

INDEX

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
June 22, 2021

<u>Minute No.</u>	<u>Event/Action</u>
	General
	Chairman Campo convened the virtual Port Commission meeting and provided opening remarks
	Minutes
2021-0622-01	Approve the minutes of the May 25, 2021 Port Commission meeting
	Staff Reports
2021-0622-02	Roger Guenther, Executive Director, presented a summary of selected financial and operational matters
	Appearances
2021-0622-03(a)	Chairman Campo recognized Adrian Shelley, Public Citizen, Director, Texas Office, who addressed the Port Commission
2021-0622-03(b)	Chairman Campo asked if anyone would like to address the Port Commission; there was no response
	F. Executive
2021-0622-04	Chairman Campo recognized Mr. Heidt to provide a report of selected Executive Division agenda items
2021-0622-05	Award a professional services contract to Cassidy and Associates for federal governmental policy consulting and support
2021-0622-06	Award a professional services contract to Pendulum Strategies, LLC for federal governmental policy consulting and support
2021-0622-07	Authorize the Community Relations Committee to review staff recommendations and rank and approve awards under the Community Grants Program

<u>Minute No.</u>	<u>Event/Action</u>
2021-0622-08	Approve Port Commission committee and task force chairs and members
	G. Commercial
2021-0622-09	Chairman Campo recognized Mr. Heidt to provide a report of selected Commercial Division agenda items
2021-0622-10	Approve a fifty-year lease agreement with Texas Lehigh Cement Company for approximately 0.66-acres of land out of a 12.83-acre tract of land situated in the Ezekial Thomas Survey, A-73, Harris County, Texas, effective no earlier than July 1, 2021, at an annual base rent of \$21,000 beginning at full operations no later than 24 months after the commencement date and subject to an annual increase of 3%
2021-0622-11	Approve (i) a two-year lease with Matthews Brothers Dredging, Inc. (Matthews Brothers) for approximately 0.443 acres out of Sims Bayou Block 4, effective no earlier than July 1, 2021, at an annual base rent of \$9,377 with a 3% annual increase, and (ii) a non-exclusive, two-year license with Matthews Brothers for approximately 0.416 acres out of the adjacent Block 4-A, to run coterminously with the lease at an annual fee of \$6,600
2021-0622-12	Authorize to extend the term of a month-to-month lease with R. Warehousing & Port Services for approximately 10.85 acres out of Block 2C in Northside Turning Basin commencing July 1, 2021
2021-0622-13	Approve a second amendment to the Lease Agreement with CB&I, LLC, to extend the original lease term from thirty-two months to thirty-eight months, for approximately 50.02-acres of land located on the south side of Port Road and east of Freight Station Road near Seabrook, effective July 1, 2021, at an annual rent of \$1,806,551.40 subject to annual base rent escalation of 3%
	H. Finance (no items)
	I. Infrastructure
2021-0622-14	Chairman Campo recognized Mr. Heidt to provide a report of selected Infrastructure Division agenda items
2021-0622-15	Award a construction contract to Jerdon Enterprise, L.P. for the Ramp Road 8 gate modification and guardhouse at Turning Basin Terminal
2021-0622-16	Authorize a month-to-month lease with 2Plus of Texas, Inc., dba STAR to lease vans under the Houston- Galveston Area Council METROVan Program for an additional one-year period

<u>Minute No.</u>	<u>Event/Action</u>
2021-0622-17	Amend the professional services contract with Walter P Moore to perform additional services for the design for the repair of the bridge at Spilman Island
2021-0622-18	Approve a change order with Jerdon Enterprise, L.P. to perform additional work associated with the trench drain repairs at Bayport Container Terminal
2021-0622-19	Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: Ballard Exploration Company, Inc., Deer Park Energy Center LLC, Equistar Chemicals, LP, Huntsman International LLC, Pasadena Cogeneration L.P., and Sekisui Specialty Chemicals America, LLC
2021-0622-20	Issue a pipeline license to South Texas NGL Pipelines, LLC for one 12-inch polymer grade propylene pipeline under and across Cedar Bayou, San Jacinto River, Carpenters Bayou, Port Authority fee property near Jacintoport Blvd., Port Authority Banana Bend tract, and the Port Authority Beltway 8 tract
2021-0622-21	Issue a pipeline license to Hartree Refining Company, LLC for one 12-inch and two 10-inch petroleum products pipelines, and one 3-inch conduit under and across Carpenters Bayou
2021-0622-22	Issue a pipeline license to Linde, Inc. for one 14-inch high-density polyethylene wastewater pipeline adjacent to the access road leading to Spilman Island
2021-0622-23	Approve the transfer of a pipeline license from Invista, S.A.R.L. to Chevron Philips Chemical Company LP and approve the amendment to change the transported product to heavy olefins under and across several Port Terminal Railroad Association right-of-way crossings
2021-0622-24	Approve the transfer of a pipeline license from Invista, S.A.R.L. to Chevron Philips Chemical Company LP and approve the amendment to change the transported product to heavy olefins under and across Goose Creek, Scott Bay, the Houston Ship Channel, and Upper San Jacinto Bay
2021-0622-25	Amend a distribution and/or transmission line license issued to CenterPoint Energy Houston Electric, LLC to add an additional fiber optic cable to the existing line across the Port Terminal Railroad Association's Southside Mainline railroad right-of-way
2021-0622-26	Approve a port adjacency barge fleeting lease agreement with, and issue a marine construction permit to, Kirby Inland Marine, LP for 10.43 acres of

Minute No.

Event/Action

submerged lands in Old River at an initial monthly rental amount of \$15,645 for a ten-year term

J. Operations

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| 2021-0622-27 | Chairman Campo recognized Mr. Heidt to provide a report of selected Operations Division agenda items |
| 2021-0622-28 | Award a contract to Shanghai Zhenhua Heavy Industries Co., Ltd. (ZPMC) for the purchase of three dockside electric container cranes for Wharf No. 6 at Bayport Container Terminal |
| 2021-0622-29 | <p>Approve staff's ranking of vendors and award a two-year contract for railroad repair services at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal to the top-ranked proposers: staff ranking - first, Railworks Track Systems, Inc.; and second, Maintenance of Way Construction Services</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p> |
| 2021-0622-30 | Award a three-year contract to Northline NC, LLC for the purchase of new and repaired electronic components for wharf and rubber-tyred gantry cranes at Barbours Cut Terminal and Bayport Container Terminal |
| 2021-0622-31 | Award a two-year contract to Lockridge Packaging, LLC for the purchase of paper products for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal |
| 2021-0622-32 | <p>Approve staff's ranking of vendors and award a contract for the purchase of four replacement operator cabs for wharf cranes at Barbours Cut Terminal to the top-ranked proposer: staff ranking - first, Brieda Cabins S.r.l. A Socio Unico; and second, Inter-Net Specialty Products, Inc.</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p> |
| 2021-0622-33 | Award a two-year contract to ZPMC North America, Inc. (ZPMC), the sole source provider, for the purchase of captive replacement parts for ZPMC cranes at Barbours Cut Terminal and Bayport Container Terminal |
| 2021-0622-34 | Award a contract to Konecranes Finland Corporation, the sole source provider, for the purchase of a spare main hoist gear reducer for four wharf cranes at Barbours Cut Terminal |

<u>Minute No.</u>	<u>Event/Action</u>
2021-0622-35	Ratify an emergency purchase order to Cole Ticket Solutions Inc. for 5,000,000 gate interchange tickets
2021-0622-36	Ratify an emergency purchase order to HPGR, LLC for repairs to main hoist gear reducer for crane 208 at Bayport Container Terminal
2021-0622-37	Authorize payment to Smart Tecs LLC, the sole source provider, for annual maintenance services for the marine terminal gate operating software system for Barbours Cut Terminal and Bayport Container Terminal
2021-0622-38	Amend the professional services agreement with APTIM Port Services International, LLC to perform additional inspection services for construction of three dockside electric container cranes for Wharf No. 5 at Bayport Container Terminal

K. People (no items)

L. Port Security and Emergency Operation (no items)

M. Technology (no items)

Recess Open Meeting and Convene Executive Session

Reconvene Open Meeting

2021-0622-39	Authorize the Port Authority to continue the monthly acreage lease rate reduction for certain month-to-month Turning Basin Terminal leases for the time period and on the other terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing
2021-0622-40	Authorize the Port Authority to amend the agreement for legal services with (a) Andrews Myers PC, and (b) Boyar Miller on the terms discussed in Executive Session, and to authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing
2021-0622-41	Regular Code of Ethics training and review

Adjourn Meeting

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

**Houston, Texas
June 22, 2021**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on June 22, 2021 at 9:15 a.m., via Cisco WebEx. The following commissioners, staff, and counsel were present:

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

Chairman Campo began his opening remarks by giving a Pilot Board update. The Houston Pilots (Pilots) recently met to address bringing vessels into the Houston Ship Channel that were over 1,100 feet in length, and determined that 1,120-foot vessels were safe to operate in the channel. The first of two required public hearings was held with no opposition, with another expected in a week, but the general consensus is that 1,120-foot vessels will soon be authorized to enter the channel.

Chairman Campo emphasized the fact that if a vessel did not make a call in Houston, then it most likely would not call on any port in the Gulf of Mexico. Allowing 1,120-foot vessels was good news not just for the Port Authority but for all the ports on the gulf – ultimately the container business was moving toward bigger ships.

Chairman Camp congratulated Capt. Robert Thompson and the Houston Pilots for getting the experience needed in order to allow the larger vessels.

Chairman Campo also provided an update on the Houston Ship Channel Expansion Improvement Project (Project 11). The Port Commission had authorized staff to enter into a Project Partnership Agreement (PPA) with the U.S. Army Corps of Engineers (Army Corps) – staff recommended negotiating an agreement that would include all segments of the project, except for Segment 1C, the reach of the Galveston Bay channel between Bayport and Barbours Cut.

Chairman Campo explained that the PPA would include Segments 1A and 1B in the bay up to the Bayport Channel; Segment 2, the Bayport Ship Channel; Segment 3, the Barbours Cut Channel; Segment 4, the Buffalo Bayou channel from Boggy Bayou to Sims Bayou; and Segments 5 and 6 from Sims Bayou to the main Turning Basin. For Segment 1C, staff recommended asking the Assistant Secretary of the Army for approval to proceed

under a Section 204(f) Agreement, which meant the Army Corps would assume responsibility for maintaining that section of the expanded channel.

Chairman Campo remarked that such an agreement would allow the Port Authority to speed up the expansion to Bayport, which brought significant economic and safety benefits for its users. In order to speed up said benefits, the Port Authority would agree in the PPA to be responsible for the incremental cost of maintaining the widened channel for Segment 1B. The Port Authority still felt that it made sense for the Army Corps to maintain the full expanded channel, but that discussion would be had with Congress.

Chairman Campo highlighted two main issues being worked through with the Army Corps before the PPA could be finalized. First, it needed to be clear that the Port Authority was only responsible for the incremental costs of constructing and maintaining Segment 1B. The second issue pertained to dealing with maintenance dredging of the existing channel while the widening was taking place. The Army Corps was working with the Port Authority to get maintenance dredges working just ahead of Project 11 construction. However, in places where that option was not feasible, it was more efficient for the Port Authority to do the maintenance dredging during construction, and approval was needed to get reimbursed for said maintenance dredging.

Chairman Campo stressed that the goal was to have the PPA completed in July 2021, which would allow the Army Corps to begin construction of its part of the project using the \$19.5 million in federal funds it had received for the fiscal year that ended in September 2021. The Port Authority was on a path that was consistent with staff's recommendations and Port Commission authorizations.

Chairman Campo moved on to discuss sustainability. Staff had facilitated three workshops with about 50 participants representing port users, industry, and environmental and community advocates to gauge stakeholder priorities for sustainability in areas of environmental, social, and governance. The process began with the Port Authority listening to its stakeholders and then identifying what else it could do, beyond its ongoing activities, to promote sustainability and then determine where the Port Authority should be: a leader, a partner, or offering its support from the side.

Chairman Campo reported that staff would recap the workshops back to participants in the coming days and ultimately report to the entire Port Commission at the July 2021 Port Commission meeting. While the data and inputs were not fully analyzed, it did appear that there was some consensus for priorities around clean energy, air quality, and community engagement.

Chairman Campo stated that the Port Authority continued to focus on sustainability and had recently undertaken two new initiatives. The first was joining the International Energy Agency's Clean Energy Ministry in launching a Global Hydrogen Ports Coalition

to advance global collaboration aimed at accelerating the use of hydrogen at shipping ports. The second was joining Shell Oil, Kirby Corp., and others in launching the Blue Sky Maritime Coalition whose members were targeting decarbonization in shipping through operational efficiency, policy, finance, and technology innovation. Additionally, staff would participate in the Future of Global Energy Conference next month which was sponsored jointly by the Greater Houston Partnership and the Center for Houston's Future.

(2021-0622-01) Chairman Campo called for a motion to approve the minutes of the May 25, 2021 Port Commission meeting. Commissioner Mease moved for approval, seconded by Commissioner Corgey. The minutes were approved as written.

Commissioner Fitzgerald thanked Capt. Thompson and the Houston Pilots on the decision, as it would bring more cargo through the Port of Houston. Commissioner Corgey echoed Commissioner Fitzgerald's comment, and Commissioner Mease added that more cargo meant more revenue.

(2021-0622-02) Roger Guenther, Executive Director, presented a summary of selected operational matters as follows.

Mr. Guenther observed several recent staff retirements and milestone anniversaries of 20 years or more. He began by recognizing retirees who had been with the Port Authority for 25 or more years:

- Jerry Matheson – 25 years
- Diana Robbins – 25 years
- Ricky Murray – 25 years
- Carol Neidert – 25 years
- Eric Lebeaux – 26 years
- Edward Fouts – 28 years
- Rudolph Lechuga – 34 years
- Randall Pugh – 39 years

Mr. Guenther also recognized employees with milestone work anniversaries:

- Robin Nutt – 30 years
- Jack Hinds – 30 years
- Douglas Johnson – 30 years
- Fonda Gignac – 30 years
- Paula Driscoll – 30 years
- Kathleen Swift – 40 years

Mr. Guenther moved on to highlight selected May 2021 operating results:

- Cargo tonnage continued to soar at Port Authority facilities, with another month's double-digit container cargo increase. May 2021 was the best May ever for container twenty-foot equivalent units (TEUs), with a 30% increase compared to May 2020.
- Port Authority terminals recorded an increase of 8% over the previous year with a total of 1,315,166 TEUs in 2021, a 9% increase from 2019, which was a record year.
- General cargo was up 12% for the year at the multipurpose facilities: steel showed recovery with a 30% increase over the previous May, and increases were also had in other general cargo commodities.
- Total tonnage across Port Authority public docks was up 1% for the year.
- June 2021 had been extremely busy so far and showed no signs of slowing down.
- The Barbour Cut Container Terminal recently recorded 4,917 gate transactions while the Bayport Container Terminal recorded 8,608 – both in June 2021.
- Combined gate counts for the terminals had been averaging 11,000 for June.
- A single vessel lift record was achieved for the Bayport Container Terminal: 6,099 lifts on the CMA CGM LA TRAVIATA in May 2021.
- Similarly, a single vessel lift record was achieved at the Barbour Cut Container Terminal: 5,536 lifts on the ONE MODERN in June 2021.
- Steel imports for June 2021 continued to be strong and nearly 300,000 tons was expected for the month.

Mr. Guenther then noted that a cross-functional team had been very hard at work preparing for the launch of the Business Equity procurement initiative in a few weeks. While staff finalized information regarding the availability of small and minority- and woman-owned businesses (S/MWBE) to participate in Port Authority contracts, the team – representing each of the divisions – was engaged in drilling down into upcoming projects for the second half of the year for opportunities to expand the utilization of S/MWBE. The plan was to provide an update to the Business Equity Committee in July of the projects that the Port Authority intended to target for S/MWBE goal-setting.

Commissioner Mease questioned the status of the bid process for smaller contracts. He was concerned that smaller companies that bid on smaller jobs should not have to follow the same bidding procedures as larger companies that bid on larger jobs. Mr. Guenther felt it was a fair point and wanted the process to be as fair and equitable as possible while conforming to the necessary statutory requirements.

Chairman Campo noted that the Port Authority's Small Business Development Program had awarded nearly \$600 million to small businesses. He felt the same thing

would happen with the new Business Equity program once it was refined. One of the biggest challenges was marketing the Port Authority's business to the community.

Commissioner DonCarlos remarked that he had recently read an article indicating that the auto shortage was due to congestion on the West Coast. He asked if there was any opportunity for the Port Authority to expand on that business.

Mr. Guenther replied that part of the disruption in the supply chain was due to a limited supply of electronic chips used in the manufacturing of cars, not the cars themselves. However, any opportunities would be explored. In addition, many of the ports in Asia were experiencing shortages in manpower, causing vessels to stack up even as the backlog on the West Coast was cleared.

Mr. Guenther emphasized that there were no ships waiting outside to enter the Port of Houston, and there were currently no issues with labor availability, which had so far managed to keep up with demand. Additionally, it would be healthy when the larger ships would be able to call on Houston.

(2021-0622-03) Appearances

(a) Chairman Campo recognized Adrian Shelley – Director, Texas Office, Public Citizen, who addressed the Port Commission.

Mr. Shelley followed up on an item that was discussed during public comment at the previous month's Port Commission meeting: the approval of a pipeline license to Intercontinental Terminals Company (ITC).

The response given to his suggestion – that the Port Commission should reject the license due to ITC's poor performance – was that it was not the time to revise the pipeline policy for granting applications. Mr. Shelley continued that he believed the current policy did not need to be revised; it gave ample authority for the Port Authority to review applications and approve or deny them as it saw fit. Quoting from the qualifications for a pipeline license, Mr. Shelley pointed out that the authority was already present to deny or revoke a pipeline license.

Mr. Shelley referred to ITC's current set of circumstances, which included the March 2019 fire at its facility, classification as a high priority violator by the Environmental Protection Agency (EPA) every quarter since April of 2020, numerous violations of the Clean Air Act, two state level judgments for high-level air and water quality responses, and criminal charges by Harris County, resulting in an eventual \$900,000 settlement.

Mr. Shelley emphasized that the Port Authority had the power to carefully consider a pipeline application such as ITC's, and determine whether it was in the public interest of health and safety to approve such a request.

Chairman Campo stated that Mr. Shelley's point was well taken and as part of the sustainability action team workshops, it had been discussed what the Port Authority could do as a leader, a partner, and a cheerleader from the side. The Port Authority had not used its authority in the past to push such issues but it was something that should be considered.

Mr. Guenther thanked Mr. Shelley for his comments and clarified that the pipeline license was for an ethanol pipeline crossing Port Terminal Railway Association tracks, adding that other authorities such as the EPA and the Texas Commission on Environmental Quality were taken into consideration during the license review.

Commissioner Fitzgerald inquired as to the status of the rail service at Barbours Cut. Mr. Guenther responded that an organization had been engaged to market the service, and there was nothing tangible at the moment but there were opportunities that would come to fruition: the rail facilities were drastically underutilized.

Commissioner DonCarlos remarked that the Port Commission had not heard an update on the Bayport rail project, and Mr. Byrnes explained that there were two rail projects at Bayport. The first was the rail spur project, where the contractor had recently been terminated. The project was redesigned and was set to be put back on the street, for award in late 2021 with projected completion early in 2022. The other project was the construction of a second mainline coming down to Bayport. That was a long-term project, and an update would be provided.

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

(2021-0622-04) Chairman Campo recognized Mr. Heidt to provide a report of selected Executive Division agenda items.

Mr. Heidt began with agenda Items F1 and F2, which were federal policy consulting contracts. The consultants had done a lot of work for the Port Authority on Project 11 in the past year. Item F3 was authorization for the Community Relations Committee to review staff recommendations and approve awards under the Community Grants Program. The action was allowable under the bylaws.

Commissioner Mease was proud that for the first time the City of Houston received a little over half of the grants whereas the other communities received just under. He felt the parity reflected the view that the Port Authority recognized the majority of the communities along the channel were outside the City of Houston.

Chairman Campo felt one of the biggest challenges was bringing an awareness of the program to the communities.

(2021-0622-05) RCA F1 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

(2021-0622-06) RCA F2 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F2 PASSED.

(2021-0622-07) RCA F3 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F3 PASSED.

(2021-0622-08) RCA F4 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F4 PASSED.

(2021-0622-09) Chairman Campo recognized Mr. Heidt to provide a report of selected Commercial agenda items.

Mr. Heidt explained that Item G1 was for approval of a fifty-year lease with Texas Lehigh Cement in the Turning Basin area, for the construction of an electrical substation to support operation of an adjacent facility.

Commissioner Creuzot asked if the full rental amount in Item G1 would be collected immediately or 24 months after commencement, and Mr. Heidt answered that the RCA was written to show the final amount to be collected. However, during its first twelve months the lease would be in a feasibility period at a reduced rate, followed by another twelve months of construction at a higher rate. The full rental rate would be reached when full operations began 24 months after the commencement of the lease.

(2021-0622-10) RCA G1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2021-0622-11) RCA G2 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G2 PASSED.

(2021-0622-12) RCA G3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G3 PASSED.

(2021-0622-13) RCA G4 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G4 PASSED.

(2021-0622-14) Chairman Campo recognized Mr. Heidt to provide a report of selected Infrastructure agenda items.

Mr. Heidt explained Item I1 was for approval of a construction contract to Jerdon Enterprise for a Ramp Road 8 gate house that needed to be updated; it would be rebuilt to be made safer.

Mr. Heidt continued: Item I2 was a month-to-month lease with 2Plus of Texas to lease vans under the HGAC METROVan Program. Prior to the pandemic, the Port Authority had six vans and now wanted to get them back. The Port Authority paid a fee to lease the vans per month with the employees paying for gas, tolls, and a small fee toward the lease amount.

Commissioner Corgey remarked that he approved of the van program and was happy to see it put back in operation.

(2021-0622-15) RCA I1 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I1 PASSED.

(2021-0622-16) RCA I2 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2021-0622-17) RCA I3 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan,

Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2021-0622-18) RCA I4 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2021-0622-19) RCA I5 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I5 PASSED.

(2021-0622-20) RCA I6 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I6 PASSED.

(2021-0622-21) RCA I7 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I7 PASSED.

(2021-0622-22) RCA I8 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I8 PASSED.

(2021-0622-23) RCA I9 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I9 PASSED.

(2021-0622-24) RCA I10 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I10 PASSED.

(2021-0622-25) RCA I11 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Commissioner Cloonan recused herself. Nays none. RCA I11 PASSED.

(2021-0622-26) RCA I12 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I12 PASSED.

(2021-0622-27) Chairman Campo recognized Mr. Heidt to provide a report of selected Port Operations agenda items.

Mr. Heidt began with Item J1 which was a contract with ZPMC for the purchase of three dockside container cranes for Wharf 6 at the Bayport Container terminal. The process of building Wharf 6 had begun and there was an 18- to 20-month building process for the cranes. Commissioner Fitzgerald asked if there were three new cranes already set to be delivered in September or October of 2021, and Mr. Heidt confirmed that three cranes would be delivered in October 2021 for Wharf 5 at Bayport Terminal.

Chairman Campo further explained that the purchase of the cranes was the last piece before construction of Wharf 6. Mr. Heidt confirmed that and suggested that it did not do much good to build a wharf if there was no yard behind it, nor would be very good if there was no equipment to run it. He added that the total investment was about \$200 million: the money to build the wharf had already been approved and the yard had already been completed – the cranes were the final piece.

Chairman Campo noted that approximately \$45 million had already been spent which left approximately \$155 million, including the cost of the cranes. Mr. Heidt confirmed that was correct.

Chairman Campo noted that when the project was first brought to the Port Commission there had been an analysis done on the need to expand, and starting the fuse on such a large project was an incredible investment. Mr. Guenther remarked that such expansion needed to be ready ahead of projected demand.

Mr. Heidt continued with Item J3, a contract with Northline for the purchase of new and repaired electronic components for wharf and rubber-tyred gantry cranes at Barbours Cut and Bayport Container Terminals. These were the circuit boards that controlled the cranes. Item J4 was a contract for the purchase of paper products for the terminals.

Mr. Heidt moved on to highlight Item J5, the purchase of four replacement operator cabs for wharf cranes at Barbours Cut Container Terminal. Two of the cabs to be replaced were 23 years old, and the new ones were more ergonomic.

Mr. Heidt concluded with Items J8 and J9, the ratification of emergency purchase orders for gate interchange tickets and the repair of a main hoist gear reducer for a crane at the Barbours Cut Container Terminal.

(2021-0622-28) RCA J1 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2021-0622-29) RCA J2 was presented. Commissioner Corgey moved for staff's ranking of vendors - first, Railworks Track Systems, Inc.; and second, Maintenance of Way Construction Services, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2021-0622-30) RCA J3 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J3 PASSED.

(2021-0622-31) RCA J4 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J4 PASSED.

(2021-0622-32) RCA J5 was presented. Commissioner Corgey moved for staff's ranking of vendors - first, Brieda Cabins S.r.l. A Socio Unico; and second, Inter-Net Specialty Products, Inc., seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J5 PASSED.

(2021-0622-33) RCA J6 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J6 PASSED.

(2021-0622-34) RCA J7 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J7 PASSED.

(2021-0622-35) RCA J8 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J8 PASSED.

(2021-0622-36) RCA J9 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J9 PASSED.

(2021-0622-37) RCA J10 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J10 PASSED.

(2021-0622-38) RCA J11 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J11 PASSED.

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

It is now 10:12 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code (1) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultation regarding proposed amendments to the agreement for legal services with Andrews Myers PC and Boyar Miller; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including deliberations regarding disposition of Turning Basin Terminal vicinity property and licensing of miscellaneous Houston Ship Channel and upland properties; (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*); and (5) Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*). Immediately thereafter the Port Commission retired into closed session.

At 10:42 a.m., Chairman Campo reconvened the open meeting via Cisco WebEx with the following Commissioners, staff, and counsel in attendance:

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

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

(2021-0622-39) Commissioner Fitzgerald moved to authorize the Port Authority to continue the monthly acreage lease rate reduction for certain month-to-month Turning Basin Terminal leases for the time period and on the other terms discussed in Executive Session and authorize the Executive Director to do all things necessary to give effect to the foregoing, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

(2021-0622-40) Commissioner Mease moved to authorize the Port Authority to amend the agreement for legal services with (a) Andrews Myers PC, and (b) Boyar Miller on the terms discussed in Executive Session, and to authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

(2021-0622-41) Chairman Campo recognized Mr. McNamara to give the Code of Ethics Training and Review.

Mr. McNamara explained that the Code of Ethics presentation was intended to provide a general overview of the minimum requirements for behavior; further guidance could be found by consulting a copy of the code or a Port Authority attorney.

Mr. McNamara reviewed the Statement of Purpose: the Port Authority was committed to lawful and ethical behavior in all of its activities; the public interest should be placed above any private interest; confidence and integrity should be instilled, and the public trust gained; and commissioners should act in accordance with all applicable laws, regulations, and policies.

Mr. McNamara began with the avoidance of conflicts of interest. A conflict of interest was the sum of a substantial outside interest plus a special economic effect. A conflict of interest existed if a Port Authority action could have a special effect on an individual or close relative, or a business or real property in which an individual or close relative had a "Substantial Interest." If a Port Authority action involved a business or real property action in which a commissioner had a "Substantial Interest," then (i) the

commissioner should not participate in the action or decision and (ii) the commissioner should disclose the conflict by filing an affidavit with the chief legal officer.

Mr. McNamara reviewed the disclosure for non-investment income. A commissioner or the executive director must file a conflicts disclosure if the Port Authority contracted with (or considered a contract with) a person from or with whom the commissioner or executive director had received taxable income, other than investment income, that exceeded \$2,500 in the recent 12-month period, received gifts that had an aggregate value of more than \$100 in the recent 12-month period, or a family relationship.

Mr. McNamara stated that a commissioner or employee shall not: earn commissions or fees from Port Authority transactions; act as a surety for any Port Authority projects or bonds; make investments that could create a substantial conflict between one's private interest and the public interest; and act as a lobbyist on behalf of a profession related to the operation of the Port Authority. Additionally, commissioners could not be (or be married to) an officer, employee (manager or spouse), or consultant of a Texas Trade Association that was in a field relating to maritime commerce and whose members were regulated by the Port Authority.

Regarding real property disclosure, Mr. McNamara emphasized that commissioners must disclose if a government entity was acquiring their property. If a commissioner had an interest in real property that was to be acquired with public funds – by purchase or condemnation – the commissioner must file an affidavit with the clerk of the county in which the commissioner resided and all counties in which the property was located.

Mr. McNamara addressed abuse of public office by stating that commissioners shall not use their status for pecuniary gain or other benefit, attempt to influence government decisions for personal gain or advantage, or otherwise bring discredit on the Port Authority. Further, commissioners shall not solicit or accept any benefit in exchange for an opinion, recommendation, exercise of discretion of powers, vote, or decision; or any violation of a duty imposed by law or policy.

Mr. McNamara emphasized that commissioners could not accept benefits from any parties who were or may become interested in any Port Authority actions. There were possible exceptions such as benefits that were prescribed by law or legitimate consideration was given, a relationship independent of a role with the Port Authority, political contributions (as further explained in Title 15 of the Election Code), and non-cash benefits under fifty dollars. Commissioners were required to file annual personal financial statements to comply with the Government Code.

Mr. McNamara explained that commissioners generally may not accept an honorarium in exchange for services performed as part of his or her Port Authority duties,

but may accept certain travel, lodging, and meals in connection with services provided at a conference or seminar. Prohibitions on nepotism included no hiring of any relatives of any commissioner, no employee involvement in hiring relatives, no employee involvement in any employment decisions regarding relatives, and no trading.

Mr. McNamara reviewed staff outside employment and compensation. Outside employment was permitted in limited circumstances; however, no outside employment was allowed that would impair independence or hinder performance of Port Authority duties. Senior managers must receive approval from the executive director and the executive director must receive Port Commission approval.

Mr. McNamara noted that former commissioners and employees could not participate in matters worked on or that were within their area or responsibility while at the Port Authority. The Port Commission must approve certain contracts with former employees or their new employers for twelve months after departure. Commissioners and the executive director had a two-year post-service ban on communications with intent to influence.

Mr. McNamara stressed that Port Authority property shall not be used in violation of any agreement by which a commissioner or employee held the property, any contract of employment, any law, or the limited purpose for which the property was provided to the commissioner or employee. Discounts, awards, and coupons for travel were not considered Port Authority property.

Mr. McNamara remarked that commissioners shall not solicit, obtain, use, or disclose confidential Port Authority information to obtain or help another obtain property or some other benefit, to coerce another into holding back information from a law enforcement agency, or to harm or defraud another.

Mr. McNamara stated that it was the policy of the Port Authority to promote an atmosphere of respect, equality, and safety, and to prevent discrimination and harassment. Any instance of misconduct shall be reported promptly, investigated fully, and addressed appropriately. Acts of retaliation against a commissioner or employee reporting misconduct were prohibited. In addition to other penalties that may be imposed by law or other Port Authority policies, penalties for violations of the Code of Ethics by commissioners included official reprimand or a recommendation of removal from office by a majority of a quorum of the Port Commission. For employees, penalties included reprimand, suspension, or dismissal from employment. Contractors may have their contracts terminated and be excluded from future Port Authority business.

At 11:05 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the June 22, 2021 meeting of the Port Commission of the Port of Houston Authority.

A handwritten signature in black ink, appearing to read 'Ric Campo', written over a horizontal line.

Ric Campo, Chairman

A handwritten signature in black ink, appearing to read 'Erik A. Eriksson', written over a horizontal line.

Erik A. Eriksson, Secretary

F. EXECUTIVE

Subject **1. Award a professional services contract to Cassidy and Associates for federal governmental policy consulting and support in an amount not to exceed \$260,000.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, award a professional services contract to Cassidy and Associates for federal governmental policy consulting and support, in an amount not to exceed \$260,000 for a one-year term, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Government Relations

Staff Contact:

Cam Spencer / Kerrick Henny

Background:

In order to advance the project to widen and deepen the Houston Ship Channel, Port Authority staff has obtained additional support to assist its work with the U.S. Army Corps of Engineers regarding its Houston Ship Channel expansion improvement study. Cassidy and Associates has provided most of this assistance since the firm was first retained in 2019, and staff seeks to continue to work with the firm as Project 11 continues to move forward.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize a twelve-month contract with Cassidy and Associates for federal consulting and support services.

F. EXECUTIVE

Subject **2. Award a professional services contract to Pendulum Strategies, LLC for federal governmental policy consulting and support in an amount not to exceed \$120,000.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, award a professional services contract to Pendulum Strategies, LLC in an amount not to exceed \$120,000, for a one-year term effective July 1, 2021, and further authorize the Executive Director to do any and all things in his opinion reasonable for necessary to give effect to the foregoing.

Category:

Awards, Amendments, & Change Orders

Department:

Government Relations

Staff Contact:

Cam Spencer / Kerrick Henny

Background:

The Port Authority currently contracts with Pendulum Strategies, LLC to consult on federal policy priorities, assist in developing strategic plans and objectives, and facilitate effective communication with government officials and their staffs. STaff seeks to continue to work with the firm.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize a twelve-month contract with Pendulum Strategies, LLC for continued federal consulting and support services.

F. EXECUTIVE

Subject	3. Authorize the Community Relations Committee to review staff recommendations and rank and approve awards under the Community Grants Program.
Meeting	Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 22, 2021 meeting, authorize the Community Relations Committee to review staff recommendations and rank and approve awards under the Community Grants Program.
Goals	STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships) Strategic Objective 3c. - Engage in proactive two-way communication Strategic Objective 3a. - Cultivate key relationships to accomplish common goals

Category:
General

Department:
Executive

Staff Contact:
Erik Eriksson

Background:

In 2020, the Port Authority launched the Port Houston Community Grants Program, an outreach initiative focused on investing resources into meaningful projects and programs to enhance local communities while advancing the Port Authority's mission and vision as a part of the 2020 Strategic Plan. Program grants are intended to develop and strengthen community partnerships and create greater value for the region.

- Beginning in 2020, the Port Authority budget approved by the Port Commission includes funding under the Community Grants Program.
- The Port Commission Community Relations Committee, a "committee of the whole" tasked with advising on community matters, approves the annual program (including priorities, procedures, and schedules) in advance of each Community Grants Program cycle.
- Each Community Grants Program cycle includes a two-step application process. The applications are subsequently reviewed and ranked by a staff-level committee for possible awards that would total substantially all the allocated budget funds.
- The recommendations area is also reviewed by staff leadership prior to going before the Community Relations Committee for award.

Staff Evaluation/Justification:

The Amended and Restated Bylaws of the Port Authority provides that Port Commission committees may supervise or control Port Authority matters, if delegated by the Port Commission to do so.

Accordingly, as in 2020, in order to provide a focused "workshop" opportunity to review these recommendations and facilitate community participation in the process, staff proposes that the Port Commission formally delegate to the Community Relations Committee the authority to review staff's recommendations, and rank and approve awards (including those greater than \$50,000), under the 2021 Community Grants Program.

F. EXECUTIVE

Subject 4. Approve Port Commission committee and task force chairs and members.

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, approve the appointment of Port Commission committee and task force chairs and members, as set forth on Exhibit "A."

Category:

General

Department:

Executive

Staff Contact:

Roger Guenther

Background:

The Amended and Restated Bylaws of the Port Authority and subsequent Port Commission action has established the following standing committees and task forces of the Port Commission:

- Audit Committee
- Business Equity
- Community Relations Committee
- Compensation Committee
- Dredge Task Force
- Governance Committee
- Pension and Benefits Committee

The Amended and Restated Bylaws of the Port of Houston Authority of Harris County, Texas further provide that the Chairman of the Port Commission shall appoint the chairs and members of the committees of the Port Commission, subject to the consent of each appointee and Port Commission approval.

Staff Evaluation/Justification:

Chairman Campo proposes to continue to designate Port Commissioners to serve on those committees and task forces as set forth on Exhibit "A."

Staff requests that the Port Commission approve these appointments subject to the continued consent of each appointee.

"Exhibit A"

Port Commission Committees and Task Forces							
June 2021							
Task Force:	Audit Committee	Business Equity Committee	Community Relations Committee	Compensation Committee	Dredge Task Force	Governance Committee	Pension & Benefits Committee
Commissioner Assignments							
Chairman Campo	Chair		Member	Chair	Chair	Member	
Commissioner Cloonan		Chair	Member	Member	Member		
Commissioner Corgey		Member	Chair		Member		Member
Commissioner Creuzot	Member		Member		Member	Member	
Commissioner DonCarlos		Member	Member		Member	Chair	
Commissioner Fitzgerald			Member	Member	Member		Chair
Commissioner Mease	Member		Member		Member		Member

G. COMMERCIAL

Subject	1. Approve a fifty-year lease agreement with Texas Lehigh Cement Company for approximately 0.66-acres of land out of a 12.83-acre tract of land situated in the Ezekial Thomas Survey, A-73, Harris County, Texas, effective no earlier than July 1, 2021, at an annual base rent of \$21,000 beginning at full operations no later than 24 months after the commencement date and subject to an annual increase of 3%.
Meeting	Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 22, 2021 meeting, approve a fifty-year lease agreement with Texas Lehigh Cement Company for approximately 0.66-acres of land out of a 12.83-acre tract of land situated in the Ezekial Thomas Survey, A-73, Harris County, Texas, effective no earlier than July 1, 2021, at an annual base rent of \$21,000 beginning at full operations no later than 24 month after the commencement date and subject to an annual increase of 3%, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships) Strategic Objective 3a. - Cultivate key relationships to accomplish common goals STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region) Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port

Category:
Leases

Department:
Real Estate

Staff Contact:
R. D. Tanner

Background:
Texas Lehigh Cement Company (TLCC) submitted a proposal to lease a 0.66-acre out of the 12.83-acre tract of land owned by the Port Authority off Clinton Drive. The lease would be the site of an electrical substation to support operation of a state-of-the-art slag grinding facility at TLCC's 9500 Johnson's Landing facility due south of Clinton Drive.

TLCC proposes a 50-year lease with projected capital improvements costs of \$3,000,000 and throughput benefit over Port Authority docks, with a gradual increase in guaranteed tonnage volume to reach a minimum 300,000 tons annually, beginning in the fifth year of operations.

Staff Evaluation/Justification:
Staff recommends approval of a fifty-year lease with Texas Lehigh Cement Company, on the terms described above.

G. COMMERCIAL

Subject **2. Approve (i) a two-year lease with Matthews Brothers Dredging, Inc. (Matthews Brothers) for approximately 0.443 acres out of Sims Bayou Block 4, effective no earlier than July 1, 2021, at an annual base rent of \$9,377 with a 3% annual increase, and (ii) a non-exclusive, two-year license with Matthews Brothers for approximately 0.416 acres out of the adjacent Block 4-A, to run coterminously with the lease at an annual fee of \$6,600.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, approve (i) a two-year lease with Matthews Brothers Dredging, Inc. (Matthews Brothers) for approximately 0.443 acres out of the Sims Bayou Block 4, effective no earlier than July 1, 2021, at an annual base rent of \$9,377 with a 3% annual increase, and (2) a non-exclusive, two-year license with Matthews Brothers for approximately 0.416 acres out of the adjacent Block 4A, to run coterminously with the lease, at an annual fee of \$6,600, 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 - PARTNERSHIPS (Develop and Strengthen External Partnerships)
Strategic Objective 3a. - Cultivate key relationships to accomplish common goals
STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)
Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port

Category:
Leases

Department:
Real Estate

Staff Contact:
R. D. Tanner

Background:
Matthews Brothers (f/k/a Matthews Marine, Inc.) has been accessing and using approximately 0.416 acres out of the Port Authority's Sims Bayou Block 4-A under multiple temporary entry license agreements since March, 2018. The firm has requested a non-exclusive, two-year license for that 0.416-acre site and a two-year lease for an additional 0.443 acres out of the adjacent Block 4 site. The lease and license would run coterminously with each other.

Matthews Brothers seeks to use the adjacent properties for crew shift changes for barge dredging operations; the additional acreage would permit the firms operations to be expanded.

Staff Evaluation/Justification:
Staff recommends approval of the proposed lease and license.

G. COMMERCIAL

Subject **3. Authorize to extend the term of a month-to-month lease with R. Warehousing & Port Services for approximately 10.85 acres out of Block 2C in Northside Turning Basin commencing July 1, 2021.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, authorize staff to extend the term of a month-to-month lease with R. Warehousing & Port Services for approximately 10.85 acres out of Block 2C in Northside Turning Basin commencing July 1, 2021, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)
Strategic Objective 3a. - Cultivate key relationships to accomplish common goals
STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)
Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port

Category:
Leases

Department:
Real Estate

Staff Contact:
R. D. Tanner

Background:
The Port Authority currently has a month-to-month lease with R. Warehousing & Port Services (Richardson) that will have been in effect for more than a year after July 1, 2021. Richardson's monthly lease rental is \$40,003.95 monthly/\$480,047.40 annually.

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

Staff Evaluation/Justification:
Staff recommends the approval of an extended term of a month-to-month lease with R. Warehousing & Port Services.

G. COMMERCIAL

Subject **4. Approve a second amendment to the Lease Agreement with CB&I, LLC, to extend the original lease term from thirty-two months to thirty-eight months, for approximately 50.02-acres of land located on the south side of Port Road and east of Freight Station Road near Seabrook, effective July 1, 2021, at an annual rent of \$1,806,551.40 subject to annual base rent escalation of 3%.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, approve a second amendment to the Lease Agreement with CB&I, LLC, to extend the original lease term from thirty-two months to thirty-eight months, for approximately 50.02-acres of land located on the south side of Port Road and east of Freight Station Road near Seabrook, effective July 1, 2021, at an annual rent of \$1,806,551.40 subject to annual base rent escalation of 3%, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)
Strategic Objective 3a. - Cultivate key relationships to accomplish common goals
STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)
Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port

Category:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

Background:
CB&I, LLC previously entered into a lease agreement with the Port Authority for approximately 36.02 acres of land located on the south side of Port Road and east of Freight Station Road commencing June 1, 2019. The lease agreement has since been amended to increase the leased premises from approximately 36.02 acres to approximately 50.02 acres in addition to other changes and modifications specifically provided for in the amendment. CB&I, LLC's investments in the leased premises have approached \$8.5 million, including cost of a heavy-haul road and filling and stabilization of the leased premises.

Staff Evaluation/Justification:
Staff recommends approval of a second amendment to the lease to extend the term for an additional six-months effective July 1, 2021 and expiring July 31, 2022.

I. INFRASTRUCTURE

Subject	1. Award a construction contract to Jerdon Enterprise, L.P. for the Ramp Road 8 gate modification and guardhouse at Turning Basin Terminal in an amount not to exceed \$471,472.
Meeting	Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 22, 2021 meeting, award a construction contract to Jerdon Enterprise, L.P. for the Ramp Road 8 gate modification and guardhouse at Turning Basin Terminal in an amount not to exceed \$471,472, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This project consists of the removal of the existing Ramp Road 8 speed gates at the Turning Basin Terminal and the purchase and installation of a new precast manned guardhouse, gate arms, and all associated electrical, water and sanitary sewer, and new pavement.

Water Code 60.463 permits the Port Authority to utilize either a one-step or a two-step process for requesting and evaluating competitive sealed proposals for construction services. Traditionally the Port Authority has used the one-step process. For this project, staff determined that the two-step process is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

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

Staff Evaluation/Justification:

On April 28, 2021, four CSP qualification responses were received, opened, and publicly read. For the first step, the responses were reviewed and evaluated by staff in accordance with the published qualifications selection criteria. On April 28, 2021, the price responses of the three short-listed respondents were received, opened, and publicly read. The price and qualification responses of the short-listed respondents were thereafter reviewed and evaluated by staff in accordance with the published qualifications selection criteria, as the second step.

Staff recommends that the Port Commission award a contract to Jerdon Enterprise, L.P. and act as otherwise described above.

I. INFRASTRUCTURE

Subject **2. Authorize a month-to-month lease with 2Plus of Texas, Inc., dba STAR to lease vans under the Houston-Galveston Area Council METROVan Program for an additional one-year period and with an additional amount not to exceed \$45,000.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, authorize Port Authority staff to enter into a month-to-month lease with 2Plus of Texas, Inc. dba STAR to lease vans under the Houston-Galveston Area Council METROVan Program for an additional one-year period and with an additional amount not to exceed \$45,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 4a. - Implement an innovative environmental leadership strategy
STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)
STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Be the Best Place to Work)

Category:

Awards, Amendments & Change Orders

Department:

Environmental Affairs

Staff Contact:

Trae Camble

Background:

In September 2007, the Environmental Affairs Department initiated a vanpool program for Port Authority employees by participating in the Houston-Galveston Area Council METROVan Program. The program was made available to riders in Harris, Galveston, Brazoria, Liberty, Chambers, Fort Bend, Montgomery, and Waller counties.

The vanpool program was implemented as a means of improving local air quality, by reducing various vehicular emissions and the number of vehicles on roadways, and reducing overall fuel consumption.

In order to participate in the METROVan Program, the Port Authority leases vans on a month-to-month basis from 2Plus of Texas, Inc. dba STAR (STAR). By Minute Nos. 2008-0219-52, 2008-0722-42, 2009-0623-27, 2011-0125-21, 2013-0723-20, 2015-0929-40, 2017-0926-30, 2018-0925-34, and 2019-0924-29 the Port Commission has approved prior participation in the program.

On March 2020, the Executive Office Building (EOB) was closed due to COVID-19. As a result, STAR and the Port Authority agreed to suspend the vanpool program at the EOB until a later date. Employees have begun to return to the EOB, with a full return expected in the coming months. In connection with restarting the program, STAR has agreed to modifications to the ridership requirements, including a waiver of fees for low ridership, allowance for fewer vans, and fewer days of operation.

The METROVan Program provides a \$35-per month incentive discount per rider on vanpool fares to the Port Authority; each rider in turn is responsible for paying \$25 monthly, in addition to all fuel and toll costs. An average of \$1,000 monthly lease cost per van is incurred by the Port Authority.

"Exhibit A"

Employees at Barbours Cut Terminal and Bayport Container Terminal also participate in the Port Authority's vanpool program. As of February 2020, the Port Authority sponsored six vans and accommodated thirty-five to forty riders. The program will restart with two vans and more riders are anticipated to join once the Port Authority is in full operation.

Staff Evaluation/Justification:

Staff agrees that a one-year program extension would enable current vanpool groups to continue operating and for more vanpools to form during the next year.

Staff recommends the Port Commission approve the program above with STAR through June 2022 and act as otherwise described above.

I. INFRASTRUCTURE

Subject **3. Amend the professional services contract with Walter P Moore to perform additional services for the design for the repair of the bridge at Spilman Island, in an amount not to exceed \$199,500.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, amend the professional services contract with Walter P Moore to perform additional services for the design for the repair of the bridge at Spilman Island, in an amount not to exceed \$199,500, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2020-0623-18, the Port Commission awarded a professional services contract with Walter P More to perform services for the design for the repair of the bridge at Spilman Island. The project was divided in two phases. The scope of the 1st phase (Minute No. 2020-0623-18) included only the in-depth structural assessment of Spilman Island Bridge (i.e. inspection, identification of repair options and estimation of the cost of the identified repair options). The scope of the 2nd phase (this amendment) would include the repair design, bid documentation and support, construction phase support, etc. for the project.

This amendment would be the 1st amendment to this contract (for a total amendment value to date of \$199,500), which represents an increase of 234% to the original contract value of \$84,970 (i.e. 1st phase in Minute No. 2020-0623-18). However, this amendment was anticipated in the original project scope.

Staff Evaluation/Justification:

Staff has reviewed Walter P Moore's proposal and found it to be fair and reasonable and recommends that the Port Commission approve the proposed amendment.

I. INFRASTRUCTURE

Subject	4. Approve a change order with Jerdon Enterprise, L.P. to perform additional work associated with the trench drain repairs at Bayport Container Terminal in an amount not to exceed \$54,714.
Meeting	Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 22, 2021 meeting, approve a change order with Jerdon Enterprise, L.P. to perform additional work associated with the trench drain repairs at Bayport Container Terminal in an amount not to exceed \$54,714, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2020-0730-21, the Port Commission awarded a construction contract to Jerdon Enterprise, L.P. for the trench drain repairs at Bayport Container Terminal. The total small business goal for this project was 20%.

This change order would provide for the labor and materials to perform additional repairs at the junction box due to unforeseen damage.

This would be the second change order to this contract for a total change order value to date of \$142,893, which represents an increase of 15% to the original contract value.

Staff Evaluation/Justification:

Port Authority staff has reviewed the proposal submitted by Jerdon Enterprise, L.P. and found it to be fair and reasonable. Therefore, staff recommends that the Port Commission authorize this change order.

I. INFRASTRUCTURE

Subject 5. Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: Ballard Exploration Company, Inc., Deer Park Energy Center LLC, Equistar Chemicals, LP, Huntsman International LLC, Pasadena Cogeneration L.P., and Sekisui Specialty Chemicals America, LLC.

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, authorize the Port Authority to approve the renewal of the following expiring licenses for new ten-year terms: Ballard Exploration Company, Inc., Deer Park Energy Center LLC, Equistar Chemicals, LP, Huntsman International LLC, Pasadena Cogeneration L.P., and Sekisui Specialty Chemicals America, LLC, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

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

Company	File No.	License Fee
Ballard Exploration Company, Inc.	2001-0339	\$22,063
Deer Park Energy Center LLC	2001-0076	\$3,894
Equistar Chemicals, LP	2001-0023	\$6,363
Huntsman International LLC	2004-0244	\$1,709
Pasadena Cogeneration L.P.	1996-0224	\$13,672
Sekisui Specialty Chemicals America, LLC	2001-0111	\$20,532
Total		\$68,233

Staff Evaluation/Justification:

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

Staff recommends approval.

I. INFRASTRUCTURE

Subject **6. Issue a pipeline license to South Texas NGL Pipelines, LLC for one 12-inch polymer grade propylene pipeline under and across Cedar Bayou, San Jacinto River, Carpenters Bayou, Port Authority fee property near Jacintoport Blvd., Port Authority Banana Bend tract, and the Port Authority Beltway 8 tract.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, authorize the Port Authority to issue a pipeline license to South Texas NGL Pipelines, LLC for one 12-inch polymer grade propylene pipeline under and across Cedar Bayou, San Jacinto River, Carpenters Bayou, Port Authority fee property near Jacintoport Blvd., Port Authority Banana Bend tract, and the Port Authority Beltway 8 tract, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

South Texas NGL Pipelines, LLC, Port Authority File No. 2020-0206, has applied for a pipeline license for one 12-inch polymer grade propylene pipeline under and across Cedar Bayou, San Jacinto River, Carpenters Bayou, Port Authority fee property near Jacintoport Blvd., Port Authority Banana Bend tract, and Port Authority Beltway 8 tract, in the Hannah Nash Survey, A-20 in Chambers County, in the Hannah Nash Survey, A-54 in Harris County, and in the George White Survey, A-82, in the Amy White Survey, A-81, and in the Richard and Robert Vince Survey, A-76, in Harris County.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department and the Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$100,997. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **7. Issue a pipeline license to Hartree Refining Company, LLC for one 12-inch and two 10-inch petroleum products pipelines, and one 3-inch conduit under and across Carpenters Bayou.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, authorize the Port Authority to issue a pipeline license to Hartree Refining Company, LLC for one 12-inch and two 10-inch petroleum products pipelines, and one 3-inch conduit under and across Carpenters Bayou, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Operations

Staff Contact:
Garry McMahan

Background:
Hartree Refining Company, LLC, Port Authority File No. 2021-0135, has applied for a pipeline license for one 12-inch and two 10-inch petroleum products pipelines, and one 3-inch conduit under and across Carpenters Bayou, in the William Harris & D. Carpenter Survey, A-28.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Operations department and the Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$37,809. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **8. Issue a pipeline license to Linde, Inc. for one 14-inch high-density polyethylene wastewater pipeline adjacent to the access road leading to Spilman Island.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, authorize the Port Authority to issue a pipeline license to Linde, Inc. for one 14-inch-high density polyethylene wastewater pipeline adjacent to the access road leading to Spilman Island, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

Linde, Inc., Port Authority File No. 2021-0078, has applied for a pipeline license for one 14-inch high-density polyethylene wastewater pipeline adjacent to the access road leading to Spilman Island, in the Enoch Brinson Survey, A-5.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department and the Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$5,310.50. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject 9. Approve the transfer of a pipeline license from Invista, S.A.R.L. to Chevron Philips Chemical Company LP and approve the amendment to change the transported product to heavy olefins under and across several Port Terminal Railroad Association right-of-way crossings.

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, authorize the Port Authority to approve the transfer of a pipeline license from Invista, S.A.R.L. to Chevron Philips Chemical Company LP and approve the amendment to change the transported product to heavy olefins under and across several Port Terminal Railroad Association right-of-way crossings, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Operations

Staff Contact:
Garry McMahan

Background:
Chevron Philips Chemical Company LP, Port Authority File No. 1975-0187, has applied to transfer a pipeline license to it from Invista, S.A.R.L. and has applied to amend the license to change the transported product from acetylene gas to heavy olefin liquids including crude butadiene, hydrogenated pyrolysis gasoline and natural gas liquids, under and across several railroad right-of-way crossings, in the George M. Patrick Survey, A-624, the George Ross Survey, A-646, and the Arthur McCormick Survey, A-35.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Operations department and the Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions and no additional license fee will be charged for this project. The \$675 application fee has been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **10. Approve the transfer of a pipeline license from Invista, S.A.R.L. to Chevron Philips Chemical Company LP and approve the amendment to change the transported product to heavy olefins under and across Goose Creek, Scott Bay, the Houston Ship Channel, and Upper San Jacinto Bay.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, authorize the Port Authority to approve the transfer of a pipeline license from Invista, S.A.R.L. to Chevron Philips Chemical Company LP and approve the amendment to change the transported product to heavy olefins under and across Goose Creek, Scott Bay, the Houston Ship Channel, and Upper San Jacinto Bay, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

Chevron Philips Chemical Company LP, Port Authority File No. 2004-0201, has applied to transfer a pipeline license to it from Invista, S.A.R.L. and has applied to amend the license to change the transported product from acetylene gas to heavy olefin liquids including crude butadiene, hydrogenated pyrolysis gasoline and natural gas liquids, under and across Goose Creek, Scott Bay, the Houston Ship Channel, and Upper San Jacinto Bay, in the Williams Scott Upper League, A-66, the Enoch Brinson Survey, A-5, and the Arthur McCormick Survey, A-46.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department. The license is subject to the Port Authority's usual terms and conditions and no additional license fee will be charged for this project. The \$675 application fee has been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **11. Amend a distribution and/or transmission line license issued to CenterPoint Energy Houston Electric, LLC to add an additional fiber optic cable to the existing line across the Port Terminal Railroad Association's Southside Mainline railroad right-of-way.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, authorize the Port Authority to amend a distribution and/or transmission line license issued to CenterPoint Energy Houston Electric, LLC to add an additional fiber optic cable to the existing line across the Port Terminal Railroad Association's Southside Mainline railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Operations

Staff Contact:
Garry McMahan

Background:
CenterPoint Energy Houston Electric, LLC, Port Authority File No. 2015-0322, has applied to amend a distribution and/or transmission line license to add an additional fiber optic cable to the existing line across the Port Terminal Railroad Association's Southside Mainline railroad right-of-way, in the James Seymour Survey, A-698.

The new fiber optic line would be on the same poles as the existing fiber optic cable.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Operations department. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$769. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

AFFIDAVIT OF SUBSTANTIAL INTEREST

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

Filed with the Port of Houston Authority In Compliance with Section 171.004 of the Texas Local Government Code


On this day appeared Wendy Montoya Cloonan, who after being duly sworn, stated as follows:

1. I am twenty-one (21) years of age or over and competent to make this Affidavit of Substantial Interest, based upon facts within my personal knowledge.
2. I am a member of the Port Commission (the "Port Commission") of the Port of Houston Authority (the "Port Authority").
3. I am filing this Affidavit with the official record keeper of the Port Authority, pursuant to §171.004 of the Texas Local Government Code, to comply with the provisions of Chapter 171 of the Texas Local Government Code.
4. I have, or may have, a substantial interest in the matter of Item I-11 as set forth in the agenda for the meeting of the Port Commission scheduled for June 22, 2021:

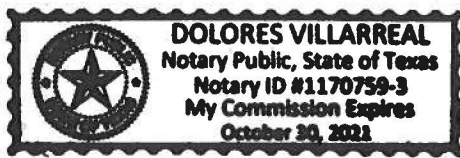
Amend a distribution and/or transmission line license issued to CenterPoint Energy Houston Electric, LLC to add an additional fiber optic cable to the existing line across the Port Terminal Railroad Association's Southside Mainline railroad right-of-way.

5. The nature and extent of the substantial interest described above is as follows: my service as a director of CenterPoint Energy Inc., a company affiliated with CenterPoint Energy Houston Electric, LLC, CenterPoint Energy Intrastate Pipeline, Inc, and CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Texas Gas Operations. Funds received by me in connection with such employment may exceed 10 percent of my gross income for the previous year.
6. This substantial interest also derives from an interest in CenterPoint Energy Inc., on which the action requested in the above matter will have a special economic effect, distinguished from the effect on the public. This substantial interest derives from possible ownership of \$15,000 or more of the fair market value of such entity.

7. Action on the matter will have a special economic effect on the entities described in the forgoing paragraph that is distinguishable from the effect on the public.
8. By virtue of the foregoing described interest, I have not and will not participate in any consideration, vote, or decision by the Port Commission regarding such matter.


Wendy Montoya Cloonan

SWORN TO AND SUBSCRIBED before me this June 21, 2021.




Notary Public, State of Texas

I. INFRASTRUCTURE

Subject **12. Approve a port adjacency barge fleeting lease agreement with, and issue a marine construction permit to, Kirby Inland Marine, LP for 10.43 acres of submerged lands in Old River at an initial monthly rental amount of \$15,645 for a ten-year term.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, authorize the Port Authority to approve a port adjacency barge fleeting lease agreement with, and issue a marine construction permit to, Kirby Inland Marine, LP for 10.43 acres of submerged lands in Old River at an initial monthly rental amount of \$15,645 for a ten-year term, 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:

Channel Operations

Staff Contact:

Garry McMahan

Background:

Kirby Inland Marine, LP (Kirby), Port Authority File No. 2021-0149 (lease) and Port Authority File No. 2021-0148 (permit), has applied for a port adjacency submerged lands lease agreement and a marine construction permit for 10.43 acres of barge fleeting in Old River, adjacent to Lost Lake Dredged Material Placement Area.

Kirby operates the nation's largest fleet of inland tank barges and towing vessels and has operated a fleet management service in the Houston area for decades.

Staff Evaluation/Justification:

The applications were reviewed and approved by the Port Authority's Channel Operations department. The lease and permit would be entered into pursuant to the Port Authority's submerged lands lease terms and conditions for an initial monthly rental amount of \$15,645 per month for a ten-year term.

Staff recommends approval.

J. OPERATIONS

Subject	1. Award a contract to Shanghai Zhenhua Heavy Industries Co., Ltd. (ZPMC) for the purchase of three dockside electric container cranes for Wharf No. 6 at Bayport Container Terminal in an amount not to exceed \$36,585,000.
Meeting	Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 22, 2021 meeting, award a contract to Shanghai Zhenhua Heavy Industries Co., Ltd. (ZPMC) for the purchase of three dockside electric container cranes for Wharf No. 6 at Bayport Container Terminal in an amount not to exceed \$36,585,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns twelve wharf cranes in operation at Bayport Container Terminal. Three additional units will be delivered later this year and soon after three units would be relocated to Barbours Cut Terminal.

In the meantime, the Port Authority has awarded a construction contract, conditional upon receipt of notice to proceed (NTP) from the Maritime Administration (MARAD), to construct Wharf No. 6 at Bayport Container Terminal, and the NTP was granted on May 5, 2021. These new wharf cranes for Wharf No. 6 would provide adequate capacity to meet future demand. This project consists of design, fabrication, delivery, and commissioning of these cranes.

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

Staff Evaluation/Justification:

On March 17, 2021, one RFP was received and opened. The response was reviewed and evaluated by staff in accordance with the selection criteria.

Following staff's Executive Committee review, staff recommends that the Port Authority award a contract to ZPMC and act as otherwise described above.

J. OPERATIONS

Subject	2. Approve staff's ranking of vendors and award a two-year contract in an amount not to exceed \$750,000 for railroad repair services at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal to the top-ranked proposers: staff ranking - first, Railworks Track Systems, Inc.; and second, Maintenance of Way Construction Services.
Meeting	Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 22, 2021 meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, Railworks Track Systems, Inc.; and second, Maintenance of Way Construction Services; (b) award a two-year contract to Railworks Track Systems, Inc. for railroad repair services at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$750,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2020-0623-35, the Port Commission awarded a two-year contract to BIGAB Company, LC for railroad repair services at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$750,000. Due to performance issues, age of tracks, and increased reports of damage along the rails of City Docks, and rail yards and easements around all Port Authority Terminals, staff has advertised for a new two-year contract. Repairs to railroad tracks, switches, ties, and cross-over diamond plates would be covered under this contract.

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

Staff Evaluation/Justification:

On May19, 2021, four CSP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the CSP. Staff identified the following vendors, listed in order of ranking, as providing the best value for the required services:

- Railworks Track Systems, Inc.
- Maintenance of Way Construction Services

Following staff Executive Committee review, staff recommends that the Port Authority award a two-year contract to Railworks Track Systems, Inc., and act as otherwise described above.

J. OPERATIONS

Subject	3. Award a three-year contract to Northline NC, LLC for the purchase of new and repaired electronic components for wharf and rubber-tyred gantry cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,500,000.
Meeting	Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 22, 2021 meeting, award a three-year contract to Northline NC, LLC for the purchase of new and repaired electronic components for wharf and rubber-tyred gantry (RTG) cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,500,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2018-0327-35, the Port Commission awarded a three-year contract to Northline NC, LLC in the amount not to exceed \$1,500,000 for the purchase of new and repaired printed circuit boards for wharf and rubber-tyred gantry (RTG) cranes at Barbours Cut Terminal and Bayport Container Terminal. Funds are nearly depleted. Electronic components such as printed circuit boards are necessary for the routine maintenance and repair of the Port Authority's numerous cranes.

Specifications were prepared reflecting the largest discount anticipated for the purchase and repair of electronic components, the Port Authority notified vendors regarding this request for competitive sealed bids (CSB) using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Eight vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On May 19, 2021, four CSB responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Authority award a three-year contract to Northline NC, LLC, the responsible bidder submitting the lowest and best bid, for the purchase of new and repaired electronic components for Barbours Cut Terminal and Bayport Container Terminal.

J. OPERATIONS

Subject **4. Award a two-year contract to Lockridge Packaging, LLC for the purchase of paper products for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$500,000.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, award a two-year contract to Lockridge Packaging, LLC for the purchase of paper products for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$500,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2019-0521-27, the Port Commission awarded a two-year contract to Lockridge Packaging, LLC in the amount not to exceed \$500,000 for the purchase of paper products for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. This contract expired on May 31, 2021.

These paper products include paper towels, bathroom tissue, shop towels, napkins, toilet seat covers, plastic cups, and trash can liners. These products are used at Port Authority locations such as the Executive Office building, Port Police and Fire Department locations, and all marine terminals.

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

Staff Evaluation/Justification:

On May 19, 2021, one CSB response was received and opened. The response was reviewed and evaluated by staff in accordance with the selection criteria published in the CSB.

Staff recommends that the Port Authority award a two-year contract to Lockridge Packaging, LLC., the responsible bidder submitting the only bid, for the purchase of paper products for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

J. OPERATIONS

Subject	5. Approve staff's ranking of vendors and award a contract in the amount not to exceed \$669,700 for the purchase of four replacement operator cabs for wharf cranes at Barbours Cut Terminal to the top-ranked proposer: staff ranking - first, Brieda Cabins S.r.l. A Socio Unico; and second, Inter-Net Specialty Products, Inc.
Meeting	Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 22, 2021 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Brieda Cabins S.r.l. A Socio Unico; and second, Inter-Net Specialty Products, Inc.; (b) award a contract to the top-ranked proposer for the purchase of four replacement operator cabs for wharf cranes at Barbours Cut Terminal in the amount not to exceed \$669,700; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns twenty-five wharf cranes in operation at Barbours Cut Terminal and Bayport Container Terminal. Ten units are equipped with operator cabs manufactured by Brieda Cabins S.r.l. A Socio Unico of Italy. Three additional cranes equipped with Brieda cabins will arrive at Bayport Container Terminal later this year and three more within two years. The operator cabs on two Morris and two IMPSA cranes are eleven and twenty-three years old respectively and have reduced the end of their useful life.

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

Staff Evaluation/Justification:

On April 21, 2021, three RFP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFP. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required product:

- Brieda Cabins S.r.l. A Socio Unico
- Inter-Net Specialty Products, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Brieda Cabins S.r.l. A Socio Unico and act as otherwise described above.

J. OPERATIONS

Subject **6. Award a two-year contract to ZPMC North America, Inc. (ZPMC), the sole source provider, for the purchase of captive replacement parts for ZPMC cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$500,000.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, award a two-year contract to ZPMC North America, Inc.(ZPMC), the sole source provider, for the purchase of captive replacement parts for ZPMC cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$500,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Awards, Amendments & Change Orders

Department:
Maintenance

Staff Contact:
Paulo Soares

Background:
The Port Authority currently owns a total of fifteen ZPMC wharf cranes including three units at Barbours Cut Terminal and twelve at Bayport Container Terminal. Three additional units are scheduled to arrive at Bayport Container Terminal later this year. These units are leased daily to stevedoring companies for container handling activities. Therefore, the ability to expedite procurement of spare and replacement parts for these cranes is critical for efficient terminal operation.

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 ZPMC North America, Inc. is the sole authorized source of captive replacement ZPMC parts in the United States.

Staff recommends that the Port Authority award a two-year contract to ZPMC North America, Inc. for the purchase of captive replacement parts for ZPMC cranes. Replacement and spare parts will be purchased through this contract as needed to properly maintain these cranes and minimize operational downtime.

J. OPERATIONS

Subject **7. Award a contract to Konecranes Finland Corporation, the sole source provider, for the purchase of a spare main hoist gear reducer for four wharf cranes at Barbours Cut Terminal in an amount not to exceed \$105,000.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, award a contract to Konecranes Finland Corporation, the sole source provider, for the purchase of a spare main hoist gear reducer for four wharf cranes at Barbours Cut Terminal in an amount not to exceed \$105,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Awards, Amendments & Change Orders

Department:
Maintenance

Staff Contact:
Paulo Soares

Background:

The Port Authority currently owns four wharf cranes manufactured by Konecranes Finland Corporation in operation at its Barbours Cut Terminal. These cranes are equipped with gear reducers also manufactured by Konecranes Finland Corporation. The main hoist gear reducer is critical to container handling operations, and it is subject to millions of cycles as it drives hoisting machinery to load and discharge container vessels. These cranes were commissioned in 2015 and the Port Authority does not own a spare main hoist gear reducer. Because this is a long lead time item therefore, it is recommended that a spare main hoist gear reducer be purchased to minimize impact on vessel operations should an existing gear reducer need to be serviced or repaired.

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 Konecranes Finland Corporation is the sole source for the purchase of main hoist gear reducers.

Staff recommends that the Port Commission award a contract to Konecranes Finland Corporation for the purchase of a spare main hoist gear reducer for four wharf cranes at Barbours Cut Container Terminal.

J. OPERATIONS

Subject **8. Ratify an emergency purchase order to Cole Ticket Solutions Inc. for 5,000,000 gate interchange tickets in the total amount of \$86,976.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, ratify an emergency purchase order to Cole Ticket Solutions Inc. for 5,000,000 gate interchange tickets in the total amount of \$86,976, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Port Operations

Staff Contact:

Jeff Davis

Background:

Water Code Section 60.4035 permits the Executive Director and authorized officers to make emergency purchases and contracts in amounts that exceed \$50,000 without the customary competitive procedures or prior to Port Commission approval if necessary to, among other things, preserve or protect the public health and safety of the residents of the district, preserve the property of the district in the case of a public calamity, and repair unforeseen damage to the property of the district, provided that staff has endeavored to notify the Port Commission within forty-eight hours of such purchases as required.

By Minute No. 2019-0924-46, the Port Commission awarded the purchase of a five-year supply of gate interchange tickets to Electronic Data Magnetics, Inc. (EDM) in the amount of \$610,000. The Port Authority receives installments of 5,000,000 tickets from EDM at a time. In late March 2021, the Port Authority requested its next installment delivery of 5,000,000 tickets from EDM. On Friday, May 21, EDM notified the Port Authority that it had filed for bankruptcy and would not be able to commit to fulfilling the March order or future orders. Without the promised installment, and uncertain future supply, the Port Authority was left with less than a month's supply of tickets remaining in its stores.

Without gate interchange tickets, the Port Authority's two container terminals cannot process the containerized cargo moving in and out of their gates, including imported consumer items important to public health and safety of the residents of the area and the surrounding region. The concerns to the region raised by this are amplified by the context of the COVID-19 pandemic: (a) imported consumer goods may play a particularly urgent and vital role in the health and medical care of residents of the region, and (b) the pandemic has already caused significant disruption and delay to supply chains and the maritime transport industry.

Port Authority staff investigated numerous avenues to rapidly replenish the Port Authority's supply of tickets and concluded that it was in the best interest of the Port Authority to make an emergency purchase of 5,000,000 gate interchange tickets (approximately six months worth of gate tickets) while a formal solicitation for gate interchange tickets is prepared, advertised, evaluated, and awarded as a longer term solution.

Staff Evaluation/Justification:

Staff has informed the Port Commission that a purchase order in the amount of \$86,976 for a purchase of 5,000,000 gate interchange tickets has been issued in accordance with Water Code Section 60.4035.

Accordingly, staff requests that the Port Commission ratify the above purchase under Water Code Section 60.4035.

J. OPERATIONS

Subject **9. Ratify an emergency purchase order to HPGR, LLC in the total amount not to exceed \$390,500 for repairs to main hoist gear reducer for crane 208 at Bayport Container Terminal.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, ratify an emergency purchase order to HPGR, LLC in the total amount not to exceed \$390,500 for repairs to main hoist gear reducer for crane 208 at Bayport Container Terminal, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Awards, Amendments & Change Orders

Department:
Port Operations

Staff Contact:
Paulo Soares

Background:

In March 2021, crane 208 at Bayport Container Terminal was taken out of service due to excessive noise and vibration from the main hoist gearbox.

By Minute No. 2019-0521-26, the Port Commission awarded a two-year contract to HPGR, LLC (HPGR), in an amount not to exceed \$250,000 for purchase of machining services for Barbours Cut Terminal, Bayport Container Terminal, and the Turning Basin Terminal. The work to repair crane 208 was within the firm's scope, and it appeared that the purchase order associated with this contract showed a significant outstanding balance to permit this repair. Accordingly, staff requested that HPGR perform this work.

Because HPGR knew this was a critical component, it began working without informing the Port Authority of the steps being taken or the anticipated cost. After several requests from the Port Authority, HPGR provided a quote in the amount of \$390,482.50 to the Port Authority on May 13, 2021.

In the first week of June, Port Authority staff learned that due to an administrative error, the outstanding purchase order balance was incorrectly reported, and funds were not available to pay this amount.

As you are aware, Water Code Section 60.4035 provides that the Port Authority may make emergency purchases and contracts in amounts that exceed \$50,000 in necessary to, among other things, repair unforeseen damage to the property of the district.

Port Authority legal staff concluded that these circumstances apply in this instance, and accordingly, that I have authority to make these procurements under Section 60.4035 of the Texas Water Code without complying with customary competitive bidding procedures or prior Port Commission approval, provided I notify you of any such purchase not later than forty-eight hours after the purchase is made.

Accordingly, this notice is sent to let you know that the Port Authority has issued or will very shortly issue a purchase order to HPGR, LLC in an amount not to exceed \$390,500.00 for main hoist gearbox repairs.

Staff Evaluation/Justification:

Staff has informed the Port Commission that a purchase order to HPGR, LLC in the amount not to exceed \$390,500 has been issued in accordance with Water Code Section 60.4035.

Accordingly, staff request that the Port Commission ratify the above purchase under Water Code Section 60.4035.

J. OPERATIONS

Subject **10. Authorize payment to Smart Tecs LLC, the sole source provider, for annual maintenance services for the marine terminal gate operating software system for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$350,322.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, authorize payment to Smart Tecs LLC, the sole source provider, for annual maintenance services for the marine terminal gate operating software system for Barbours Cut Terminal and Bayport Container Terminal pursuant to the current contract between Smart Tecs LLC and the Port Authority, for a one-year period beginning July 1, 2021 in an amount not to exceed \$350,322, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Operations

Staff Contact:

Jeff Davis

Background:

By Minute No. 2016-1025-26, the Port Commission awarded a contract (Contract) to Smart Tecs LLC to provide the implementation and maintenance of a marine terminal gate operating software system for use at Port Authority Terminals. The Marine Terminal Gate Operating Software is currently used by the Operations Department to interchange trucks and containers at Bayport Container Terminal and Barbours Cut Terminal.

Additional funding is required for the maintenance and support period starting July 1, 2021 and ending June 30, 2022.

Staff Evaluation/Justification:

The Contract describes the year-to-year maintenance services that are required to be performed and sets forth the maintenance fee for each one-year maintenance period. The services provided under this agreement are critical to the proper functioning of the container terminals gate operation.

Staff recommends the Port Commission authorize payment to Smart Tecs LLC for annual maintenance services for the marine terminal gate operating software system.

J. OPERATIONS

Subject **11. Amend the professional services agreement with APTIM Port Services International, LLC to perform additional inspection services for construction of three dockside electric container cranes for Wharf No. 5 at Bayport Container Terminal in an amount not to exceed \$251,700.**

Meeting Jun 22, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 22, 2021 meeting, authorize amendment of the professional services agreement with APTIM Port Services International, LLC to perform additional inspection services for construction of three dockside electric container cranes for Wharf No.5 at Bayport Container Terminal in an amount not to exceed \$251,700, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Awards, Amendments & Change Orders

Department:
Maintenance

Staff Contact:
Paulo Soares

Background:
By Minute No. 2019-0924-43, the Port Commission awarded a contract to Shanghai Zhenhua Heavy Industries Co., Ltd. (ZPMC) for the purchase of three dockside electric container cranes for Wharf No. 5 at Bayport Container Terminal in an amount not to exceed \$35,000,000. These cranes require manufacturing inspection on a full-time basis. Inspection of overseas fabrication is beyond current manpower capabilities of Port Authority staff, and therefore an inspection services consultant was required.

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

Staff Evaluation/Justification:
Staff recommends that the contract with APTIM Port Services International, LLC be extended until August 2021 to continue inspection activities until shipment. APTIM Port Services, LLC has submitted a proposal for the additional work in the amount not to exceed \$251,700.

Staff has reviewed this proposal and found it to be fair and reasonable.