCE

Subject **2. Authorize \$2,000,000 to fund the Port Authority's self-insurance loss fund account for workers' compensation and liability claims for insurance year 2020-2021 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 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 28, 2020 meeting, authorize \$2,000,000 to fund the Port Authority's self-insurance loss fund account for workers' compensation and liability claims for the insurance year 2020-2021 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 reasonably necessary to give effect to the foregoing.

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, 2020 to February 28, 2021.

Staff Evaluation/Justification:

Based upon actuarial projections as of June 30, 2019, staff recommends the Port Commission authorize \$2,000,000 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 2019-2020 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.

H. FINANCE

Subject	3. Approve the audited financial statements for the Port Authority Restated Retirement Plan for the fiscal year ended July 31, 2019.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, approve the audited financial statements for the Port Authority Restated Retirement Plan for the fiscal year ended July 31, 2019 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 (Sustain the business for the long-term)

Category:

General

Department:

Accounting / Treasury

Staff Contact:

Curtis Duncan / Ray Yi / 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 Grant Thornton 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, 2019 in accordance with statutory requirements.

The audited financial statements for the Pension Plan for the fiscal year ended July 31, 2019 included a statement of opinion by Grant Thornton 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, 2019 and 2018, and changes therein for the years then ended in conformity with accounting principles generally accepted in the United States of America."

Staff Evaluation/Justification:

Therefore, staff recommends that the Port Commission approve the audited financial statements for the Pension Plan for the fiscal year ended July 31, 2019, whereupon the Port Authority will file such financial statements with the Texas Pension Review Board.

H. FINANCE

Subject	4. Approve new investment managers for the Port Authority Restated Retirement Plan (Pension Plan) and the Port Authority OPEB Plan.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, approve new investment managers for the Port Authority Restated Retirement Plan (Pension Plan) and the Port Authority OPEB Plan, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:
General

Department:
Treasury

Staff Contact:
Ray Yi / Roland Gonzalez

Background:
By Minute No. 2019-1211-32, the Port Commission last adopted an amended investment policy for the Pension Plan.

By Minute No. 2019-1211-33, the Port Commission last adopted an amended investment policy for the OPEB Plan, an irrevocable trust established for other post-employment benefits.

By Minute No. 2019-0729-18, the Port Commission approved an extension of the contract with AndCo Consulting, LLC for investment advisory services related to the Pension Plan, the OPEB Plan, the 401(a) Defined Contribution Plan, and the 457(b) Deferred Compensation Plan.

Staff Evaluation/Justification:
As part of the ongoing review of Pension Plan and OPEB Plan investments, staff and AndCo Consulting recently recommended to the Pension and Benefits Committee a number of changes related to asset allocation and investment managers. The goals of such changes include further diversifying investments, reducing risk and volatility of the portfolios, and enhancing returns above the corresponding benchmarks. Such proposed changes are in full compliance with the investment policies for the Pension Plan and OPEB Plan.

The investment policies were amended in December 2019, to include new asset categories and modify the benchmarks and asset allocation parameters. The following possible investment managers/funds were presented for Committee review and evaluation:

1. Real Estate

- American Realty Advisors American Core Realty Fund
- Clarion Partners Clarion Lion Properties Fund
- Stockbridge Core & Value Advisors Stockbridge Smart Markets Fund
- Brookfield Asset Management Brookfield Premier Real Estate Partners
- PGIM Real EstatePRISA II

2. Real Assets (Infrastructure/MLP)

- IFM Investors IFM Global Infrastructure Fund
- Brookfield Asset Management Brookfield Super-Core Infrastructure Partners
- J.P. Morgan Asset Management Infrastructure Investments Fund

3. Global Tactical Asset Allocation (GTAA)

- BlackRock Advisors BlackRock Multi-Asset Income K (BKMIX)
- J.P. Morgan Asset Management JPMorgan Income Builder R6 (JNBZX)
- Pacific Investment Management PIMCO All Asset Institutional (PAAIX)

Staff recommends that the Port Commission approve and ratify new investment managers/funds for the Pension Plan and OPEB Plan, as selected and recommended for approval by the Pension and Benefits Committee from the above lists of managers.

Staff and AndCo Consulting will then reallocate assets to the new investment managers/funds, in accordance with the asset allocation and other parameters specified in the investment policies.

I. INFRASTRUCTURE

Subject	1. Approve staff's ranking of vendors and award a professional services contract in the amount not to exceed \$130,000 to perform construction material testing services in 2020 for small projects at all Port Authority facilities and locations to the top-ranked proposer: staff ranking – first, Raba Kistner; second, Professional Services, Inc.; and third, Aviles Engineering Corporation.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Raba Kistner; second, Professional Services, Inc.; and third, Aviles Engineering Corporation; (b) award a professional services contract to Raba Kistner to perform construction material testing services for all Port Authority facilities and locations in an amount not to exceed \$130,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This procurement includes construction material testing services in 2020 for small projects at all Port Authority facilities and locations. Per Section 60.463(c) of the Texas Water Code, in certain circumstances the Port Authority is required to hire a third-party inspection firm to independently test the acceptability of construction material installed by the contractor. This procurement would provide such third-party inspection services.

The Port Authority notified vendors regarding its request for qualifications (RFQ) for a professional services contract using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Thirty-six vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On November 13, 2019, 13 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 services:

- Raba Kistner
- Professional Services Industries, Inc.
- Aviles Engineering Corporation

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Raba Kistner and act as otherwise described above.

I. INFRASTRUCTURE

Subject	2. Award a construction contract to Resicom, Inc. for annual concrete replacement in 2020 at Turning Basin Terminal in an amount not to exceed \$800,000.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, award a construction contract to Resicom, Inc. for the annual concrete replacement in 2020 at Turning Basin Terminal in an amount not to exceed \$800,000, 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:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This work would consist of concrete replacement at Turning Basin Terminal, including removing and replacing damaged and/or deteriorating concrete pavement throughout the Turning Basin Terminal for 2020.

The Port Authority notified vendors regarding its request for competitive sealed bids (CSBs) for annual concrete replacement at Turning Basin Terminal using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Eleven vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On December 4, 2019, four CSBs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Authority award a contract to Resicom, Inc., the responsible bidder submitting the lowest bid, for the annual concrete replacement at Turning Basin Terminal in 2020.

I. INFRASTRUCTURE

Subject	3. Award a construction contract to Forde Construction for annual pavement replacement in 2020 at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,350,000.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, award a construction contract to Forde Construction for the annual pavement replacement in 2020 at Barbours Cut and Bayport Container Terminals in an amount not to exceed \$1,350,000, 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:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This work would consist of pavement replacement for locations at Barbours Cut and Bayport Container Terminals, including removing and replacing damaged and or deteriorating concrete and/or asphaltic pavement at Barbours Cut Terminal and Bayport Container Terminal in 2020.

The Port Authority notified vendors regarding its request for competitive sealed bids (CSBs) for annual pavement replacement at Barbours Cut Terminal and Bayport Container Terminal using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Sixteen vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On December 4, 2019, three CSBs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Authority award a contract to Forde Construction, the responsible bidder submitting the lowest bid, for the annual pavement replacement at Barbours Cut and Bayport Container Terminals in 2020.

I. INFRASTRUCTURE

Subject **4. Award a construction contract to Jerdon Enterprise, L.P. for entry gate driveway modifications at Bayport Container Terminal in an amount not to exceed \$222,223.**

Meeting Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 28, 2020 meeting, award a construction contract to Jerdon Enterprise, L.P. for the entry gate driveway modifications at Bayport Container Terminal in an amount not to exceed \$222,223, 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:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

The current Bayport Container Terminal road entrance to the entry gate consists of only one lane, which due to the volume of container truck traffic, greatly impacts the time to process trucks efficiently and effectively. To reduce these impacts, this project provides an additional lane. The work would consist of demolishing existing concrete island and replacing it with new pavement and subgrade, along with adding pavement and subgrade on the south edge of the existing entry gate lane.

The Port Authority notified vendors regarding its request for competitive sealed bids (CSBs) for entry gate driveway modifications at Bayport Container Terminal using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Fourteen vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On December 7, 2019, three CSBs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Authority award a contract to Jerdon Enterprise, L.P., the responsible bidder submitting the lowest bid, for the entry gate driveway modifications at Bayport Container Terminal.

I. INFRASTRUCTURE

Subject	5. Award a professional services contract to Jacobs Engineering Group, Inc. for design and construction phase services for the construction of Wharf 6 at Bayport Container Terminal in an amount of \$1,698,630.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, award a professional services contract to Jacobs Engineering Group, Inc. for design and construction phase services for the construction of Wharf 6 at Bayport Container Terminal in an amount of \$1,698,630, and 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:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

The Bayport Container Terminal Wharves 2 and 6 design was originally awarded to Jacobs (formally CH2M Hill) in 2009 for \$2,841,349. The 2009 scope of work and fee included the complete design and construction phase services of Wharf 2 to support the 2010 construction of Wharf 2, but only a 90% design level of Wharf 6. These two wharves were designed together to take advantage of cost savings. The Wharf 6 construction was deferred until the business case dictated construction of Wharf 6. Also, the Port Authority has submitted a request for the Bayport Terminal Intermodal Expansion federal grant valued at \$21,840,000.

Wharf 6 construction is now planned to start in 2020/2021, and therefore the current 90% design of Wharf 6 requires finalization. This work would consist of completing the design of Wharf 6 from the original 90% level and include Stevedore Support Building design and the electrical power infrastructure design for the Wharf 6 cranes.

Staff Evaluation/Justification:

Following staff Executive Committee review, staff recommends that the Port Commission award a professional services contract to Jacobs Engineering Group, Inc. and act as otherwise described above.

I. INFRASTRUCTURE

Subject	6. Enter into an Interlocal Agreement with Harris County to provide wage rate compliance services for a one-year term in an amount not to exceed \$71,587.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, authorize the Port Authority to enter into an Interlocal Agreement with Harris County to provide wage rate compliance services, for a one-year term effective March 1, 2020 in an amount not to exceed \$71,587, 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:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

Government Code Chapter 2258 requires that workers employed on public works projects by or on behalf of political subdivisions of the state be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed.

The Port Authority undertakes various efforts to provide that construction of its public works projects adheres to the provisions of Government Code Chapter 2258. Since 2008, in connection with those efforts, the Port Commission has authorized annual Interlocal Agreements with Harris County to provide these wage rate compliance services.

Staff Evaluation/Justification:

The Harris County Public Infrastructure Department has proposed that it continue to assist the Port Authority in these efforts by providing the services of a wage rate compliance officer. Such officer would attend pre-bid and pre-construction meetings, review payroll records, monitor construction projects, and handle claims under the statute.

Staff recommends that the Port Commission approve the agreement.

I. INFRASTRUCTURE

Subject **7. Amend the professional services contract with Lockwood, Andrews & Newnam, Inc. to perform additional services associated with the entry gate driveway modifications at Bayport Container Terminal in an amount not to exceed \$48,171.**

Meeting Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 28, 2020 meeting, approve the professional services contract with Lockwood, Andrews & Newnam, Inc. to perform additional services associated with the entry gate driveway modifications at Bayport Container Terminal in an amount not to exceed \$48,171, and 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:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

On September 17, 2019 a professional services contract was issued to Lockwood, Andrews & Newnam, Inc. for the entry gate driveway modifications at Bayport Container Terminal for an amount of \$39,771.

This proposed amendment would include:

- Adding a site specific traffic control plan as requested by Harris County
- Adding pavement-widening details
- Adding funding for construction-phase services

The proposed amount for the additional services is \$48,171 and the original purchase order amount was \$39,771, resulting in a combined value of \$87,942.

Staff Evaluation/Justification:

Staff has reviewed Lockwood, Andrews & Newnam, Inc.'s proposal and found it to be fair and reasonable and recommends that the Port Commission approve the proposed amendment.

I. INFRASTRUCTURE

Subject	8. Amend the professional services contract with CAVU International 1, LLC for continuous improvement, process execution checklists development, and operational excellence facilitation, in an additional amount not to exceed \$150,000.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, award a professional services contract to CAVU International 1, LLC for continuous improvement, process execution checklist development, and operational excellence facilitation, in an additional amount not to exceed \$150,000, and 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:

Project and Construction Management

Staff Contact:

Rich Byrnes

Background:

The Port Authority, through its Strategic Planning renewal process, has adopted a strategic objective to "Deliver excellence and continuous improvement in all core functions". In 2018 and 2019, the Infrastructure Division's Project and Construction Management Department (PCM) implemented a continuous improvement program through active facilitation, identification, and prioritization of process improvements and associated behaviors, and implementation of the same, resulting in operating and culture improvements, documentation of mainstay processes in a "Process Guide," and improvement of project management performance.

PCM initially engaged the services of CAVU International 1, LLC (CAVU) in December 2017, with a purchase order for \$23,250 for diagnostic work, which engaged senior leadership and staff in PCM and other departments to define priorities for continuous improvement. The diagnostic focused on PCM's team, major job functions, and key processes, and identified opportunities for better standardization, usability, quality, discipline, and reliability.

In May 2018, a Continuous Improvement (C.I.) implementation phase engagement was approved with a contract amendment not to exceed \$130,000. It has been the stated intent of the Infrastructure Division to roll out this effort across the division's other departments, and now combined with the establishment of a C.I. focused strategic objective for the Port Authority, staff recommends amending this contract to extend and expand C.I. efforts in the additional amount not to exceed \$150,000.

CAVU is a global provider of services applying proven leadership and operational excellence fundamentals from military and industrial frameworks to complex operating teams, to improve their process performance, compliance, and execution.

CAVU has designed a continuous performance improvement solution that combines:

- expectations setting and alignment,
- continuous improvement prioritization, process refinement, and application of "LEAN-Sigma" principles,
- process execution critical checklist development and performance indicators,
- situation awareness teamwork and related team behaviors development, and

- sustaining support and execution mentoring.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the professional services contract with CAVU.

I. INFRASTRUCTURE

Subject	9. Approve a change order with Fused Industries, LLC to perform additional work associated with the rail spur at Bayport Container Terminal in an amount not to exceed \$667,313.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, approve a change order with Fused Industries, LLC to perform additional work associated with the rail spur at Bayport Container Terminal in an amount not to exceed \$667,313, 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:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2018-0925-28, the Port Commission awarded a construction contract to Fused Industries, LLC for the rail spur at Bayport Container Terminal.

This change order includes the following items:

- Relocate and install a steel encased 8-inch water line servicing PolyOne under the proposed rail spur
- Install two 18-inch pipes in lieu of one 24-inch water line, to meet the required clearance
- Modify the temporary pad to facilitate drainage
- Install switches configured for a crossover in lieu of a single switch

Staff Evaluation/Justification:

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

I. INFRASTRUCTURE

Subject **10. Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Wharf 3, construction of electrical infrastructure, and Lighter Aboard Ship (LASH) dock demolition at Barbours Cut Terminal in an amount not to exceed \$127,849.**

Meeting Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 28, 2020 meeting, approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Wharf 3, construction of electrical infrastructure, and Lighter Aboard Ship (LASH) dock demolition at Barbours Cut Terminal in an amount not to exceed \$127,849, 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:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2019-0423-21, the Port Commission awarded a construction contract to McCarthy Building Companies, Inc. for the rehabilitation of Wharf 3, construction of electrical infrastructure, and LASH dock demolition at Barbours Cut Terminal.

The construction of additional landside drilled shafts and construction of the new fire water line during the rehabilitation of Wharf 3 required the demolition of the existing salt fire water line. To continue to provide salt fire water to the system, it is necessary to install a portable fire pump system. This pump system will be reused during the future rehabilitation of Wharves 4 and 5 scheduled for 2021 and 2025 respectively.

This change order includes the following items:

- Supply a 250 Horse Power diesel pump and associated hydraulic power unit.
- Install, test, and maintain.
- Remove it from service once the new permanent fire line is put in place

Staff Evaluation/Justification:

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

I. INFRASTRUCTURE

Subject	11. Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal in an amount not to exceed \$100,909.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut in an amount not to exceed \$100,909, 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:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2019-0226-16, the Port Commission awarded a construction contract to McCarthy Building Companies, Inc. for the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal.

The project consists of the rehabilitation of approximately 20.2 acres of container yard known as C1 North and C2 North and other specified work necessary for power, communications, and utility connections serving the area. Its primary purpose is to restore C1 North and C2 North to full capability for "1 over 5 high" rubber-tired gantry (RTG) container operations laid out for four stacks, per the current Barbours Cut Terminal master plan.

This change order includes the following items:

- Installation of temporary asphalt
- Demolish and replace 8-inch diameter ductile iron water line pipes with new 12-inch diameter ductile iron pipes
- Installation of temporary concrete fill

Staff Evaluation/Justification:

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

I. INFRASTRUCTURE

Subject	12. Approve a change order with Archer Western Construction, LLC for City of La Porte building permit fees associated with the expansion of gate facilities at Barbours Cut Terminal in an amount not to exceed \$130,115.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, approve a change order with Archer Western Construction, LLC for City of La Porte building permit fees associated with the expansion of gate facilities at Barbours Cut Terminal in an amount not to exceed \$130,115, 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:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2019-0729-24, the Port Commission awarded a construction contract to Archer Western Construction, LLC for the expansion of gate facilities at Barbours Cut Terminal.

This change order provides for the cost of following item:

- City of La Porte Building permit for new commercial construction

Staff Evaluation/Justification:

Port Authority staff has reviewed the proposal submitted by Archer Western Construction, LLC and found it to be fair and reasonable. Therefore, staff recommends that the Port Commission authorize this change order.

I. INFRASTRUCTURE

Subject	13. Approve a change order to Matthews Brothers Dredging, Inc., for additional dredging at the Port Authority's Jacintoport and CARE Terminals in an amount not to exceed \$400,000 and to increase the contract duration by 90 days.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	Approve a change order to Matthews Brothers Dredging, Inc., for additional dredging and removal of debris at the Port Authority's Jacintoport and CARE Terminals in an amount not to exceed \$400,000 and to increase the contract duration by 90 days, 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:

Channel Development Operations

Staff Contact:

Garry McMahan

Background:

By Minute Number 2019-0729-21, the Port Commission awarded a construction contract to Matthews Brothers Dredging, Inc. (Matthews), for berth maintenance dredging of the Port Authority's Jacintoport and CARE Terminals. The award amount was determined based on the Port Authority's estimated quantity of material to be dredged multiplied by Matthews bid price of \$15.15 per cubic yard for the CARE docks and \$15.85 per cubic yard for the Jacintoport docks.

The estimated quantity of dredged material used in the solicitation (30,800 cubic yards) was based on surveys performed in May 2019. The actual quantity of dredged material was found to be much higher—closer to 52,600 cubic yards.

Staff Evaluation/Justification:

Staff has reviewed the available survey data and has confirmed that the additional shoaling occurred after the procurement package was advertised and before dredging began. Use of this contract to remove the additional shoaling is the best option both for price and also for schedule.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **14. Authorize the Port Authority to negotiate and enter into an Interlocal Agreement among the Port Authority, City of Houston, and Harris County Flood Control District to facilitate effective collaboration on joint infrastructure projects as well as leveraging each other's capabilities.**

Meeting Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 28, 2020 meeting, authorize the Port Authority to negotiate and enter into an Interlocal Agreement among the Port Authority, City of Houston, and Harris County Flood Control District to facilitate effective collaboration on joint infrastructure projects as well as leveraging each other's capabilities, 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:

Technical & Business Analytics

Staff Contact:

Brenda C. Trevino, P.E.

Background:

In October 2018, an interagency working group was initiated to raise awareness and develop partnerships in addressing the management of sediment flowing into the Houston Ship Channel from the region's flood mitigation network. This working group shares industry best practices, current construction enforcement policies, technologies, and information on potential funding sources for mutually beneficial sediment reduction solutions. The working group consists of the Port Authority, City of Houston, and the Harris County Flood Control District, and it works in cooperation with other entities such as the U.S. Army Corps of Engineers (USACE).

Staff Evaluation/Justification:

A more formal relationship among this working group is recommended to more effectively share information and implement improvements across the various jurisdictional boundaries. More specifically, the working group has identified two USACE programs beneficial to the working group's efforts that require sponsors. By executing an Interlocal Agreement, the group can move forward in pursuing these programs.

Staff recommends that the Port Commission approve this Interlocal Agreement, tpo provide for the ability to participate in future work activities, including funding as deemed appropriate.

I. INFRASTRUCTURE

Subject **15. Issue a letter of support to the Galveston Bay Estuary Program for its Galveston Bay Plan, 2nd Edition.**

Meeting Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 28, 2020 meeting, issue a letter of support to the Galveston Bay Estuary Program for its Galveston Bay Plan, 2nd Edition, 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:

Channel Development Operations

Staff Contact:

Garry McMahan

Background:

The Galveston Bay Estuary Program (GBEP) is one of 28 National Estuary Programs designated by the United States Environmental Protection Agency (EPA) to protect and restore our nation's estuaries. GBEP is required to maintain a Comprehensive Conservation and Management Plan (CCMP) to address priority problems in the Galveston Bay estuary. The CCMP has provided successful stewardship of the Galveston Bay Estuary for more than 20 years, but it is now time to update it. GBEP is requesting support letters from all the Galveston Bay Council members, including the Port Authority.

Staff Evaluation/Justification:

Staff recommends the Port Commission authorize the Port Authority to issue this letter of support.

I. INFRASTRUCTURE

Subject	16. Approve the renewal of expiring Port Authority licenses for new ten-year terms: Air Products LLC, CenterPoint Energy Houston Electric, LLC, CenterPoint Energy Intrastate Pipelines, Inc., CenterPoint Energy Resources Corporation, Equistar Chemicals, LP, ExxonMobil Pipeline Company, Praxair, Inc., KM Liquids Terminals LLC, LBC Houston LP, NuStar Logistics, LP, Pasadena Refining Systems, Inc., Sekisui Specialty Chemicals America, LLC, Southwestern Bell Telephone Company, and TPC Group LLC.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, authorize the Port Authority to approve the renewal of expiring licenses for new ten-year terms: Air Products LLC, CenterPoint Energy Houston Electric, LLC, CenterPoint Energy Intrastate Pipelines, Inc., CenterPoint Energy Resources Corporation, Equistar Chemicals, LP, ExxonMobil Pipeline Company, Praxair, Inc., KM Liquids Terminals LLC, LBC Houston LP, NuStar Logistics, LP, Pasadena Refining Systems, Inc., Sekisui Specialty Chemicals America, LLC, Southwestern Bell Telephone Company, and TPC Group LLC, 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 Development Operations

Staff Contact:

Garry McMahan

Background:

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

Company	File No.	License Fee
Air Products LLC	1998-0249	\$5,302
CenterPoint Energy Houston Electric, LLC	1979-0074	\$2,025
CenterPoint Energy Houston Electric, LLC	1998-0273	\$2,195
CenterPoint Energy Houston Electric, LLC	1988-0072	\$1,688
CenterPoint Energy Houston Electric, LLC	1998-0036	\$1,938
CenterPoint Energy Houston Electric, LLC	1989-0308	\$2,195
CenterPoint Energy Houston Electric, LLC	1999-0172	\$2,195
CenterPoint Energy Intrastate Pipelines, Inc.	1999-0106	\$5,302
CenterPoint Energy Intrastate Pipelines, Inc.	1999-0052	\$24,391
CenterPoint Energy Intrastate Pipelines, Inc.	2008-0236	\$5,302
CenterPoint Energy Intrastate Pipelines, Inc.	2008-0237	\$5,302
CenterPoint Energy Resources Corporation	1999-0086	\$5,302
Equistar Chemicals, LP	2000-0176	\$5,302
Equistar Chemicals, LP	2006-0265	\$23,755
Equistar Chemicals, LP	2019-0409	\$23,755
Equistar Chemicals, LP	2019-0410	\$23,755
Equistar Chemicals, LP	2019-0411	\$23,755
Equistar Chemicals, LP	2019-0412	\$23,755

ExxonMobil Pipeline Company	1999-0148	\$10,604
ExxonMobil Pipeline Company	1999-0267	\$12,726
ExxonMobil Pipeline Company	2000-0010	\$21,208
KM Liquids Terminals LLC	2000-0001	\$6,363
KM Liquids Terminals LLC	2000-0002	\$15,906
KM Liquids Terminals LLC	2000-0003	\$10,280
KM Liquids Terminals LLC	2009-0443	\$6,363
KM Liquids Terminals LLC	2010-0316	\$1,923
LBC Houston LP	1990-0024	\$5,302
NuStar Logistics, LP	2000-0014	\$92,973
Pasadena Refining Systems, Inc.	1999-0296	\$90,532
PCI Nitrogen, LLC	2001-0172	\$9,898
PCI Nitrogen, LLC	1986-0058	\$5,302
Praxair, Inc.	2000-0133	\$5,302
Praxair, Inc.	2000-0135	\$16,729
Sekisui Specialty Chemicals America, LLC	2019-0391	\$5,302
Southwestern Bell Telephone Company	1975-0136	\$0
TPC Group LLC	1989-0352	\$13,217
Total		\$517,144

Staff Evaluation/Justification:

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

Staff recommends approval.

I. INFRASTRUCTURE

Subject **17. Issue a seismic exploration permit to Seismic Acquisition Services, LLC for 3-D and 2-D seismic exploration of 806 acres and 2.4 miles in Scotts Bay and the Houston Ship Channel respectively.**

Meeting Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 28, 2020 meeting, authorize the Port Authority to issue a seismic exploration permit to Seismic Acquisition Services, LLC for 3-D and 2-D seismic exploration of 806 acres and 2.4 miles in Scotts Bay and the Houston Ship Channel respectively, 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 Development Operations

Staff Contact:

Garry McMahan

Background:

Seismic Acquisition Services, LLC, Port Authority File No. 2020-0010, has applied for a seismic exploration permit for 3-D and 2-D seismic exploration of 806 acres and 2.4 miles in Scotts Bay and the Houston Ship Channel respectively.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development Operations department. The permit is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$26,090. The \$675 application fee has been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **18. Issue a pipeline license to Wink to Webster Pipeline LLC for a 36-inch crude oil pipeline under and across Goose Creek at two locations.**

Meeting Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 28, 2020 meeting, authorize the Port Authority to issue a pipeline license to Wink to Webster Pipeline LLC for a 36-inch crude oil pipeline under and across Goose Creek at two locations, 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 Development Operations

Staff Contact:
Garry McMahan

Background:
Wink to Webster Pipeline LLC, Port Authority File No. 2019-0362, has applied for a pipeline license for a 36-inch crude oil pipeline under and across Goose Creek at two locations, in the William Scott Survey, A-65 and the Harvey Whiting Survey, A-840, in Harris County, Texas.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development Operations department. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$31,814. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **19. Issue a pipeline license to Wink to Webster Pipeline LLC for a 36-inch crude oil pipeline under and across Cedar Bayou.**

Meeting Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 28, 2020 meeting, authorize the Port Authority to issue a pipeline license to Wink to Webster Pipeline LLC for a 36-inch crude oil pipeline under and across Cedar Bayou, 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 Development Operations

Staff Contact:
Garry McMahan

Background:
Wink to Webster Pipeline LLC, Port Authority File No. 2019-0363, has applied for a pipeline license for a 36-inch crude oil pipeline under and across Cedar Bayou, in the William Bloodgood Survey, A-4 and the William Bloodgood Survey, A-24, in Harris County, Texas.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development Operations department. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$15,907. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	20. Issue a distribution/transmission line license to Comcast of Houston LLC for one fiber optic line over and across the Southside Mainline Railroad right-of-way.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, authorize the Port Authority to issue a distribution/transmission line license to Comcast of Houston LLC for one fiber optic line over and across the 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 Development Operations

Staff Contact:

Garry McMahan

Background:

Comcast of Houston LLC, Port Authority File No. 2019-0372, has applied for a distribution/transmission line license for one fiber optic line over and across the Southside Mainline railroad right-of-way, in the GM Patrick Survey, A-624, in Harris County, Texas.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development Operations department and the Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions and a fee of \$1,688. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	21. Issue a marine construction permit to San Jacinto College to construct a bulkhead with docking capabilities on the Bayport Ship Channel.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, authorize the Port Authority to issue a marine construction permit to San Jacinto College to construct a bulkhead with docking capabilities on the Bayport Ship Channel, 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 Development Operations

Staff Contact:

Garry McMahan

Background:

San Jacinto College, Port Authority File No. 2019-0378, has applied for a marine construction permit to construct a bulkhead with docking capabilities on the Bayport Ship Channel, in the William P Harris Survey, A-30, in Harris County, Texas.

This marine construction permit would relate to property the Port Authority sold to San Jacinto College for its maritime campus.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development Operations department. The permit is to be issued subject to the Port Authority's usual terms and conditions. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	22. Amend an electrical transmission line license to CenterPoint Energy Houston Electric, LLC for a 100-foot extension of a 12-kV electrical transmission line over and across the Southside Mainline railroad right-of-way.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, authorize the Port Authority to amend an electrical transmission line license to CenterPoint Energy Houston Electric, LLC for a 100-foot extension of a 12-kV electrical transmission line over and across the 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 Development Operations

Staff Contact:

Garry McMahan

Background:

CenterPoint Energy Houston Electric, LLC, Port Authority File No. 1991-0029, has applied to amend an electrical transmission line license for a 100-foot extension of a 12-kV electrical transmission line over and across the Southside Mainline railroad right-of-way, in the James Seymore Survey, A-698, and the Thomas Earle League Survey, A-18, in Harris County, Texas.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development Operations department and the Port Terminal Railroad Association. The amendment is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$183. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

J. OPERATIONS

Subject	1. Approve staff's ranking of vendors and award a two-year contract in an amount not to exceed \$450,000 for maintenance and repairs of elevators at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal to the top-ranked proposer: staff ranking – first, RICO Elevators, Inc.; second, Elevator Repair Service, Inc.; and third, EMR Elevator, Inc.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order - first, RICO Elevators, Inc.; second, Elevator Repair Service, Inc.; and third, EMR Elevator, Inc. (b) award a two-year contract to the top-ranked proposer for maintenance and repairs of elevators at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$450,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2017-0725-26, the Port Commission awarded a two-year contract to RICO Elevators, Inc. in an amount not to exceed \$500,000 for maintenance and repair services for elevators at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. These contract funds are nearly depleted and the contract term has expired. A total of thirty-five elevators have been serviced in this contract, including twenty-seven serving wharf cranes, four in the Stevedoring Support Buildings, two in the Bayport Administration Building, and two in the Turning Basin Executive Building.

The Port Authority notified vendors regarding its request for competitive sealed proposals (CSPs) for maintenance and repair of elevators at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Seven vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On November 20, 2019, three CSP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the CSP. Staff identified the following vendors, listed in ranking order, as most qualified to provide the required service:

- RICO Elevators, Inc.
- Elevator Repair Service, Inc.
- EMR Elevator, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award a two-year contract to RICO Elevators, Inc. and act as otherwise described above.

J. OPERATIONS

Subject	2. Award an annual contract to Power Line Solutions, Inc. for the purchase of electrical repair services to high-mast poles at Bayport Container Terminal in an amount not to exceed \$150,000.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, award an annual contract to Power Line Solutions, Inc. for the purchase of electric repair services to high-mast poles at Bayport Container Terminal in an amount not to exceed \$150,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2018-0925-41, the Port Commission awarded a two-year contract to Power Line Solutions, Inc. in the amount of \$150,000 to perform electrical repair services to high mast poles at Bayport Container Terminal.

Terminal lighting is critical to vessel operations and an adequate level of illumination must be maintained to ensure compliance with certain regulatory standards. Third-party assistance is also periodically needed to restore power to high-mast poles at Bayport Container Terminal due to underground electrical problems, specialized equipment is needed to pull and replace long cable runs. Contractors own and maintain this specialized equipment and can assist maintenance staff with their work. Restoring power to high-mast poles also restores power to wireless networks and cameras for operations and security use. This work requires a dedicated work force to minimize disruptions to operations.

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

Staff Evaluation/Justification:

On October 16, 2019, one CSP was received and opened. The response was reviewed and evaluated by staff in accordance with the published selection criteria published in the CSP.

Following staff Executive Committee review, staff recommends that the Port Authority award an annual contract to Power Line Solutions, Inc., a responsible bidder submitting the best bid, for purchase of electrical repair services to high mast poles at Bayport Container Terminal.

J. OPERATIONS

Subject	3. Award a contract to Konecranes for purchase of Smart Port interface services, in an amount not to exceed \$270,950.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, award a contract to Konecranes for purchase of Smart Port interface services, in an amount not to exceed \$270,950, 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:

Operations

Staff Contact:

Jeff Davis

Background:

By Minute No. 2019-0924-45, the Port Commission approved an award of a professional services contract to Kalmar USA for a Position Detection System (PDS) for Barbours Cut Container Terminal and Bayport Container Terminal in an amount not to exceed \$3,750,000. The PDS would automatically update container locations based on the location of the crane and spreader bar when a container lock/unlock action is performed. The PDS would provide the operator with additional capacity to devote toward operating the crane, resulting in improved efficiency and service levels.

In connection with the PDS, the Port Authority is seeking to obtain Smart Port interface services, which include upgrades to software and additional hardware on 107 RTGs, to integrate with the Kalmar USA PDS.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring Smart Port interface services as a sole source is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

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

J. OPERATIONS

Subject	4. Issue a purchase order to Netsync Network Solutions, Inc. for purchase of fifty WIFI routers and antennae and ancillary equipment, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$205,000.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, approve issuance of a purchase order to Netsync Network Solutions, Inc. for purchase of fifty WIFI routers and antennae and ancillary equipment, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$205,000, 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:

Operations

Staff Contact:

Jeff Davis

Background:

By Minute No. 2019-0924-45, the Port Commission approved an award of a professional services contract to Kalmar USA for a Position Detection System (PDS) for Barbours Cut Terminal and Bayport Container Terminal (collectively referred to as "Terminals") in an amount not to exceed \$3,750,000. The PDS would support Port Authority safety-initiatives by reducing the amount of inventory errors, thereby reducing the frequency of personnel having to enter safety sensitive operating areas to resolve problems.

In connection with the PDS, the Port Authority is seeking to obtain from Netsync Network Solutions, Inc. (via the Department of Information Resources (DIR)) fifty WIFI routers and antennae and ancillary equipment, which are required to connect all RTG cranes to the Port Authority WIFI network. The DIR is a department of the State of Texas and has cooperative purchasing programs which may be used by the Port Authority.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring the aforementioned fifty WIFI routers and antennae and ancillary equipment through the DIR purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Port Operations Planning and Technology department has determined that the best availability, price, and contract term for the item needed is provided by Netsync Network Solutions, Inc. under the pricing schedule obtained from that vendor's contract with DIR and is therefore recommending this purchase.

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

K. PEOPLE

Subject	1. Award a two-year contract with LinkedIn Corporation, the sole source provider, for recruiting and trade marketing access and services, in a total amount not to exceed \$58,350.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, award a two-year contract to LinkedIn Corporation, the sole source provider, for recruiting and trade marketing access and services, in a total amount not to exceed \$58,350, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the forgoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success) Strategic Objective 1b. - Implement a workforce development program

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

By Minute No. 2017-1023-48, the Port Commission authorized a two-year agreement with LinkedIn Corporation (LinkedIn) for recruiting and trade marketing access and services.

LinkedIn provides visibility to what it claims to be the world's largest professional network, with over 600 million users worldwide.

The Port Authority has utilized LinkedIn for the past six years as a personnel outreach and recruitment tool. The Port Authority has received thousands of applications through LinkedIn, resulting in approximately 40% of its professional hires through this network.

The Port Authority's existing agreement with LinkedIn allows the Port Authority to post jobs, customize the content on the Port Authority's LinkedIn webpage, and use recruiting tools for finding, connecting with, and managing candidates. In additions, the Port Authority currently has over 16,000 LinkedIn followers.

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 LinkedIn confirming that it is the sole source for access to LinkedIn's professional network.

Staff Evaluation/Justification:

LinkedIn has offered to continue to provide access to its platform and services at the same price that was approved by the Port Commission in 2017.

In comparing LinkedIn results with the results of other recruiting sites, staff believes LinkedIn has performed very well and is well worth the investment.

Staff recommends the Port Commission approve the proposed contract with LinkedIn.

K. PEOPLE

Subject	2. Adopt the Incentive Awards Program Policy.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, adopt the Incentive Awards Program Policy, 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 (Invest in people and organize for success)

Category:

General

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

By Minute No. 2019-1111-10, the Port Commission approved the Fiscal Year 2020 Operating and Capital Budget, which includes funds for an employee incentive award program. Incentive awards are cash awards that are intended to motivate employees to produce results that have been pre-defined and communicated to the employees in advance, and to reward them for achieving the stated performance goals.

In order to more clearly outline the roles and responsibilities with respect to the administration and funding of employee incentives, Port Authority staff has prepared an Incentive Awards Program Policy. The proposed Policy addresses several key areas, including:

1. The process and documentation requirements for establishing goals and incentive award plans under which Port Authority full-time employees may receive awards;
2. Eligibility criteria for participation in the Incentive Awards Program and receipt of awards;
3. The roles of the Port Commission, Compensation Committee, Chief People Officer, Chief Financial Officer, and other senior leadership in the administration of the Program; and
4. Annual reporting regarding the extent to which employees achieved or are on track to achieve the performance goals, the scope and cost of all incentive award plans, recommendations for any future incentive awards, and any recommended amendments to the Program.

Staff Evaluation/Justification:

The proposed Incentive Awards Program Policy was prepared and reviewed by members of the Port Authority's People, Finance, and Legal Divisions, and discussed with the Compensation Committee at its December 11, 2019 meeting.

Staff recommends that the Port Commission adopt the Incentive Awards Program Policy in the forum on file with the Port Authority.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject **1. 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 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 28, 2020 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. - Operate safely and securely

Category:

Awards, Amendments, and Change Orders

Department:

Fire Department

Staff Contact:

Chief 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 the 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 the Port Authority fireboat characteristics, to permit this training.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	2. Issue a purchase order to Motorola Solutions for the purchase of land mobile radio equipment including radios, batteries, chargers, related hardware, and accessories for the Port Operations and Port Security and Emergency Operations Divisions, using the Houston-Galveston Area Council's cooperative purchase program, in an amount not to exceed \$140,000.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, issue a purchase order to Motorola Solutions for purchase of land mobile radio equipment including radios, batteries, chargers, related hardware, and accessories for the Port Operations and Port Security and Emergency Operations Divisions, using the Houston-Galveston Area Council's cooperative purchase program, in an amount not to exceed \$140,000, 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 #4 - STEWARDSHIP (Sustain the business for the long-term) Strategic Objective 4c. - Operate safely and securely Strategic Objective 2b. - Deliver cost and service advantages through innovation and efficiency

Category:

Awards, Amendments, & Change Orders

Department:

Emergency Management

Staff Contact:

Colin Rizzo

Background:

In 2019, the management of all Port Authority radios was placed under the Emergency Management Department.

Motorola land mobile radio (LMR) equipment, including handheld, mobile, and base stations, are used daily by Port Authority maintenance and operations personnel, crane operators, and clerks to accomplish their tasks in a safe and efficient manner. The Port Security and Emergency Operations Division, including contract security, police, and fire departments, also use Motorola LMR equipment to maintain security at all terminals and respond to incidents and other emergencies. As the vast majority of the approximately 800 radios are Motorola products, Motorola parts and accessories are required to service the LMR equipment.

It is expected that this purchase order would provide the funds needed for these radios for approximately one year.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring this equipment through the Houston-Galveston Area Council cooperative purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

Staff recommends utilizing Motorola Solutions to provide the products sought using H-GAC pricing. This equipment will be provided by Motorola Solutions under the pricing schedule obtained from that vendor's contract RA05-18.

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

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject **3. Issue a purchase order to SAFEWARE Inc. for purchase of a stand-by generator for Fire Station 1 at Turning Basin Terminal, using the U.S. Communities cooperative purchase program, in an amount not to exceed \$86,000.**

Meeting Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 28, 2020 meeting, issue a purchase order to SAFEWARE Inc. for purchase of a stand-by generator for Fire Station 1 at Turning Basin Terminal, using the U.S. Communities cooperative purchase program, in an amount not to exceed \$86,000, 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 4c. - Operate safely and securely

Category:
Awards, Amendments, & Change Orders

Department:
Fire Department

Staff Contact:
Chief William Buck

Background:
The Port Authority is seeking to obtain a generator to provide power to Fire Station 1 when commercial electrical services are unavailable. Fire Station 1, located at Turning Basin Terminal, is manned 24 hours a day and 365 days a year, including during hurricanes and other disaster situations during which commercial power may become unavailable. Electrical power to this fire station is essential to be able to continue to operate for the safety and security of the Turning Basin Terminal and surrounding areas.

Staff Evaluation/Justification:
Procurement Services has determined that procuring the stand-by generator for Fire Station 1 at Turning Basin Terminal is best accomplished through the U.S. Communities cooperative purchasing program (contract #4400008468). This method satisfies both competitive purchase requirements and provides the best value to the Port Authority.

The Fire Department has determined that the best availability, price, and contract term for this item is provided by SAFEWARE Inc. under the pricing schedule obtained from that vendor's contract with U.S. Communities.

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

M. TECHNOLOGY

Subject	1. Approve staff's ranking of vendors and award a contract in an amount not to exceed \$1,600,000 for Cisco SmartNet maintenance (hardware, software, and subscriptions) to the top-ranked proposer: staff ranking - first, Red River Technologies; second, Netsync Network Solutions.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020, meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order - first, Red River Technologies; second, Netsync Network Solutions; (b) award a contract to the top-ranked proposer for Cisco SmartNet maintenance (hardware, software, and subscriptions) in an amount not to exceed \$1,600,000; (c) if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4c. - Operate safely and securely Strategic Objective 1c. - Implement streamlined processes supported by technology

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

The Port Authority currently utilizes Cisco SmartNet to ensure hardware, software, and subscription support for all Cisco equipment throughout the Port Authority; this helps ensure that our Information Technology (IT) network infrastructure and IT server environments are supported and updated software versions are available. In order to reduce the overall cost of SmartNet, a 5-year term is both cost effectively and adds efficiencies to support of the Port Authority's IT infrastructure.

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

Staff Evaluation/Justification:

On December 19, 2019 two RFP responses were received and opened. Staff evaluated and ranked the proposals in accordance with the selection criteria published in the RFP. Staff identified the following firms, listed in order of ranking, as most qualified to provide the required services:

- Red River Technologies
- Netsync Network Solutions

Following staff Executive Committee review, staff recommends that the Port Commission award the contract to Red River Technologies and act as otherwise described above.

M. TECHNOLOGY

Subject	2. Issue a purchase order to CDW Government LLC for purchase of miscellaneous computer parts and accessories, using the National Intergovernmental Purchasing Alliance, a cooperative purchase program, in an amount not to exceed \$100,000.
Meeting	Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 28, 2020 meeting, issue a purchase order to CDW Government LLC for purchase of miscellaneous computer parts and accessories, using the National Intergovernmental Purchasing Alliance, 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 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 the National Intergovernmental Purchasing Alliance (IPA) 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 term for the items needed is provided by CDW Government LLC under the pricing schedule obtained from that vendor's contract with the National Intergovernmental Purchasing Alliance and is therefore recommending this purchase.

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

M. TECHNOLOGY

Subject **3. Issue a purchase order to SHI Government Solutions, Inc. for purchase of VMware annual software licensing and software support to the Port Authority's existing IT infrastructure, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$125,000.**

Meeting Jan 28, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 28 2019 meeting, issue a purchase order to SHI Government Solutions, Inc. for the purchase and renewal of a one-year contract for annual VMware licensing and support, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$125,000, 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 is seeking to obtain renewal of licenses and maintenance for VMware, a software for server and client virtualization. Virtualization allows the Information Technology Department (IT) to reduce hardware expenses and benefit from centralized management of servers that staff relies on to complete daily tasks. This includes the Navis (N4) automated gate operating system and OCR portal, SharePort, and many other business critical services. IT has been utilizing VMware software for over ten years in support of the Port Authority's virtual technology environment and considers the technology reliable and proven. It is critical to renew these licenses (and maintenance/support) in order to minimize business disruptions.

Staff Evaluation/Justification:

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

The IT department has determined that the best availability, price, and contract term for the items needed is provided by SHI Government Solutions, Inc. under the pricing schedule obtained from that vendor's contract with DIR, and is therefore recommending this purchase.

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