

I N D E X

PORT COMMISSION  
OF THE  
PORT OF HOUSTON AUTHORITY  
OF THE PORTS OF HARRIS COUNTY, TEXAS

January 31, 2017

<u>Minute No.</u>	<u>Event/Action</u>
	<b>General</b>
	Chairman Longoria convened the meeting of the Port Commission and provided opening remarks
	<b>Minutes</b>
2017-0131-01	Approve the Minutes of the October 11, 2016 and December 13, 2016 Port Commission Meetings
	<b>Appearances</b>
2017-0131-02	Chairman Longoria introduced Angela Dunlap, Partner, Grant Thornton LLP, who addressed the Port Commission
2017-0131-03	Approve the audited financial statements for the Port of Houston Authority Restated Retirement Plan for the fiscal year ended July 31, 2016
2017-0131-04	Chairman Longoria recognized Brian Lantz, Schiller Institute, who addressed the Port Commission
2017-0131-05	Chairman Longoria recognized Brandon Murdock, Port Authority Maritime student, who addressed the Port Commission
2017-0131-06	Chairman Longoria recognized Mike Richoux, Blanchard Contractors, Inc., who addressed the Port Commission
2017-0131-07	Chairman Longoria asked if anyone else would like to address the Port Commission; there was no response
	<b>Staff Reports</b>
2017-0131-08	Roger Guenther, Executive Director, presented a summary of selected financial and operations matters
	<b>G. Executive</b>
2017-0131-09	Approve and adopt the proposed 2017 Internal Audit Plan

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**H. Commercial**

- 2017-0131-10 Enter into a Memorandum of Friendship and Trade Cooperation between the National Port Administration of Cuba and the Port Authority
- 2017-0131-11 Approve (i) the purchase of an approximately 0.62-acre tract in the southeast portion of North L Street from Enterprise Intrastate, LLC and Houston Pipe Line Company, LP, for \$140,000; and (ii) amend the existing 2.11-acre lease with Frontier Logistics, LP to add such tract and increase the annual base rent by \$14,000
- 2017-0131-12 Approve the purchase of the 33.3% undivided ownership interest of the Estates of Charles L. Whynot and Fred Westergren in an approximately 8.88-acre tract of land out of the Ritson Morris Survey, Abstract 52, Harris County, Texas, in an amount not to exceed \$129,870 plus customary closing costs
- 2017-0131-13 Approve the purchase of the 58.3% undivided ownership interest of the James Grady Spears Trust in an approximately 8.88-acre tract of land out of the Ritson Morris Survey, Abstract 52, Harris County, Texas in an amount not to exceed \$227,526 plus customary closing costs
- 2017-0131-14 Approve (a) a lease agreement with Sesco Cement Corporation, effective no earlier than February 1, 2017, for the lease of approximately 14.52 acres of property out of the Southside Turning Basin for a 31 year, 6-month term at an annual base rent of \$281,223 after commencement of operations on the property, subject to annual adjustment equal to the increase of the Consumer Price Index, not to exceed 4%, and (b) a freight handling assignment agreement with the lessee effective no earlier than the lease operations commencement date
- 2017-0131-15 Approve a lease agreement with Contanda Terminals LLC, effective no earlier than February 1, 2017 for the lease of approximately 1.89 acres and 640 linear foot of rail out of the Southside Turning Basin for a five-year term at an annual base rent of \$3,862, with an annual increase of the greater of 3% or the increase in the Consumer Price Index
- 2017-0131-16 Approve a lease agreement with Valero Refining-Texas, L.P., effective no earlier than March 1, 2017 for approximately 15.01 acres out of Block 2 at Rosa Allen for a two-year one-month term, at an annual base rent of \$319,713, subject to annual adjustment equal to the greater of 3% or the increase in the Consumer Price Index
- 2017-0131-17 Accept a fee simple interest in approximately 0.294 acres of an undeveloped portion of the Frio Street right-of-way between Elm Street and Cypress Street

**I. Finance**

- 2017-0131-18 Authorize advertisement and receipt of responses for twelve formal procurements
- 2017-0131-18(a) Request for competitive sealed proposals for Bayport Container Yard 6 North, South, and West Empty Container Yard Security

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2017-0131-18(b)	Request for competitive sealed proposals for rehabilitation and repair of Wharf 1 at Turning Basin Terminal
2017-0131-18(c)	Request for competitive sealed proposals to repair Wharves 42 and 43 at Turning Basin Terminal ( <i>As amended to authorize a request for competitive sealed bids to repair Wharves 42 and 43 at Turning Basin Terminal</i> )
2017-0131-18(d)	Request for competitive sealed proposals to construct rail spur at Bayport Container Terminal
2017-0131-18(e)	Request for competitive sealed proposals for relocation of telecommunications equipment at Barbours Cut Terminal
2017-0131-18(f)	Request for competitive sealed bids for repair services to festoon rollers for wharf cranes at Barbours Cut Terminal and Bayport Container Terminal
2017-0131-18(g)	Request for proposal for cyber security framework development, a Virtual Information Security Officer, Virtual Operation Center managed services, and a Security Incident Event Management System
2017-0131-18(h)	Request for proposal for continued improvement solutions regarding the Port Authority's JD Edwards Enterprise Resource Planning software program
2017-0131-18(i)	Request for proposal for Port Authority employee, retiree, and dependent medical and other supplemental benefits
2017-0131-18(j)	Request for qualifications to perform construction material testing services during the construction of rail spur at Bayport Terminal
2017-0131-18(k)	Request for qualifications to perform professional consulting services for facility inspection and conditional assessment program for asset evaluation support, inspection, and structure engineering and construction projects 2017-2019
2017-0131-18(l)	Request for qualifications to perform professional engineering services to design structural repairs for general cargo terminal wharves
2017-0131-19	Approve the purchase of insurance from various carriers effective March 1, 2017, for the Port Authority's primary and excess property and casualty insurance coverage needs
	Approve the audited financial statements for the Port of Houston Authority Restated Retirement Plan for the fiscal year ended July 31, 2016 ( <i>see above – approved by Minute No. 2017-0131-03</i> )

#### **J. Health, Safety, Security & Emergency Management**

2017-0131-20	Authorize the Port Authority to enter into the Amended Harris County Firefighter Association Mutual Aid Agreement
2017-0131-21	Authorize an Agreement between the Port Authority and the Houston Ship Channel Security District by which the District will provide funds in an amount not to exceed \$53,000 for the purchase of a video downlink antenna and related

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equipment for the Port Authority's new Mobile Command Center, and authorize the purchase of the video downlink antenna and related equipment using the funds from Global Communications Group utilizing the Texas Department of Information Resources Cooperative Purchase Agreement

**K. Infrastructure**

2017-0131-22 Reject all proposals to perform professional consulting services for construction management support, and building, concrete paving, earthwork, demolition, wharf structure, terminal planning, and electrical engineering consultants for project 2017-2018

2017-0131-23 Reject all bids and award a construction contract to Horizon International Group, LLC for the replacement of windows, entrance doors, framework, and carpet at the credit union leased premises located at the Executive Office at Turning Basin Terminal, using the Local Government Purchasing Cooperative's Choice Partners Program

2017-0131-24 Approve staff's ranking of vendors and award an environmental services contract for industrial and hazardous waste disposal to the top-ranked proposer: staff ranking - first, Tradebe Treatment and Recycling, LLC.; second, Clean Harbors Environmental Services, Inc., third, Slick Response Services, Ltd

Port Commission adopted the staff-recommended ranking and authorized award

2017-0131-25 Approve staff's ranking of vendors and award a professional services contract for the management of placement areas at Bayport Container Terminal to the top-ranked proposer: staff ranking – first, HDR Engineering, Inc.; and second, Paradigm Consultants, Inc.

Port Commission adopted the staff-recommended ranking and authorized award

2017-0131-26 Approve staff's ranking of vendors and award a professional services contract to perform construction material testing during the construction of structural concrete and fender repairs at Wharf No. 23 at Turning Basin Terminal to the top-ranked proposer: staff ranking – first, Aviles Engineering Corporation; and second, Raba Kistner

Port Commission adopted the staff-recommended ranking and authorized award

2017-0131-27 Award a construction contract to AAA Asphalt Paving, Inc. for the bi-annual concrete replacement at Turning Basin Terminal for 2017-2018

2017-0131-28 Award a construction contract to Forde Construction Company, Inc. for the bi-annual pavement replacement at Barbours Cut Terminal and Bayport Container Terminal 2017-2018

2017-0131-29 Award a construction contract to Facilities Sources for the replacement of the C-1 roof and chiller at Barbours Cut Terminal, using the Local Government Purchasing Cooperative's Choice Partners

<u>Minute No.</u>	<u>Event/Action</u>
2017-0131-30	Amend the existing professional services agreement with Omega Engineers, Inc. for construction management support portwide to include services from December 31, 2016 to March 31, 2017
2017-0131-31	Amend the professional services contract with TC&B/GBA, a Joint Venture of Turner Collie & Braden, Inc. (dba AECOM Technical Services, Inc.) and Gahagan & Bryant Associates, Inc. for professional services for the Houston Ship Channel Expansion study and associated channel project design and construction phase services, and extend the contract term by 24 months to May 31, 2020
2017-0131-32	Enter into an Interlocal Agreement with Harris County to provide wage rate compliance services for a one-year term
2017-0131-33	Enter into a Funding Agreement with the Texas Department of Transportation and Port Terminal Railway Association, for constructing and completing the Broadway Second Main Tract Project, and if required, an interlocal agreement with the City of Houston for maintenance of roads and other infrastructure in the project area
2017-0131-34	Renew the expiring Port Authority licenses for new ten-year terms: Dow Hydrocarbons and Resources LLC, Seadrift Pipeline Corporation, KM Liquids Terminals LLC, Air Liquide Large Industries U.S. LP, Enterprise Houston Ship Channel, L.P., Praxair, Inc., Arkema, Inc., Enterprise Texas Pipeline LLC, Pasadena Refining System, Inc., HSC Pipeline Partnership LLC, and Valero Refining – Texas, L.P.
2017-0131-35	Issue a pipeline license to KM Liquids Terminals LLC for one 12-inch wastewater pipeline under and across Houston Ship Channel in Houston
2017-0131-36	Issue a pipeline license to ITC Pipeline Company LLC for one 10-inch and one 16-inch petroleum products pipelines under and across Southside Mainline railroad right-of-way in Pasadena.
2017-0131-37	Issue a transmission/distribution line license to AT&T for one fiber optic line within a 4-inch conduit under and across Turning Basin Area-West and Northside Turning Basin in Houston.
2017-0131-38	Issue a transmission/distribution line license to AT&T for one fiber optic line under, over, and across Northside Turning Basin to Wharf 18 in Houston
2017-0131-39	Issue a transmission/distribution line license to AT&T for one fiber optic line under, over, and across Northside Turning Basin to Wharf 31 in Houston
2017-0131-40	Issue a transmission/distribution line license to AT&T for one fiber optic line within a 2-inch conduit under and across Northside Mainline railroad right-of-way in Houston
2017-0131-41	Issue a marine construction permit to Contanda Jacintoport Terminal LLC to expand an existing facility adjacent to Jacintoport Channel in Houston
2017-0131-42	Amend a marine construction permit to KM Liquids Terminals LLC to add one mooring dolphin adjacent to the Houston Ship Channel in Houston

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**L. Operations**

2017-0131-43 Award a two-year contract to Crane Tech Solutions, the sole provider, for purchase of quarterly inspection services for Stinis spreaders and over-height attachment at Barbours Cut Terminal and Bayport Container Terminal

2017-0131-44 Award a two-year contract to Kalmar USA Inc., Bromma Americas, the sole provider, for purchase of twistlocks and spreader related parts for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal

2017-0131-45 Award a two-year contract to Alimak HEK, Inc., the sole provider, for purchase of elevator components for wharf cranes at Barbours Cut Terminal and Bayport Container Terminal

**M. People (no items)**

**N. Technology**

2017-0131-46 Award a three-year contract to Netsync Network Solutions for Cisco SmartNet Service and Support for Cisco hardware, software, and licensing, using the State of Texas Department of Informational Resources Cooperative Purchasing Program

**O. Recess Open Meeting and Convene Executive Session**

**P. Reconvene Open Meeting**

2017-0131-47 Motion to authorize the Port Authority to enter into a lease agreement and an agency agreement with Contanda Terminals LLC on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing

2017-0131-48 Motion to authorize the Port Authority to amend its lease agreements with AGRO HOUSTON, LLC and Ridge POH 1, LLC on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing

2017-0131-49 Motion to authorize the Port Authority to purchase property from Ballard Exploration Company on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing

2017-0131-50 Motion to authorize the Executive Director to settle the claims of the Port Authority against the M/V OCEAN FALCON on the terms discussed in Executive Session, and to do all things necessary to give effect to the foregoing

**Q. Adjourn Meeting**

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

**Houston, Texas  
January 31, 2017**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on January 31, 2017 at 9:00 a.m., at the Port of Houston Authority Executive Offices, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following Commissioners and staff were present:

Janiece Longoria, Chairman  
Theldon R. Branch, III, Commissioner  
Dean E. Corgey, Commissioner  
Stephen H. DonCarlos, Commissioner  
Clyde E. Fitzgerald, Commissioner  
John D. Kennedy, Commissioner  
Roy D. Mease, Commissioner  
Roger Guenther, Executive Director  
Erik Eriksson, Chief Legal Officer

Chairman Longoria convened the meeting of the Port Commission, welcomed everyone, and acknowledged Commissioner Fitzgerald. He thanked Chairman Longoria, and on behalf of the commissioners congratulated her on being reappointed Chairman of the Port Commission, and informed all present that the commissioners were looking forward to working with her and taking the Port Authority to the next level.

Chairman Longoria thanked the commissioners and advised all present that the commissioners work extremely hard on a volunteer basis to make the Port Authority successful and create regional and economic prosperity for every citizen of the region, and thanked them for their participation and dedication.

Chairman Longoria extended her deepest sympathy and condolences to the family of Steve Stewart, former President and CEO of Gulf Winds International, who passed away recently and asked for a moment of silence to honor his passing and for all present to pray for his family.

Following the moment of silence, Chairman Longoria congratulated Commissioners Corgey, Fitzgerald and Mease, who were all recently reappointed to the Port Commission.

Chairman Longoria recognized the following mariners who assisted in the M/T AFRAMAX RIVER fire response on September 6, 2016 and asked them to stand and be recognized:

Houston Branch Pilot Michael McGee  
Houston Branch Pilot Michael Phillips  
Captain William Curry – JESS NEWTON

Chief Engineer Stanley Reiman – JESS NEWTON  
Wiper Michael Linzermyer – JESS NEWTON  
Mate John Rockwell – JESS NEWTON  
Captain Douglas Scott – GASPARILLA  
Engineer Pearson Smith – OCEANUS

Commissioner Corgey commented that he was proud of the coordination of the Port of Houston assets that worked together as a team. As a result of everyone's fast thinking and cooperation, the situation was under control with no loss of life or environmental damage and the Houston Ship Channel was fully functional within 18 hours. Commissioner Corgey asked if Mr. Stephen Huffman, President of G&H Towing, could address the Port Commission.

Mr. Huffman informed all present that these mariners and other personnel from the GASPARILLA, JESS NEWTON, THOR, DAVID B, OCEANUS, EVELENA and ZYANA K tugs assisted in fighting the fire and getting the vessel safely back to dock. He thanked the Port Commission for honoring the mariners. Chairman Longoria in turn thanked them all for their heroic efforts to minimize a serious incident with no injuries or loss of life and a minimal amount of channel closure.

Chairman Longoria announced that 2016 was another great year for the Port Authority and noted a few of its accomplishments:

- Container volume increased by 2% over 2015 to nearly 2.2 million TEUs; container growth has been 11% over the past three years. She thanked Commercial Division staff and all the terminal employees responsible for this success;
- It successfully retained cargo that was diverted during the prior year and increased volume across most of the Port Authority's trade lanes; and
- Staff hosted the Resin Symposium earlier in the month, which was very successful. She asked Commissioner Kennedy to comment on this event as he was in attendance.

Commissioner Kennedy thanked Chairman Longoria and advised those present that the symposium was very well attended, with many presidents and CEOs in attendance, and that panel members and speakers did an impressive job.

Chairman Longoria commented that this was the second annual Resin Symposium hosted by the Port Authority, commended Mr. Guenther and his staff for initiating this event, and asked Mr. Guenther to comment on it.



Mr. Guenther thanked Chairman Longoria and observed that the symposium was attended by high level executives from carriers, producers, packagers, and trucking companies. All interested stakeholders addressed their concerns and had candid conversations, which can vastly improve the Port Authority's position regarding cargo produced in the region and flowing through the Port of Houston, and will allow the Port Authority to reap the economic advantage. He thanked staff for putting on an excellent symposium.

Chairman Longoria noted additional accomplishments in 2016:

- The Port Authority repurposed the former cruise terminal at Bayport into an automobile processing facility, accepting the first shipment of Fiat/Chryslers in late 2016;
- It attracted a third weekly liner service from East Asia in the summer of 2016, increasing business through the Panama Canal. This joint venture between Maersk and Mediterranean Shipping Company significantly improves Houston's position in the East Asia container import and export market;
- Community outreach and stewardship remain a priority. The Citizen Advisory Council educated community partners on topics that included the Port Authority's Project and Construction Management and Real Estate activities, a special tour aboard the M/V SAM HOUSTON, and a trip to San Jacinto College to experience simulations of ships coming through the Houston Ship Channel; and
- Small Business Outreach remained highly engaged in the community, promoting numerous business opportunities with the Port Authority. Advancement of this effort has been recognized multiple times recently: in December 2016, the Houston-Galveston Area Council presented the Port Authority with the Excellence Award for its Small Business Development and Maritime Education Program, and the City of Houston's Office of Business Opportunity honored the Port Authority and its partners as the Community Partner of the Year at its Champions of Diversity Awards Ceremony.

Chairman Longoria concluded her remarks by complimenting staff and her fellow commissioners for their support and hard work throughout 2016 and further commented that she looked forward to working together with everyone on the team for a successful 2017.

(2017-0131-01) Chairman Longoria called for a motion to approve the minutes of the October 11, 2016 and December 13, 2016 Port Commission meetings. Commissioner Mease moved for approval, seconded by Commissioner Kennedy, Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

(2017-0131-02) Commissioner Longoria introduced Angela Dunlap and Karmyn Jeffries of Grant Thornton, LLP. Ms. Dunlap provided an update on the 2016 Port of Houston Authority Restated Retirement Plan audit, and noted that the commissioners had received materials related to the report. She informed the Port Commission that the Port of Houston Authority Restated Retirement Plan was issued an unqualified “clean” opinion; there were no scope limitations or any unresolved audit issues, and there were no disclosures regarding GASB Statement No. 72. Ms. Dunlap asked the Port Commission if there were any questions; there were none. Chairman Longoria thanked Ms. Dunlap for her report.

(2017-0131-03) RCA I3 was presented, moved by Chairman Longoria, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2017-0131-04) Chairman Longoria recognized Brian Lantz, Schiller Institute, who addressed the Port Commission.

Mr. Lantz invited the Port Commission and all present to attend a public forum panel discussion on the New Silk Road to be held on February 16, 2017 at Texas Southern University. Chairman Longoria thanked Mr. Lantz for the invitation.

(2017-0131-05) Chairman Longoria recognized Brandon Murdock, maritime student, who addressed the Port Commission.

Mr. Murdock informed the Port Commission that he was currently attending Pasadena’s Career and Technical High School and expressed how its maritime program had changed his life. He told the Port Commission that he had been accepted to the Harry Lundeberg School of Seamanship and that would not have happened without the Port of Houston Authority, maritime, and God.

Chairman Longoria thanked Mr. Murdock and his mother for sharing his story with all present.

(2017-0131-06) Chairman Longoria recognized Mike Richoux, Blanchard Contractors, Inc., who addressed the Port Commission.

Mr. Richoux advised the Port Commission that his company had recently submitted a bid for repair of Wharf 23 at Turning Basin Terminal and though its bid was lower, the job was awarded to another company. He asked the Port Commission to conduct an

internal audit by legal counsel of the procurement process for this project and provide a written explanation regarding the disqualification.

Chairman Longoria advised Mr. Richoux that because the item is a business matter and was not on the agenda, the Port Commission could not comment, however its silence was not due to a lack of concern and that this matter would be referred to Mr. Guenther for his assessment and evaluation regarding how to proceed.

(2017-0131-07) Chairman Longoria asked if anyone else would like to address the Port Commission; there was no response.

(2017-0131-08) Staff Reports

Mr. Guenther presented a summary of selected financial and operational matters as follows:

- Total tonnage was 38.4 million tons, 3% lower than 2015. Steel imports were down as expected; however container volume and bulk products saw positive gains. Total revenue was \$289 million and was only off 1% vs. the prior year. Net cash flow was \$120 million for 2016.
- Staff is committed to staying focused on the goals of People, Growth, Infrastructure and Stewardship and provided an update as follows:
  - PEOPLE – Internal Communications and Employee Engagement surveys were completed, with a more than 50% participation rate; leadership development training was conducted for senior management; the intern program was successful; an employee compliance training matrix was completed and distributed; and senior management “huddled up” with employees and leadership at 24 different events.
  - GROWTH – The operations team supported growth in container volume and services while handling more than 30,000 trucks per week and maintaining the ship-to-shore cranes that operated more than 39,000 hours, at a reliability rate of more than 99%. Alongside continued demand, Port Authority vessel productivity and truck turnaround times at the terminals remained at the highest industry standards.
  - INFRASTRUCTURE
    - Bayport: construction started on Wharf 2, and Yard 6 was completed, along with berms and Freight Station Road. Turning Basin: multiple

structures were updated and a comprehensive facilities inspection and condition assessment initiated.

- The Port Authority continues to work in cooperation with the U.S. Army Corps of Engineers (Corps): the Ship Channel Mega-study was launched and the contract for the deepening and widening of the Barbours Cut and Bayport Channels to a depth of 45 feet completed. Completion by the Corps of the Bayport Flare Project is estimated to occur at the end of 2017.
- Staff negotiated with the Texas Department of Transportation, Harris County, and the railroads to move projects forward at the Broadway Double Track rail line, and is preparing for the Bayport Spur.
- STEWARDSHIP
  - Environment: the Port Authority received ISO 14001 recertification and the 2016 Guardian of the Bay Award.
  - Safety – operations increased with a lost time frequency rate of 1.12 per 200,000 hours, which is exceptional compared to the rest of the industry.
  - The maritime program continues to thrive with more than 1200 students participating in the program; 12 students received \$1,000 scholarships from the Partners in Maritime Education Program.
  - Community engagement included Park-to-Port Bike Ride, Oyster Reef restoration, Adopt-a-Beach, Operation Turkey and more, as well as setting up numerous opportunities for the Executive Director to address city councils of communities along the channel to update them on Port Authority activities.
- In conclusion, Mr. Guenther informed the Port Commission he expected 2017 to be an amazing year, noting that the Bayport Container Terminal turns ten years old on February 7, and the Barbours Cut Container Terminal will be celebrating its 40<sup>th</sup> birthday this summer.

Chairman Longoria thanked Mr. Guenther for his report and asked if there were any questions. Commissioner Fitzgerald asked if there were funds in the infrastructure budget to pour concrete between Wharf 32 and Ranger Truck Line, and was informed there was not. Chairman Longoria stated that this item would be placed on a future agenda for discussion.

The Port Commission then considered each Request for Port Commission Action (“RCA”) attached to these minutes as Exhibit “A.”

(2017-0131-09) RCA G1 was presented, moved by Chairman Longoria, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2017-0131-10) RCA H1 was presented, moved by Chairman Longoria, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2017-0131-11) RCA H2 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H2 PASSED.

(2017-0131-12) RCA H3 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H3 PASSED.

(2017-0131-13) RCA H4 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H4 PASSED.

(2017-0131-14) RCA H5 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H5 PASSED.

(2017-0131-15) RCA H6 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H6 PASSED.

(2017-0131-16) RCA H7 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch,

Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H7 PASSED.

(2017-0131-17) RCA H8 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H8 PASSED.

(2017-0131-18) RCA I1(a-l) was presented, moved by Commissioner Fitzgerald (*I1(c) amended to authorize a request for competitive sealed bids to repair Wharves 42 and 43 at Turning Basin Terminal*), seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I1(a-l) PASSED.

(2017-0131-19) RCA I2 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I2 PASSED.

RCA I3 was approved (*see above – approved by Minute No. 2017-0131-03*).

(2017-0131-20) RCA J1 was presented, moved by Commissioner Kennedy, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2017-0131-21) RCA J2 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J2 PASSED.

Commissioner Branch requested that when the vehicle was complete that it be available for viewing by the Port Commission and other interested parties.

(2017-0131-22) RCA K1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2017-0131-23) RCA K2 presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2017-0131-24) RCA K3 was presented. Commissioner Branch moved for staff recommended ranking – first, Tradebe Treatment and Recycling, LLC.; second, Clean Harbors Environmental Services, Inc.; third, Slick Response Services, Ltd, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K3 PASSED.

(2017-0131-25) RCA K4 was presented. Commissioner Kennedy moved for staff recommended ranking – HDR Engineering, Inc.; and second, Paradigm Consultants, Inc., seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K4 PASSED.

(2017-0131-26) RCA K5 was presented. Commissioner Corgey moved for staff recommended ranking – first, Aviles Engineering Corporation; and second, Raba Kistner, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K5 PASSED.

(2017-0131-27) RCA K6 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K6 PASSED.

(2017-0131-28) RCA K7 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K7 PASSED.

(2017-0131-29) RCA K8 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K8 PASSED.

(2017-0131-30) RCA K9 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K9 PASSED.

(2017-0131-31) RCA K10 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch.

Commissioner Mease asked about the cost of the contract. Mr. Guenther advised him that the scope had changed and the cost was now \$10 million, as opposed to \$6 million, for which the Port Authority is a 50% partner with the Corps, so that actual cost to the Port Authority will be \$5 million.

Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K10 PASSED.

(2017-0131-32) RCA K11 was presented, moved by Commissioner Mease, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K11 PASSED.

(2017-0131-33) RCA K12 was presented, moved by Commissioner Kennedy, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K12 PASSED.

(2017-0131-34) RCA K13 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K13 PASSED.

(2017-0131-35) RCA K14 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K14 PASSED.

(2017-0131-36) RCA K15 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K15 PASSED.

(2017-0131-37) RCA K16 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K16 PASSED.



(2017-0131-38) RCA K17 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K17 PASSED.

(2017-0131-39) RCA K18 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K18 PASSED.

(2017-0131-40) RCA K19 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K19 PASSED.

(2017-0131-41) RCA K20 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K20 PASSED.

(2017-0131-42) RCA K21 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K21 PASSED.

(2017-0131-43) RCA L1 was presented, moved by Commissioner Mease, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2017-0131-44) RCA L2 was presented, moved by Commissioner Corgey, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L2 PASSED.

(2017-0131-45) RCA L3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L3 PASSED.

Chairman Longoria asked why the above three items were from a “sole provider.” Mr. Guenther advised her that these were replacement parts and that the manufacturer was the sole provider.

(2017-0131-46) RCA N1 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N1 PASSED.

At 9:54 a.m., Chairman Longoria called for a brief recess and advised that the Executive Session would follow.

At 10:07 a.m., Chairman Longoria reconvened the public meeting and instructed Mr. Eriksson to make the following announcement:

It is now 10:07 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code, (i) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultations regarding (i) claim against M/V OCEAN FALCON and (ii) Zachry Construction Corporation v. Port of Houston Authority of Harris County, Texas; deliberate regarding (iii) Real Estate (*Section 551.072, Texas Open Meetings Act*), including deliberation regarding Wah Chang and Bayport Terminal properties; (iv) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (iv) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*), including deliberations regarding public employees; and (iv) 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 11:00 a.m., Chairman Longoria 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:

Janiece Longoria, Chairman  
Theldon R. Branch, III, Commissioner  
Dean E. Corgey, Commissioner  
Stephen H. DonCarlos, Commissioner  
Clyde E. Fitzgerald, Commissioner

John D. Kennedy, Commissioner  
Roy D. Mease, Commissioner  
Roger Guenther, Executive Director  
Erik Eriksson, Chief Legal Officer  
J. Kent Friedman, Orrick, Herrington & Sutcliffe LLP

(2017-0131-47) Commissioner Mease moved to authorize the Port Authority to enter into a lease agreement and an agency agreement with Contanda Terminals 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 DonCarlos, Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.


(2017-0131-48) Commissioner Branch moved to authorize the Port Authority to amend its lease agreements with AGRO HOUSTON, LLC and Ridge POH 1, 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 Kennedy, Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

(2017-0131-49) Commissioner Corgey moved to authorize the Port Authority to purchase property from Ballard Exploration Company 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 Fitzgerald, Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

(2017-0131-50) Commissioner Fitzgerald moved to authorize the Executive Director to settle the claims of the Port Authority against the M/V OCEAN FALCON on the terms discussed in Executive Session, and to do all things necessary to give effect to the foregoing, seconded by Commissioner Corgey, Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

At 11:02 a.m., Chairman Longoria adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the January 31, 2017 meeting of the Port Commission of the Port of Houston Authority.



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Janiece Longoria, Chairman



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Erik A. Eriksson, Assistant Secretary

## G. EXECUTIVE

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**Subject** 1. Approve and adopt the proposed 2017 Internal Audit Plan.

Meeting Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 31, 2017 meeting, approve and adopt the proposed 2017 Internal Audit Plan, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**  
General

**Department:**  
Internal Audit

**Staff Contact:**  
Maxine Buckles

**Background:**

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

Late last year, the Port Authority's Internal Audit group performed an Enterprise Risk Assessment (ERA) in accordance with applicable professional auditing standards. Based on the ERA results and input from the Audit Committee and Port Authority staff, Internal Audit drafted a proposed Internal Audit Plan to serve as the primary work plan to carry out its audit responsibilities in an efficient manner for the 2017 fiscal year.

**Staff Evaluation/Justification:**

The proposed Internal Audit Plan was presented to the Audit Committee at its meeting on December 6, 2016.

The plan focuses on the following six areas:

- Administration and governance (e.g., human resources);
- Information Technology ( e.g., enterprise security, inventory management);
- Infrastructure (e.g., project and construction management);
- Finance and Accounting (e.g., revenue reporting, contract compliance, investments);
- Procurement (e.g., policies and procedures, purchase order management); and
- Entity Compliance (e.g., federal regulations, statutes, tariffs, internal policies).

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

Following review and discussion of the draft plan with the Audit Committee, staff recommends to the Port Commission that the proposed 2017 Internal Audit Plan be approved and adopted.

## H. COMMERCIAL

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**Subject**            **1. Enter into a Memorandum of Friendship and Trade Cooperation between the National Port Administration of Cuba and the Port Authority.**

Meeting            Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access             Public

Type                Action

Recommended Action    The Port Commission, at its January 31, 2017 meeting, authorize the Port of Houston Authority to enter into a Memorandum of Friendship and Trade Cooperation between the National Port Administration of Cuba and the Port Authority, waiving the provision in the Port Authority's Office of Foreign Asset Control (OFAC) Compliance Policy prohibiting non-binding agreements with ports and other governmental authorities located in countries subject to OFAC's sanction program, 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:**

Trade Development

**Staff Contacts:**

Ricky Kunz / Ricardo Arias

**Background:**

On January 22, 2017, the Port Authority hosted a meeting with Cuban government officials on the benefits of the Port Authority and its container terminals. In connection with these talks, the Port Authority has been invited to enter into a non-binding Memorandum of Friendship and Trade Cooperation with the National Port Administration of Cuba. The memorandum expresses the parties' mutual interest in cooperating to generate new business in accordance with applicable regulations by promoting the all-water route between Cuban ports and the Port Authority.

**Staff Evaluation/Justification:**

This instrument would record the parties' intention to work together to develop and expand mutual understanding and cooperation, in an effort to promote greater economic benefits for both ports.

The memorandum expressly states that it is not intended to constitute a legal contract or agreement or otherwise set forth any legally binding rights or obligations.

However, in order to enter into it, the Port Authority would need to waive a provision in its OFAC Policy that would prohibit such non-binding agreements with ports and other governmental authorities located in countries that are on OFAC's sanctioned nations list.

Staff recommends that the Port Commission approve the Memorandum of Friendship and Trade Cooperation and waive the provision in the Port Authority's OFAC Policy to the extent that it would prohibit entering into the Memorandum.

## H. COMMERCIAL

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**Subject** 2. Approve (i) the purchase of an approximately 0.62-acre tract in the southeast portion of North L Street from Enterprise Intrastate, LLC and Houston Pipe Line Company, LP, for \$140,000; and (ii) amend the existing 2.11-acre lease with Frontier Logistics, LP to add such tract and increase the annual base rent by \$14,000.

**Meeting** Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its January 31, 2017 meeting, approve (i) the purchase of an approximately 0.62-acre tract in the southeast portion of North L Street from Enterprise Intrastate, LLC and Houston Pipe Line Company, LP, for \$140,000; and (ii) amend the existing 2.11-acre lease with Frontier Logistics, LP to add such tract and increase the annual base rent by \$14,000., 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:**  
Leases

**Department:**  
Real Estate

**Staff Contact:**  
R.D. Tanner

**Background:**  
The Port Authority has learned that Enterprise Intrastate, LLC and Houston Pipe Line Company, LP have obtained ownership of an approximately 0.62-acre portion of the right-of-way from the City of La Porte based on an order closing certain streets and alleys, which was recorded on or about October 14, 1938.

**Staff Evaluation/Justification:**  
The Port Authority proposes to acquire this tract and add the acquired property to Frontier Logistics, LP's (Frontier's) existing leased premises, to accommodate Frontier's North L Street resin warehouse facility and rail operations, which are included in a total of approximately 56 acres of land leased by Frontier from the Port Authority. This acquisition and lease of this property would permit Frontier to construct a 457,833-sq.ft. warehouse as part of its expansion plan. The amended lease expires in 27 years and 11 months absent exercise of the four extension options of five years each.

Staff has determined that it is in the best interest of the Port Authority to acquire the 0.62 acres tract from Enterprise Intrastate, LLC and Houston Pipe Line Company, LP, and to add the acquired property to the existing Frontier's 2.11-acre lease, and recommends the Port Commission approve these proposals.





## H. COMMERCIAL

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**Subject**           **4. Approve the purchase of the 58.3% undivided ownership interest of the James Grady Spears Trust in an approximately 8.88-acre tract of land out of the Ritson Morris Survey, Abstract 52, Harris County, Texas in an amount not to exceed \$227,526 plus customary closing costs.**

Meeting           Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access            Public

Type              Action

Recommended    The Port Commission, at its January 31, 2017 meeting, approve the purchase of the  
Action            58.3% undivided ownership interest of the James Grady Spears Trust in an  
                      approximately 8.88-acre tract of land out of the Ritson Morris Survey, Abstract 52,  
                      Harris County, Texas in an amount not to exceed \$227,526 plus customary closing  
                      costs, 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 is pursuing the acquisition of various real estate properties identified as optimal locations for the public purpose of further potential development of the Bayport Container Terminal for rail, cargo areas, warehousing, transportation, and other roadway needs. This approximately 8.88-acre tract is owned in undivided interests by four different parties (James Grady Spears Trust, 58.3%; the Estates of Charles L. Whynot and Fred Westergren, 33.3%; and Barry M. Bone, 8.4%).

**Staff Evaluation/Justification:**

The proposed consideration of \$227,526 was based on the appraised value of the owner's undivided ownership interest and was accepted by the property owner.

After much discussion and negotiations with James Grady Spears, Trustee for the James Grady Spears Trust, staff recommends the Port Commission approve the purchase of this property interest.

## H. COMMERCIAL

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**Subject**            **5. Approve (a) a lease agreement with Sesco Cement Corporation, effective no earlier than February 1, 2017, for the lease of approximately 14.52 acres of property out of the Southside Turning Basin for a 31 year, 6-month term at an annual base rent of \$281,223 after commencement of operations on the property, subject to annual adjustment equal to the increase of the Consumer Price Index, not to exceed 4%, and (b) a freight handling assignment agreement with the lessee effective no earlier than the lease operations commencement date.**

**Meeting**            Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**             Public

**Type**                Action

**Recommended Action**    The Port Commission, at its January 31, 2017 meeting, approve (a) a lease agreement with Sesco Cement Corporation, effective no earlier than February 1, 2017, for the lease of approximately 14.52 acres of property out of the Southside Turning Basin for a 31 year, 6-month term at an annual base rent of \$281,223 after commencement of operations on the property, subject to annual increase of the Consumer Price Index, not to exceed 4%, and (b) a freight handling assignment agreement with the lessee effective no earlier than the lease operations commencement date, 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:**

Sesco Cement Corporation has requested a lease of approximately 14.52 acres out of the Southside Turning Basin for a 31-year 6-month term. The property would be primarily used for the loading and unloading of cement from a closed loop hopper system.

**Staff Evaluation/Justification:**

The lease would provide tenant with an up to 12-month feasibility period at \$100 per acre per month and an 18-month construction period at \$391.54 per acre per month, prior to commencement of operations.

A performance deposit will be paid upon execution of the lease in the amount of \$500,000, but after the tenant has operated the property and made rent payments for three years without default, \$350,000 of the deposit would be applied to tenant's rent, leaving \$150,000 of the performance deposit and security deposit throughout the term of the lease.

Staff recommends the Port Commission approve this proposed lessee with Sesco Cement Corporation, and a freight assignment with the lease effective no earlier than the lease operations commencement date.

**H. COMMERCIAL**

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**Subject**            **6. Approve a lease agreement with Contanda Terminals LLC, effective no earlier than February 1, 2017 for the lease of approximately 1.89 acres and 640 linear foot of rail out of the Southside Turning Basin for a five-year term at an annual base rent of \$3,862, with an annual increase of the greater of 3% or the increase in the Consumer Price Index.**

Meeting            Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access            Public

Type            Action

Recommended    The Port Commission, at its January 31, 2017 meeting, approve a lease agreement with  
Action            Contanda Terminals LLC, effective no earlier than February 1, 2017 for the lease of  
                         approximately 1.89 acres and 640 linear foot of rail out of the Southside Turning Basin  
                         for a five-year term at an annual base rent of \$3,862, with an annual increase of the  
                         greater of 3% or the increase in the Consumer Price Index, and further authorize the  
                         Executive Director to do any and all things in his opinion reasonable or necessary to give  
                         effect to the foregoing.

**Category:**  
Leases

**Department:**  
Real Estate

**Staff Contact:**  
R.D. Tanner

**Background:**  
Contanda Terminals LLC has requested that the Port Authority lease approximately 1.89 acres out of the Southside Turning Basin for a five-year term. The 1.89 acres is comprised of 4 tracts of land which consist of 0.08 acres, 0.29 acres, 0.48 acres, and 1.04 acres, with 640 linear foot of rail. The property would be used by the tenant as bulk liquid rail storage, tenant parking, and rail operations serving its adjacent property.

**Staff Evaluation/Justification:**  
In addition to the terms set forth above, tenant would be required to initiate a comprehensive engineering and rehabilitation study of wharves 41-44, to ascertain if a commercial transaction is viable at this location.

Staff recommends the Port Commission approve this proposed lease.

## H. COMMERCIAL

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**Subject** 7. Approve a lease agreement with Valero Refining-Texas, L.P., effective no earlier than March 1, 2017 for approximately 15.01 acres out of Block 2 at Rosa Allen for a two-year one-month term, at an annual base rent of \$319,713, subject to annual adjustment equal to the greater of 3% or the increase in the Consumer Price Index.

**Meeting** Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its January 31, 2017 meeting, approve a lease agreement with Valero Refining-Texas, L.P., effective no earlier than March 1, 2017 for approximately 15.01 acres out of Block 2 at Rosa Allen for a two-year one-month term, at an annual base rent of \$319,713, subject to annual adjustment equal to the greater of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**  
Leases

**Department:**  
Real Estate

**Staff Contact:**  
R.D. Tanner

**Background:**  
Valero Refining-Texas L.P. has requested to lease the property for a two-year one-month term.

**Staff Evaluation/Justification:**  
Staff reviewed the proposal by Valero Refining-Texas, L.P. and recommends that the Port Commission approve the lease described above.

## H. COMMERCIAL

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**Subject**            **8. Accept a fee simple interest in approximately 0.294 acres of an undeveloped portion of the Frio Street right-of-way between Elm Street and Cypress Street.**

Meeting            Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access             Public

Type                Action

Recommended    The Port Commission, at its January 31, 2017 meeting, accept a fee simple interest in  
Action             approximately 0.294 acres of an undeveloped portion of the Frio Street right-of-way  
                      between Elm Street and Cypress Street, and further authorize the Executive Director to  
                      do any and all things in his opinion reasonable or necessary to give effect to the  
                      foregoing.

**Category:**  
Leases

**Department:**  
Real Estate

**Staff Contact:**  
R.D. Tanner

**Background:**  
An undeveloped City of Houston (City) right-of-way runs directly through the Port Authority-owned Gantt Building property located at 8200 Cypress St., and severs the property into two tracts. A Right-of-Way Closure and Abandonment Application was submitted to the City's Joint Referral Committee and has been accepted pending final approval by City Council. After final approval, the City would convey the former right-of-way to the Port Authority, as adjacent property owner.

**Staff Evaluation/Justification:**  
Staff has determined that it is in the best interest of the Port Authority to own the proposed Frio Street right-of-way abandonment, in order to make the 8200 Cypress Street property entirely useable and unencumbered.

The cure of this title matter would also allow staff to proceed with the proposed sale of the property authorized by Minute No. 2016-0322-07.

Accordingly, staff recommends that following its abandonment, the Port Authority accepts title to this property.

## I. FINANCE

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<b>Subject</b>	<b>1. Authorize advertisement and receipt of responses for twelve formal procurements.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	<p>The Port Commission, at its January 31, 2017 meeting, authorize the Port Authority to advertise and receive responses for twelve formal procurements, determine as applicable that the proposed procurement methods provide 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 for these procurements.</p> <p>(a) Request for competitive sealed proposals for Bayport Container Yard 6 North, South, and West Empty Container Yard Security</p> <p>(b) Request for competitive sealed proposals for rehabilitation and repair of Wharf 1 at Turning Basin Terminal</p> <p>(c) Request for competitive sealed proposals to repair Wharves 42 and 43 at Turning Basin Terminal</p> <p>(d) Request for competitive sealed proposals to construct rail spur at Bayport Container Terminal</p> <p>(e) Request for competitive sealed proposals for relocation of telecommunications equipment at Barbours Cut Terminal</p> <p>(f) Request for competitive sealed bids for repair services to festoon rollers for wharf cranes at Barbours Cut Terminal and Bayport Container Terminal</p> <p>(g) Request for proposal for cyber security framework development, a Virtual Information Security Officer, Virtual Operation Center managed services, and a Security Incident Event Management System</p> <p>(h) Request for proposal for continued improvement solutions regarding the Port Authority's JDEdwards Enterprise Resource Planning software program</p> <p>(i) Request for proposal for Port Authority employee, retiree, and dependent medical and other supplemental benefits</p> <p>(j) Request for qualifications to perform construction material testing services during the construction of rail spur at Bayport Terminal</p> <p>(k) Request for qualifications to perform professional consulting services for facility inspection and conditional assessment program for asset evaluation support, inspection, and structure engineering and construction projects 2017-2019</p> <p>(l) Request for qualifications to perform professional engineering services to design structural repairs for general cargo terminal wharves</p>

**Category:**

Authority to Obtain Bids, Proposals, or Qualifications

**Department:**

Procurement Services

**Staff Contact:**

Yvette Camel-Smith

**Background:**

In accordance with the Port Authority's Procurement Policy, the Port Commission should approve in advance every Port Authority solicitation for the procurement of goods and services that must be approved by the Port Commission pursuant to Texas Water Code Chapter 60 (Formal Procurements). In addition, Texas Water Code Chapter 60 requires that the Port Commission determine in certain cases which Formal Procurement purchasing method provides "best value" for the Port Authority.

The Port Commission has established the following purchasing methods provide "best value" to the Port Authority, unless it determines otherwise in conjunction with its approval of the solicitation of a Formal Procurement:

- Solicitation of "Competitive Sealed Proposals" or "Competitive Sealed Bids," for construction, repair, rehabilitation, or alteration of facilities, and for non-construction items;
- Solicitation of "Requests for Proposals," for procurement of high technology items, insurance, services, and other intangible items, other than construction services; and
- Solicitation of "Requests for Qualifications," for the professional services of engineers, architects, and surveyors.

**Staff Evaluation/Justification:**

Port Authority staff requests approval to advertise twelve new Formal Procurements. Staff has evaluated and recommends the customary best value methods for each procurement.

## I. FINANCE

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<b>Subject</b>	<b>2. Approve the purchase of insurance from various carriers effective March 1, 2017, for the Port Authority's primary and excess property and casualty insurance coverage needs, in a total amount not to exceed \$2,575,000.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	<p>The Port Commission, at its January 31, 2017 meeting, (i) approve the purchase of insurance from various carriers effective March 1, 2017, 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 \$2,575,000, (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 in his opinion reasonable or necessary to give effect to the foregoing.</p> <p>Type of Coverage; Not to Exceed Premium; Carrier(s)</p> <p>(1) Property (buildings, contents, electronic data processing equipment); \$1,130,000; Various</p> <p>(2) Contractors Equipment; \$765,000; Travelers Lloyd's</p> <p>(3) Excess Workers' Compensation; \$188,000; Colony</p> <p>(4) Hull/Protection &amp; Indemnity (Marine); \$117,275; Berkley/StarNet</p> <p>(5) Public Officials; \$120,000; AIG</p> <p>(6) Terrorism; \$60,000; Lloyd's</p> <p>(7) Boiler &amp; Machinery/Equipment Breakdown; \$62,000; Travelers</p> <p>(8) Broad Form Pollution; \$13,000; Safe Harbor/Starr Indemnity</p> <p>(9) Fiduciary, Crime, Bonds, etc.; \$119,725; Various</p>
Goals	<p>STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)</p> <p>Strategic Objective 4c. - Operate safely and securely</p>

**Category:**

Awards, Amendments & Change Orders

**Department:**

Risk Management

**Staff Contact:**

Bruce Birdwell

**Background:**

By Minute No. 2014-0624-23, the Port Commission awarded a five-year contract 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.

By Minute No. 2016-0927-32(i), the Port Commission authorized the advertisement of a request for proposals (RFP) for the 2017-2018 property and casualty insurance programs. The Port Authority notified vendors regarding its 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. Twenty-five vendors downloaded the project materials from the Port Authority's BuySpeed Eprocurement System. McGriff also provided the RFP to 56 insurance carriers that write this 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. This includes the Port Authority's exercise of the three-year renewal option afforded by its 2016-2017 Excess Umbrella policy, with 5% decrease in premium for that coverage.

Overall premiums are approximately \$245,000 or 7.5% less, compared to last year. All of the carriers are incumbents except two: Colony replaces N.Y. Marine as the Workers' Compensation Excess Carrier and Berkley/StarNet replaces Markel on Marine Hull/Protection and Indemnity.

The total amount requested by staff of \$2,575,000 takes into account the fact that premiums on several policies are subject to adjustment, based on actual payroll dollars and revenues (which are projected to be higher in 2017 versus prior year), as well as the timing and actual value of asset additions. For example, if wharf cranes are installed sooner than projected, the premiums would increase.

## I. FINANCE

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<b>Subject</b>	<b>3. Approve the audited financial statements for the Port of Houston Authority Restated Retirement Plan for the fiscal year ended July 31, 2016.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, approve the audited financial statements for the Port of Houston Authority Restated Retirement Plan for the fiscal year ended July 31, 2016, 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:**

Accounting / Treasury

**Staff Contacts:**

Curtis Duncan / Ray Yi

**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."

**Staff Evaluation/Justification:**

Grant Thornton LLP, the Port Authority's external auditing firm, was engaged to conduct an audit of the Port of Houston Authority Restated Retirement Plan (Pension Plan) for the fiscal year ended July 31, 2016 in accordance with statutory requirements.

Staff anticipates that the statements will be presented by staff and Grant Thornton LLP to the Port Commission at its January 31 meeting.

The audited financial statements for the Pension Plan for the fiscal year ended July 31, 2016 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, 2016 and 2015, and changes therein for the years then ended in conformity with accounting principles generally accepted in the United States of America."

Therefore, staff recommends that the Port Commission approve the audited financial statements for the Pension Plan for the fiscal year ended July 31, 2016, whereupon the Port Authority will file such financial statements with the Texas Pension Review Board.

## **J. HEALTH, SAFETY, SECURITY & EMERGENCY MANAGEMENT**

<b>Subject</b>	<b>1. Authorize the Port Authority to enter into the Amended Harris County Firefighter Association Mutual Aid Agreement.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, authorize the Port Authority to enter into the Amended Harris County Firefighter Association Mutual Aid Agreement, 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

**Category:**

Awards, Amendments & Change Orders

**Department:**

Fire Department

**Staff Contacts:**

William Buck

**Background:**

The Port Authority Fire Department has provided and received mutual aid to and from neighboring fire departments since entering into the previous version of the Harris County Fire Mutual Aid Agreement in 2002. The Fire Department has relied on this agreement to mitigate many large incidents that went beyond its normal response capabilities. The Fire Department has also provided mutual aid to neighboring fire departments for incidents exceeding their normal response capabilities.

**Staff Evaluation/Justification:**

The amended agreement would be updated with Federal Emergency Management Agency (FEMA) language that is required for fire departments to seek federal assistance in responses lasting longer than 12 hours, all other provisions remain unchanged.

Staff recommends that the Port Commission authorize the Port Authority to enter into the Amended Harris County Firefighter Association Mutual Aid Agreement as to be able to continue to provide and receive mutual aid on, and adjacent to, the Houston Ship Channel and on properties adjacent to the Port of Houston.

## **J. HEALTH, SAFETY, SECURITY & EMERGENCY MANAGEMENT**

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<b>Subject</b>	<b>2. Authorize an Agreement between the Port Authority and the Houston Ship Channel Security District by which the District will provide funds in an amount not to exceed \$53,000 for the purchase of a video downlink antenna and related equipment for the Port Authority's new Mobile Command Center, and authorize the purchase of the video downlink antenna and related equipment using the funds from Global Communications Group utilizing the Texas Department of Information Resources Cooperative Purchase Agreement.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, authorize an Agreement between the Port Authority and the Houston Ship Channel Security District by which the District will provide funds in an amount not to exceed \$53,000 for the purchase of a video downlink antenna and related equipment for the Port Authority's new Mobile Command Center, and authorize the purchase of the video downlink antenna and related equipment using the funds from Global Communications Group utilizing the Texas Department of Information Resources Cooperative Purchase Agreement, 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

**Category:**

Awards, Amendments & Change Orders

**Department:**

Emergency Management

**Staff Contact:**

Colin Rizzo

**Background:**

The Port Authority has a new Mobile Command Center using Port Security Grant funding which is expected to arrive at the Port Authority in February 2017. Since the time the new Mobile Command Center was designed and ordered, a new regional capability has emerged, which is the ability to share live video feeds from aircraft or patrol vehicles directly with command posts.

The Port Authority is a member of the Houston Ship Channel Security District (Security District) and pays an annual assessment. The Security District provides matching funds for various Port Security Grant projects for regional entities, and directly funds smaller security related projects on behalf of its member organizations.

Emergency Management submitted a request to the Security District for \$53,000 to fund a video downlink antenna for the new Mobile Command Center as it was not included in the original scope of the grant and funding was not otherwise available. At its December Board Meeting, the Security District approved the funding.

To codify the request and accept the funding, an Interlocal Agreement is required. The agreement stipulates that the funding will be utilized for the purpose intended, invoices must be presented upon completion, and that the capability will be available for deployment along the Houston Ship Channel in an emergency situation.

As the new Mobile Command Center was purchased with Port Security Grant funding, it is already available for deployment to requesting agencies.

**Staff Evaluation/Justification:**

Staff recommends the Port Commission authorize the Interlocal Agreement with the Security District for the purpose of funding a video downlink antenna for the new Mobile Command Center. The State of Texas Department of Information Resources (DIR) was established under Texas Government Code, Chapter 2054 (known as the Information Resources Management Act). DIR has a cooperative purchasing program that enables governmental entities to efficiently pool their purchasing power to negotiate favorable pricing for computer hardware, software, and technology services. DIR has entered into contracts with providers of such products and related services in compliance with applicable procurement laws, and allows state agencies and local governments to purchase such products and services under the DIR contracts.

Pursuant to Texas Government Code, Section 2054.0565, procurements using DIR contracts satisfy competitive procurement requirements. In addition, since DIR is a state agency, the use of a DIR contract is a purchasing method acceptable for the Port Authority in accordance with Texas Water Code, Section 60.454.

Accordingly, in addition staff recommends utilizing the DIR Cooperative Purchasing Program to purchase this equipment to provide best value to the Port Authority. Global Communications Group was determined to provide the product sought using DIR pricing. Simultaneous approvals of both these actions will expedite the funding of the additional capability will enhance regional response capability.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>1. Reject all proposals to perform professional consulting services for construction management support, and building, concrete paving, earthwork, demolition, wharf structure, terminal planning, and electrical engineering consultants for project 2017-2018.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, reject all proposals to perform professional consulting services for construction management support, and building, concrete, paving earthwork, demolition, wharf structure, terminal planning, and electrical engineering consultants for projects 2017-2018, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Reject and Other Actions

**Department:**

Project and Construction Management

**Staff Contact:**

Roger H. Hoh, P.E.

**Background:**

The proposed project consists of entering into one or more annual Professional Service Agreements and/or Master Service Agreements with one or more registered professional engineering firms, with expertise in construction management support, and buildings, concrete, paving, earthwork, demolition, wharf structure, terminal planning, and electrical projects 2017-2018.

By Minute No. 2016-0726-07(j), the Port Commission authorized the advertisement and receipt of request for qualifications (RFQs) to perform professional consulting services for construction management support, and building, concrete, paving, earthwork, demolition, wharf structure, terminal planning, and electrical engineering projects 2017-2018. The Port Authority notified vendors regarding its request for qualifications using the Port Authority's BuySpeed Procurement System and the project was advertised on the Port Authority's website and in a local newspaper. One hundred and four vendors downloaded the project materials from the system.

**Staff Evaluation/Justification:**

On July 26, 2016, thirty-four RFQs were received and posted on BuySpeed.

After further review and consideration, staff recommended using informal proposals for 2017 small projects. Accordingly, staff also recommends that the Port Commission reject the proposals.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>2. Reject all bids and award a construction contract to Horizon International Group, LLC for the replacement of windows, entrance doors, framework, and carpet at the credit union leased premises located at the Executive Office at Turning Basin Terminal, using the Local Government Purchasing Cooperative's BuyBoard Program, in an amount not to exceed \$154,804.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, award a job order construction contract to Horizon International Group, LLC for the replacement of windows, entrance doors, framework, and carpet at the credit union leased premises located in the Executive Office at Turning Basin Terminal, using the Local Government Purchasing Cooperative's BuyBoard Program, in an amount not to exceed \$154,804, 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:**

Project and Construction Management

**Staff Contact:**

Roger H. Hoh, P.E.

**Background:**

This project consists of replacement of windows, entrance doors, framework, and carpet at the credit union premises leased from the Port Authority located at the Executive Office at Turning Basin Terminal.

The Local Government Purchasing Cooperative (Cooperative) is an administrative agency of cooperating local governments authorized by the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Cooperative is further authorized as a local purchasing cooperative organization as set forth in Section 271.101, et seq., of the Texas Local Government Code.

By Minute No. 2006-1023-43, the Port Commission authorized entering into an interlocal agreement with the Cooperative to become a member participant, and since that time has used the Cooperative and its BuyBoard electronic purchasing application to facilitate compliance with state procurement requirements; to more efficiently identify qualified vendors of commodities, goods and services; to relieve the burdens of the governmental purchasing function; and to realize the various potential economies, including administrative cost savings.

**Staff Evaluation/Justification:**

Staff recommends that the bids received for this project be rejected and the Port Commission approve procurement of these contracting services through the BuyBoard Cooperative Purchasing Program as the method that both satisfies competitive requirements and provides the best value to the Port Authority.

The BuyBoard website listed several pre-approved providers of work for similar requirements. Horizon International Group, LLC pricing for the storefront items in this project was reviewed and approved by BuyBoard.

Therefore, staff recommends that the Port Commission award a job order construction contract to this firm.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>3. Approve staff's ranking of vendors and award an environmental services contract for industrial and hazardous waste disposal in an amount not to exceed \$200,000 to the top-ranked proposer: staff ranking - first, Tradebe Treatment and Recycling, LLC.; second, Clean Harbors Environmental Services, Inc., third, Slick Response Services, Ltd.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting: (a) approve staff's ranking of the highest-ranked proposers offering best value to the Port Authority, based on the selection criteria, in the following order – first, Tradebe Treatment and Recycling, LLC.; second, Clean Harbors Environmental Services, Inc., third, Slick Response Services, LTD.; (b) award an environmental services agreement to Tradebe Treatment and Recycling, LLC. for industrial and hazardous waste disposal in an amount not to exceed \$200,000; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand) Strategic Objective 4a. - Be an environmental leader

**Category:**

Awards, Amendments & Change Orders

**Department:**

Environmental Affairs

**Staff Contact:**

Leah Oberlin

**Background:**

The Port Authority is seeking to obtain an environmental service provider to pick up, remove, transport, manage, and dispose or recycle industrial and/or hazardous wastes generated from Port Authority terminals and property locations; to sample, profile, and dispose of any unknown products as well as abandoned wastes that may be discovered; and to provide various field services such as tank cleaning, lab packing, vacuum truck pump, and haul special waste disposal.

By Minute 2016042610 (c), the Port Commission authorized the advertisement of a request for proposals (RFP) for industrial and hazardous waste disposal. The Port Authority notified vendors regarding its 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. Fifteen vendors downloaded the project materials from the BuySpeed Eprocurement System.

**Staff Evaluation/Justification:**

The Port Authority received five proposals before the November 23, 2016 deadline. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFP. Staff identified the following vendors, listed in order of ranking, as having proposals offering best value to the Port Authority in providing the required services:

- Tradebe Treatment and Recycling, LLC.
- Clean Harbors Environmental Services, Inc.
- Slick Response Services, Ltd.

Staff recommends that the Port Commission award a contract to Tradebe Treatment and Recycling, LLC.



## K. INFRASTRUCTURE

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<b>Subject</b>	<b>4. Approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$936,554 for the management of placement areas at Bayport Container Terminal to the top-ranked proposer: staff ranking – first, HDR Engineering, Inc.; and second, Paradigm Consultants, Inc.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, HDR Engineering, Inc.; and second, Paradigm Consultants, Inc.; (b) award a professional services contract to HDR Engineering, Inc. for the management of placement areas at Bayport Container Terminal, in an amount not to exceed \$936,554; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Project and Construction Management

**Staff Contact:**

Roger H. Hoh, P.E.

**Background:**

The Port Authority is seeking to obtain professional services from a qualified firm for the management of placement area at Bayport Container Terminal. Based on the solution of the study, the Port Authority may negotiate additional professional services for the final design phase and construction phase.

By Minute No. 2016-0927-32(f), the Port Commission authorized the advertisement of a request for qualifications (RFQ) for the professional services. The Port Authority notified vendors regarding its RFQ 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 the Port Authority's BuySpeed Eprocurement System.

**Staff Evaluation/Justification:**

On October 19, 2016, six 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:

- HDR Engineering, Inc.
- Paradigm Consultants, Inc.

Staff recommends that the Port Commission award a contract to HDR Engineering, Inc.

## K. INFRASTRUCTURE

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**Subject**            **5. Approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$161,000 to perform construction material testing during the construction of structural concrete and fender repairs at Wharf No. 23 at Turning Basin Terminal to the top-ranked proposer: staff ranking – first, Aviles Engineering Corporation; and second, Raba Kistner.**

Meeting            Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access            Public

Type            Action

Recommended    The Port Commission, at its January 31, 2017 meeting:  
Action            (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Aviles Engineering Corporation; and second, Raba Kistner;  
(b) award a professional services contract to Aviles Engineering Coporations to perform construction material testing during the construction of structural concrete and fender repairs at Wharf No. 23 at Turning Basin Terminal in an amount not to exceed \$161,000; and  
(c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals            STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Project and Construction Management

**Staff Contact:**

Roger H. Hoh, P.E.

**Background:**

This project includes construction material testing services to support the construction of structural concrete and fender repairs at Wharf No. 23 at Turning Basin Terminal. 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 project provides the third party inspection services.

By Minute No. 2016-0628-15(b), the Port Commission authorized the advertisement of a request for qualifications (RFQ) to perform construction material testing for the construction of structural concrete and fender repairs at Wharf No. 23 at Turning Basin Terminal. The Port Authority notified vendors regarding its RFQ using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Eighty-four vendors downloaded the project materials from the BuySpeed Eprocurement System.

The testing and inspection services of construction materials during the development of structural concrete and fender repairs at Wharf No. 23 at Turning Basin Terminal includes, but not limited to:

- Perform construction materials sampling and testing of concrete
- Provide reports of field and lab services
- Coordinate all activities and processes with Port Authority engineers and construction personnel to ensure quality control
- Perform Fiber Reinforced Polymer (FRP) materials sampling and tests as per ASTM guideline.

By Minute No. 2016-1213-27, the Port Commission awarded the construction contract for \$7,897,139 to Forde Construction Company, Inc. This construction material testing award, therefore, is to provide the required third-party inspection of Forde Construction Company, Inc.'s work.

**Staff Evaluation/Justification:**

On December 14, 2016, two 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:

- Aviles Engineering Corporation
- Raba Kistner

Staff recommends that the Port Commission award a contract to Aviles Engineering Corporation.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>6. Award a construction contract to AAA Asphalt Paving, Inc. for the bi-annual concrete replacement at Turning Basin Terminal for 2017-2018 in an amount not to exceed \$750,000.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, award a construction contract to AAA Asphalt Paving, Inc. for the bi-annual concrete replacement at Turning Basin Terminal in an amount not to exceed \$750,000, 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:**

Project and Construction Management

**Staff Contact:**

Roger H. Hoh, P.E.

**Background:**

The work will consist of removing and replacing damaged and or deteriorating concrete pavement for two years, 2017 and 2018, throughout the Turning Basin Terminal.

By Minute No. 2016-0726-07(d), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the bi-annual concrete replacement at Turning Basin Terminal. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Ten vendors downloaded the project materials from the system.

**Staff Evaluation/Justification:**

On November 9, 2016, four CSBs were received, opened, and publicly read. Two bidders were deemed non-responsive because they did not meet the small business requirement. The remaining two bids have been checked for completeness and responsiveness. The lowest responsible bidder is being recommended for Port Commission award.

Staff recommends that the Port Commission award a contract to AAA Asphalt Paving, Inc.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>7. Award a construction contract to Forde Construction Company, Inc. for the bi-annual pavement replacement at Barbours Cut Terminal and Bayport Container Terminal 2017-2018 in an amount not to exceed \$1,284,107.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, award a construction contract to Forde Construction Company, Inc. for the bi-annual pavement replacement at Barbours Cut Terminal and Bayport Container Terminal 2017-2018 in an amount not to exceed \$1,284,107, 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:**

Project and Construction Management

**Staff Contact:**

Roger H. Hoh, P.E.

**Background:**

This project consist of removing and replacing damaged and or deteriorating concrete and asphaltic pavement in various locations for 2017 and 2018 at Barbours Cut Terminal and Bayport Container Terminal.

By Minute No. 2016-0726-07(c), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the bi-annual pavement replacement at Barbours Cut Terminal and Bayport Container Terminal 2017-2018. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Seventy-nine vendors downloaded the project materials from the System.

**Staff Evaluation/Justification:**

On December 14, 2016, three CSBs were received, opened, and publicly read. The bids have been checked for completeness and responsibility. The lowest responsible bidder is being recommended for Port Commission award.

Staff recommends that the Port Commission award a contract to Forde Construction Company, Inc.

## K. INFRASTRUCTURE

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**Subject**            **8. Award a construction contract to Facilities Sources for the replacement of the C-1 roof and chiller at Barbours Cut Terminal, using the Local Government Purchasing Cooperative's Choice Partners, in an amount not to exceed \$193,600.**

**Meeting**            Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**             Public

**Type**                Action

**Recommended Action**    The Port Commission, at its January 31, 2017 meeting, award a construction contract to Facilities Sources to replace the C-1 roof and chiller at Barbours Cut Terminal, using the Local Government Purchasing Cooperative's Choice Partners, in an amount not to exceed \$193,600, 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:**

Project and Construction Management

**Staff Contact:**

Roger H. Hoh, P.E.

**Background:**

This project consists of replacing the C-1 roof and chiller at Barbours Cut Terminal.

The Local Government Purchasing Cooperative (Cooperative) is an administrative agency of cooperating local governments authorized by the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Cooperative is further authorized as a local purchasing cooperative organization as set forth in Section 271.101, et seq., of the Texas Local Government Code.

The Port Commission, by Minute No. 2006-1023-43, entered into an interlocal agreement with the Cooperative to become a member participant, and since that time has used the Cooperative and its BuyBoard electronic purchasing application to facilitate compliance with state procurement requirements; to more efficiently identify qualified vendors of commodities, goods and services; to relieve the burdens of the governmental purchasing function; and to realize the various potential economies, including administrative cost savings.

**Staff Evaluation/Justification:**

Contracting services through the Choice Partners Cooperative Purchasing Program is the method that both satisfies competitive requirements and provides the best value to the Port Authority.

The Choice Partners website listed several pre-approved providers of roof replacements. Facilities Sources pricing for the roof replacement was reviewed and approved by Choice Partners.

Staff recommends that the Port Commission award the construction contract to this firm.

## K. INFRASTRUCTURE

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**Subject**            **9. Amend the existing professional services agreement with Omega Engineers, Inc. for construction management support portwide to include services from December 31, 2016 to March 31, 2017 in an additional amount not to exceed \$50,000.**

**Meeting**            Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**             Public

**Type**                Action

**Recommended Action**    The Port Commission, at its January 31, 2017 meeting, amend the existing professional services contract with Omega Engineers, Inc. for construction management support portwide to include services from December 31, 2016 to March 31, 2017 in an additional amount not to exceed \$50,000, 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:**

Project and Construction Management

**Staff Contact:**

Roger H. Hoh, P.E.

**Background:**

By Minute No. 2015-0127-25, Port Commission approved staff's ranking of vendors and awarded a professional services agreement to Omega Engineers, Inc. for construction management support port-wide from January 1, 2015 to December 31, 2015 (Year 1) in an amount not to exceed \$150,000.

By Minute No. 2015-00929-36, the Port Commission amended the professional services agreement for construction management support port-wide in an additional amount not to exceed \$100,000.

By Minute No. 2016-0202-34, the Port Commission amended the professional services agreement for construction management support port-wide to include services from January 1, 2016 to December 31, 2016 in an additional amount not to exceed \$500,000.

**Staff Evaluation/Justification:**

Staff has determined that additional professional services are needed for projects port-wide; therefore, staff now recommends that the Port Commission amend the contract to provide for as-needed tasks for January 1, 2017 through March 31, 2017 in an additional amount not to exceed \$50,000.

Staff has reviewed Omega Engineers, Inc.'s proposal and found it to be fair and reasonable. Staff also believes that this firm is the most highly qualified provider for the additional services, based on its work to date under the existing agreement.

Staff recommends that the Port Commission amend the existing contract with Omega Engineers, Inc.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>10. Amend the professional services contract with TC&amp;B/GBA, a Joint Venture of Turner Collie &amp; Braden, Inc. (dba AECOM Technical Services, Inc.) and Gahagan &amp; Bryant Associates, Inc. for professional services for the Houston Ship Channel Expansion study and associated channel project design and construction phase services in an amount not to exceed \$5,300,000, and extend the contract term by 24 months to May 31, 2020.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, authorize the Port Authority to amend the professional services contract with TC&B/GBA, a Joint Venture of Turner Collie & Braden, Inc. (dba AECOM Technical Services, Inc.) and Gahagan & Bryant Associates, Inc. for professional services for the Houston Ship Channel Expansion study and associated channel project design and construction phase services in an amount not to exceed \$5,300,000, extend the contract term by 24 months to May 31, 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 #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

By Minute No. 2015-0428-08, the Port Commission awarded a professional services contract to TC&B/GBA, a Joint Venture of Turner Collie & Braden, Inc. (dba AECOM Technical Services, Inc.) and Gahagan & Bryant Associates, Inc. (Joint Venture) for navigation study services for an amount not to exceed \$3,000,000. This contract supports the Port Authority with its obligations as the non-federal sponsor of the ongoing United States Army Corps of Engineers (Corps) Houston Ship Channel Expansion navigation study. The Corps has subsequently approved a higher study cost with a longer duration, which increased the Port Authority cost share. An element of the proposed study, the Bayport Flare, was then separately evaluated and expedited by the Port Authority on behalf of the Corps using consultant services to enable expedited construction of the Bayport navigation safety improvement and required marsh creation. The total recommended amendment amount would be \$5,300,000; the Corps would then credit the Port Authority for approximately \$2,300,000 as its cost share of the Port Authority study, design, and construction phase services expenditures for the flare and marsh project.

**Staff Evaluation/Justification:**

Staff has determined that the requested additional funding is necessary to satisfy federal cost share responsibilities for the study and separate project in order to expedite completion of the navigation safety project at the Bayport flare and associated marshes.

The Joint Venture has submitted a proposal for the additional professional services for the requested scope of services. Staff and the Corps have reviewed the proposal and found it to be fair and reasonable.

Staff recommends the Port Commission approve this amendment.



## K. INFRASTRUCTURE

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<b>Subject</b>	<b>11. 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.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 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, 2017 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.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**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. In connection with those efforts, for each of the past seven years, the Port Commission has authorized an Interlocal Agreement with Harris County to provide wage rate compliance services, for a one-year term.

**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.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>12. Enter into a Funding Agreement with the Texas Department of Transportation and Port Terminal Railway Association, for constructing and completing the Broadway Second Main Tract Project, and if required, an interlocal agreement with the City of Houston for maintenance of roads and other infrastructure in the project area.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, authorize the Port Authority to enter into a Funding Agreement with the Texas Department of Transportation and Port Terminal Railway Association (PTRA) for constructing and completing the Broadway Second Main Track Project, and if required, an interlocal agreement with the City of Houston for maintenance of roads and other infrastructure in the project area and a pass-through agreement with PTRA, 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) STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**  
General

**Department:**  
Freight Mobility

**Staff Contact:**  
Bruce Mann

**Background:**  
The Broadway Second Main Track Project (the Project) proposes replacing an existing single-track railroad bridge over Broadway Street with double-track bridge structures, to alleviate railroad congestion and reduce railroad delays. Total Project costs are estimated at \$22,973,563.

This federal grant project has been restructured since the Port Commission, at its February 16, 2016 meeting (Minute No. 2016-0216-02), authorized the Port Authority to enter into certain agreements under which the Texas Department of Transportation (TxDOT) would procure the construction contractor and manage the Project. Under the new structure, the PTRA would do these things as provided with the new Funding Agreement. PTRA would pay and be responsible for all costs of the Project (including any cost overruns) and seek reimbursement directly from TxDOT for up to the \$11,448,563 total amount of the grant (not to exceed 80% of the total Project costs). TxDOT in turn would be reimbursed by the Federal Highway Association (FHWA) for the funds paid to PTRA. The Port Authority would act as the local sponsor of the Project, retaining Project oversight and federal grant requirements, but will be indemnified against liability for them by PTRA.

Grant funding for the Project has been approved by the Houston-Galveston Area Council (H-GAC).

**Staff Evaluation/Justification:**

Port Authority staff believes that the Project is key to reducing current and preventing future railroad line congestion on the south side of the Houston Ship Channel, which serves industries and port facilities. Completion of the Project would remove a current bottleneck between GH&H Junction and Manchester Junction, and should allow for added capacity for rail movements. PTRA and its member railroads concur in this assessment.

Staff also believes that the new structure of this Project should better facilitate its success, with PTRA, assisted by its member railroads, taking direct responsibility for procuring the construction contractor, paying Project

costs and seeking reimbursement from TxDOT under the grant. Accordingly, to accomplish the foregoing, Port Authority staff recommends that the Port Commission authorize the execution of a Funding Agreement with PTRA and TxDOT as described above, and an interlocal agreement with the City of Houston if necessary to provide for maintenance of roads and other infrastructure in the project area.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>13. Renew the expiring Port Authority licenses for new ten-year terms: Dow Hydrocarbons and Resources LLC, Seadrift Pipeline Corporation, KM Liquids Terminals LLC, Air Liquide Large Industries U.S. LP, Enterprise Houston Ship Channel, L.P., Praxair, Inc., Arkema, Inc., Enterprise Texas Pipeline LLC, Pasadena Refining System, Inc., HSC Pipeline Partnership LLC, and Valero Refining – Texas, L.P.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, authorize the Port Authority to renew expiring Port Authority licenses for new ten-year terms: Dow Hydrocarbons and Resources LLC, Seadrift Pipeline Corporation, KM Liquids Terminals LLC, Air Liquide Large Industries U.S. LP, Enterprise Houston Ship Channel, L.P., Praxair, Inc., Arkema, Inc., Enterprise Texas Pipeline LLC, Pasadena Refining System, Inc., HSC Pipeline Partnership LLC, and Valero Refining – Texas, L.P., 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:**

Permits/Licenses/Pipeline Easements

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

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

<u>Company</u>	<u>File Number</u>	<u>License Fee</u>
Dow Hydrocarbons and Resources LLC	2007-0314	\$12,921
Seadrift Pipeline Corporation	2007-0313	\$12,788
KM Liquids Terminals LLC	1997-0106	\$1,661
KM Liquids Terminals LLC	1997-0105	\$1,458
KM Liquids Terminals LLC	1997-0104	\$1,661
Air Liquide Large Industries U.S. LP	2015-0091	\$1,458
Enterprise Houston Ship Channel, L.P.	2015-0260	\$17,241
Enterprise Houston Ship Channel, L.P.	2015-0259	\$34,704
Praxair, Inc.	2007-0107	\$26,819
Arkema Inc.	2016-0330	\$8,748
Enterprise Texas Pipeline LLC	2007-0175	\$3,220
Pasadena Refining System, Inc.	1998-0150	\$1,458
Pasadena Refining System, Inc.	1997-0274	\$4,649
HSC Pipeline Partnership LLC	2007-0227	\$21,234
Valero Refining – Texas, L.P.	<u>1987-0008</u>	<u>\$1,458</u>
	<b>TOTAL</b>	<b>\$151,478</b>

**Staff Evaluation/Justification:**

The applications were reviewed and approved by the Channel Development 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.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>14. Issue a pipeline license to KM Liquids Terminals LLC for one 12-inch wastewater pipeline under and across Houston Ship Channel in Houston.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, authorize the Port Authority to issue a pipeline license to KM Liquids Terminals LLC for one 12-inch wastewater pipeline under and across Houston Ship Channel in Houston, 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:**

Permits/Licenses/Pipeline Easements

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

KM Liquids Terminals LLC, Port Authority File No. 2017-0011, has applied for a pipeline license for one 12-inch wastewater pipeline under and across Houston Ship Channel, in Houston, in the William Vince Survey, A-78 and Ezekiel Thomas Survey, A-78, Harris County, Texas.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Channel Development Department. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$3,761. The \$675 application fee and \$2,500 as-built deposit have been paid.

## K. INFRASTRUCTURE

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**Subject**            **15. Issue a pipeline license to ITC Pipeline Company LLC for one 10-inch and one 16-inch petroleum products pipelines under and across Southside Mainline railroad right-of-way in Pasadena.**

Meeting            Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access             Public

Type                Action

Recommended Action    The Port Commission, at its January 31, 2017 meeting, authorize the Port Authority to issue a pipeline license to ITC Pipeline Company LLC for one 10-inch and one 16-inch petroleum products pipelines under and across Southside Mainline railroad right-of-way in Pasadena, 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:**

Permits/Licenses/Pipeline Easements

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

ITC Pipeline Company LLC, Port Authority File No. 2016-0363, has applied for a pipeline license for one 10-inch and one 16-inch petroleum products pipelines under and across Southside Mainline railroad right-of-way in Pasadena, in the Thomas Earle Survey, A-18, Harris County, Texas.

**Staff Evaluation /Justification:**

The application was reviewed and approved by the Channel Development Department and Port Terminal Railroad Association. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$3,322. The \$675 application fee and \$2,500 as-built deposit have been paid.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>16. Issue a transmission/distribution line license to AT&amp;T for one fiber optic line within a 4-inch conduit under and across Turning Basin Area-West and Northside Turning Basin in Houston.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, authorize the Port Authority to issue a transmission/distribution line license to AT&T for one fiber optic line under, over, and across Northside Turning Basin in Houston, 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:**

Permits/Licenses/Pipeline Easements

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

AT&T, Port Authority File No. 2016-0317, has applied for a transmission/distribution line license for one fiber optic line within a 4-inch conduit under and across Turning Basin Area-West and Northside Turning Basin in Houston, in the John Brown Survey, A-8, Harris County, Texas.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Channel Development, Real Estate, IT, Project Construction Management, Environmental Affairs, and Operations Departments. The fiber optic line would provide service to Port Authority tenant U.S. Department of Agriculture (USDA); therefore, Channel Development recommends the license fee be waived. The license is to be otherwise issued subject to the Port Authority's usual terms and conditions. The \$675 application fee and \$2,500 as-built deposit have been paid.



## K. INFRASTRUCTURE

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<b>Subject</b>	<b>17. Issue a transmission/distribution line license to AT&amp;T for one fiber optic line under, over, and across Northside Turning Basin to Wharf 18 in Houston.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, authorize the Port Authority to issue a transmission/distribution line license to AT&T for one fiber optic line under, over, and across Northside Turning Basin to Wharf 18 in Houston, 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:**

Permits/Licenses/Pipeline Easements

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

AT&T, Port Authority File No. 2016-0322, has applied for a transmission/distribution line license for one fiber optic line under, over, and across Northside Turning Basin to Wharf 18 in Houston, in the John Brown Survey, A-8, Harris County, Texas.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Channel Development, Real Estate, IT, Project Construction Management, Environmental Affairs, and Operations Departments. The fiber optic line (in a conduit) would provide service to the Port Authority tenant at Wharf 18; therefore, Channel Development staff recommends the license fee be waived. The license is to be otherwise issued subject to the Port Authority's usual terms and conditions. The \$675 application fee and \$2,500 as-built deposit have been paid.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>18. Issue a transmission/distribution line license to AT&amp;T for one fiber optic line under, over, and across Northside Turning Basin to Wharf 31 in Houston.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, authorize the Port Authority to issue a transmission/distribution line license to AT&T for one fiber optic line under, over, and across Northside Turning Basin to Wharf 31 in Houston, 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:**

Permits/Licenses/Pipeline Easements

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

AT&T, Port Authority File No. 2016-0348, has applied for a transmission/distribution line license for one fiber optic line under, over, and across Northside Turning Basin to Wharf 31 in Houston, in the John Brown Survey, A-8, Harris County, Texas.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Channel Development, Real Estate, IT, Project Construction Management, Environmental Affairs, and Operations Departments. The fiber optic line (in conduit) would provide service to the Port Authority tenant at Wharf 31; therefore, Channel Development recommends the license fee be waived. The license is to be otherwise issued subject to the Port Authority's usual terms and conditions. The \$675 application fee and \$2,500 as-built deposit have been paid.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>19. Issue a transmission/distribution line license to AT&amp;T for one fiber optic line within a 2-inch conduit under and across Northside Mainline railroad right-of-way in Houston.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, authorize the Port Authority to issue a transmission/distribution line license to AT&T for one fiber optic line within a 2-inch conduit under and across Northside Mainline railroad right-of-way in Houston, 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:**

Permits/Licenses/Pipeline Easements

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

AT&T, Port Authority File No. 2016-0329, has applied for a transmission/distribution line license for one fiber optic line within a 2-inch conduit under and across Northside Mainline railroad right-of-way in the John Brown Survey, A-6, in Houston, Texas.

The fiber optic line would provide service to Service Steel Warehouse located along Clinton Drive.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Channel Development Department and Port Terminal Railroad Association. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$1,458. The \$675 application fee and \$2,500 as-built deposit have been paid.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>20. Issue a marine construction permit to Contanda Jacintoport Terminal LLC to expand an existing facility adjacent to Jacintoport Channel in Houston.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, authorize the Port Authority to issue a marine construction permit to Contanda Jacintoport Terminal LLC to expand an existing facility adjacent to Jacintoport Channel in Houston, 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:**

Permits/Licenses/Pipeline Easements

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

Contanda Jacintoport Terminal LLC, Port Authority File No. 2017-0010, has applied for a marine construction permit to expand an existing facility adjacent to Jacintoport Channel in Houston, in the William Harris & D. Carpenter Survey, A-28, Harris County, Texas.

The project includes the creation of a barge slip and deepening of an existing ship berth. The existing barge dock would be removed and an upland area would be excavated to create a barge slip. The slip would be supported by a new bulkhead and barge dolphins.

Additionally, the existing ship berth would be deepened from 38 feet to 42 feet to accommodate deeper draft vessels. A toe wall would be installed along the existing bulkhead to accommodate the increased depth. A total of 125,000 cubic yards of material would be dredged from the barge and ship berths.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Channel Development, Operations, and Real Estate Departments and the Houston Pilots. 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.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>21. Amend a marine construction permit to KM Liquids Terminals LLC to add one mooring dolphin adjacent to the Houston Ship Channel in Houston.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, authorize the Port Authority to amend a marine construction permit to KM Liquids Terminals LLC to add one mooring dolphin adjacent to the Houston Ship Channel in Houston, 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:**

Permits/Licenses/Pipeline Easements

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

KM Liquids Terminals LLC, Port Authority File No. 1981-0324, has applied to amend a marine construction permit to add one mooring dolphin adjacent to the Houston Ship Channel, in Houston, in the Ezekiel Thomas Survey, A-73, Harris County, Texas.

The proposed mooring dolphin would improve and expand the use of the Galena Park terminal barge dock located between Ship Dock 3 and the shoreline by reducing restrictions caused by mooring lines deployed from ships to a single mooring dolphin south of Ship Dock 3.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Channel Development Department and the Houston Pilots. 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.

## L. OPERATIONS

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<b>Subject</b>	<b>1. Award a two-year contract to Crane Tech Solutions, the sole provider, for purchase of quarterly inspection services for Stinis spreaders and over-height attachment at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$125,000.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, award a two-year contract to Crane Tech Solutions, the sole provider, for purchase of quarterly inspection services for Stinis spreaders and over-height attachment at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$125,000, 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. 2015-1027-39, the Port Commission awarded a one-year contract to Crane Tech Solutions for the purchase of inspection services and training for Stinis spreaders and over-height attachment at Barbours Cut and Bayport Container Terminals in the amount of \$62,000. These funds have been depleted. The Port Authority currently owns a total of thirty spreaders and one over-height attachment manufactured by Stinis Holland B.V. including sixteen spreaders at Barbours Cut Terminal and fourteen spreaders and one over-height attachment at Bayport Container Terminal. Since 2012 periodic inspections by Crane Tech Solutions, the manufacturers' agent in the U.S., have been performed on a quarterly basis through annual purchase orders for Bayport Container Terminal units only. With the end of the long-term lease agreement with Maersk, Inc. in July 2015, the Port Authority also acquired sixteen Stinis units at Barbours Cut Terminal and a larger purchase order is needed for quarterly inspections.

Given the importance that spreaders and over-height attachments have in container crane operations, it is advantageous to have a contract in place to assist the Port Authority in the routine inspection of these units to minimize crane downtime.

**Staff Evaluation/Justification:**

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that Crane Tech Solutions is the sole authorized source for service, training, repairs, and captive replacement parts for Stinis spreaders and over-height attachments in the United States.

Staff recommends that the Port Commission award a two-year contract with Crane Tech Solutions for the purchase of inspection services for Stinis spreaders and over-height attachment at Barbours Cut Terminal and Bayport Container Terminal.

## L. OPERATIONS

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<b>Subject</b>	<b>2. Award a two-year contract to Kalmar USA Inc., Bromma Americas, the sole provider, for purchase of twistlocks and spreader related parts for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$2,000,000.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, award a two-year contract to Kalmar USA Inc., Bromma Americas, the sole provider, for purchase of twistlocks and spreader related parts for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$2,000,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Maintenance

**Staff Contact:**

Paulo Soares

**Background:**

The Port Authority owns one-hundred and one Bromma spreaders and six over-height attachments for wharf and RTG cranes currently in operation at Barbours Cut Terminal and Bayport Container Terminal. In addition, five spreaders and one over-height attachment will be received with the new wharf cranes for Barbours Cut Terminal, due to arrive in July 2017. The ability to expedite the procurement of spare and replacement parts for these spreaders and over-height attachments is critical to terminal operations.

By Minute No. 2015-0324-25, the Port Commission awarded a two-year contract to Kalmar USA Inc., Bromma Americas in an amount not to exceed \$1,400,000 for the purchase of twistlocks and spreader related parts for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal. Funds in this contract are nearly depleted.

Staff recommends that the new contract amount be increased to \$2,000,000 to accommodate new equipment as well as the replacement and repair needs for existing equipment.

**Staff Evaluation/Justification:**

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that Kalmar USA Inc., Bromma Americas is the sole authorized distributor of captive replacement parts for Bromma products in the United States.

Staff recommends that the Port Authority award a two-year contract with Kalmar USA Inc., Bromma Americas for the purchase of twistlocks and spreader related parts for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal. These parts will be purchased through this contract as needed to properly maintain these spreaders and minimize operational downtime.

## L. OPERATIONS

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<b>Subject</b>	<b>3. Award a two-year contract to Alimak HEK, Inc., the sole provider, for purchase of elevator components for wharf cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$300,000.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 31, 2017 meeting, award a two-year contract to Alimak HEK, Inc., the sole provider, for purchase of elevator components for wharf cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$300,000, 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:**

The Port Authority maintains a total of twenty-three wharf cranes for loading and unloading containers at Barbours Cut Terminal and Bayport Container Terminal. Twenty-two of these cranes are equipped with an elevator, which is used to transport personnel and materials during operation and maintenance activities. To ensure the safety and reliability of these elevators, routine preventive maintenance must be performed and captive replacement parts procured frequently. Safety devices on these elevators are proprietary and have expiration dates which necessitate replacement. Twenty of these cranes use Alimak HEK elevators and require these components.

By Minute No. 2015-0519-20, the Port Commission awarded a two-year contract to Alimak HEK, Inc. in an amount not to exceed \$180,000 for the purchase of elevator components for wharf cranes at Barbours Cut and Bayport Container Terminals. Funds in this contract are nearly depleted. Due to an increase in the number of crane elevators owned by the Port Authority, staff recommends the amount be increased to \$300,000 in the new two-year contract.

**Staff Evaluation/Justification:**

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that Alimak HEK, Inc. is the sole source for the purchase of certain elevator components and safety devices in the United States.

Staff recommends the Port Commission award a two-year contract to Alimak HEK, Inc. for the purchase of elevator components for wharf cranes at Barbours Cut Terminal and Bayport Container Terminal.



## N. TECHNOLOGY

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<b>Subject</b>	<b>1. Award a three-year contract to Netsync Network Solutions for Cisco SmartNet Service and Support for Cisco hardware, software, and licensing, using the State of Texas Department of Informational Resources Cooperative Purchasing Program, in an amount not to exceed \$192,000 per year.</b>
Meeting	Jan 31, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission at its January 31, 2017 meeting, award a three-year contract to Netsync Network Solutions for Cisco SmartNet Service and Support for Cisco hardware, software, and licensing, using the State of Texas Department of Informational Resources Cooperative Purchasing Program, in an amount not to exceed \$192,000 per year, 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) Strategic Objective 1c. - Implement streamlined processes supported by technology

**Category:**

Awards, Amendments & Change Orders

**Department:**

Information Technology

**Staff Contact:**

Charles Thompson

**Background:**

As the Port Authority works to ensure reliably network infrastructure throughout its facilities, it is imperative that its Cisco network equipment/devices have appropriate service and support where possible. The current three-year Cisco Maintenance agreement (SmartNet) is up for renewal in February and requires renewal.

The Port Authority continues to standardize Cisco equipment throughout the Port and having a maintenance agreement in place for this Cisco equipment ensures the appropriate software and hardware support to resolve network issues efficiently and in a timely manner.

The State of Texas Department of Information Resources (DIR) was established under Texas Government Code, Chapter 2054 (known as the Information Resources Management Act). DIR has a cooperative purchasing program that enables governmental entities to efficiently pool their purchasing power to negotiate favorable pricing for computer hardware, software, and technology services. DIR has entered into contracts with providers of such products and related services in compliance with applicable procurement laws, and allows state agencies and local governments to purchase such products and services under DIR contracts. Pursuant to Texas Government Code, Section 2054.0565, procurements using DIR contracts satisfy competitive procurement requirements. In addition, since DIR is a state agency, the use of a DIR contract is a purchasing method acceptable for the Port Authority in accordance with Texas Water Code, Section 60.454.

**Staff Evaluation/Justification:**

Staff has determined that it is financially advantageous to move forward with a three-year agreement, paid on an annual basis.

State of Texas DIR cooperative contract program provider Netsync Network Solutions offers the necessary annual subscription and support services at the DIR governmental entity pricing in an amount not to exceed \$192,000 per year.

Accordingly, staff has determined that the price and availability from Netsync Network Solutions provides the best value to the Port Authority, and recommends that this method be used to procure this item.