

I N D E X

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

March 21, 2017

<u>Minute No.</u>	<u>Event/Action</u>
	General
	Commissioner Kennedy convened the meeting of the Port Commission and provided opening remarks
	Minutes
2017-0321-01	Approve the Minutes of the January 31, 2017 Port Commission Meeting
	Port Commission Committee Updates
2017-0321-02	Commissioner Branch reported on the Audit Committee Meeting - March 7, 2017
2017-0321-03	Commissioner Fitzgerald reported on the Pension and Benefits Committee Meeting - March 7, 2017
	Appearances
2017-0321-04	Commissioner Kennedy asked if anyone would like to address the Port Commission; there was no response
	Staff Reports
2017-0321-05	Roger Guenther, Executive Director, presented a summary of selected financial and operations matters
	G. Executive
2017-0321-06	Amend the professional services contract with Greenberg Traurig, LLP for state and federal governmental policy consulting and support
2017-0321-07	Amend the Environmental Policy
2017-0321-08	Authorize an interlocal agreement with the Houston-Galveston Area Council to support an analysis of vehicle activity data to improve regional freight mobility and air quality planning in and around the Port of Houston

Minute No. Event/Action

H. Commercial

- 2017-0321-09 Approve a lease rate increase of 3% for applicable Port Authority month-to-month leases, effective May 1, 2017
- 2017-0321-10 Approve the following agreements with Empire Stevedoring (Houston), Inc. to occur concurrently, but no earlier than April 1, 2017: (a) a lease of approximately 5.53 acres out of Block 3 of the Southside Wharves at an annual base rent of \$194,118, with 3% annual escalation, (b) a freight handling assignment agreement, and (c) a stevedore license for a five-year term
- 2017-0321-11 Approve an amendment to the lease with the Houston International Seafarers' Center, Inc., effective February 28, 2017, extending the lease construction period for an additional 60 days and modifying the commencement of the relocation and operations period accordingly
- 2017-0321-12 Approve an amendment effective July 1, 2017, extending the term of the office lease with the Port of Houston Credit Union of approximately 926 net rentable square feet in the Executive Office Building for an additional one year, at an annual rent of \$10
- 2017-0321-13 Approve an amendment effective June 1, 2017, extending the term of the office lease with Ports America Texas, Inc. of approximately 1,216 net rentable square feet of office space in the Barbours Cut Administration Building for an additional three years, at an annual rent of \$27,372 subject to annual increase of 3% for its lease
- 2017-0321-14 Approve an amendment to extend the term of the Clinton Disposal Site grazing lease with Nancy Barnes and Robert Shane Barnes, for three years, effective April 1, 2017, and reduce the leased acreage from approximately 84 acres to approximately 80 acres, at an annual base rent of \$1,200
- 2017-0321-15 Approve cancellation of the grazing lease with Calvin Hearne for approximately 40.88 acres near the Bulk Materials Handling Plant effective no earlier than April 30, 2017

I. Finance

- 2017-0321-16 Authorize advertisement and receipt of responses for five formal procurements
- 2017-0321-16(a) Request for competitive sealed bids for mowing services and landscape maintenance at Turning Basin Terminal, Barbours Cut Terminal, and Bayport Container Terminal

<u>Minute No.</u>	<u>Event/Action</u>
2017-0321-16(b)	Request for competitive sealed bids for purchase of paper products at Turning Basin Terminal, Barbours Cut Terminal, and Bayport Container Terminal
2017-0321-16(c)	Request for competitive sealed proposals for railroad repairs based on labor and equipment rates for Turning Basin Terminal
2017-0321-16(d)	Request for proposals for maintenance and support services for the terminal operating systems, applications, and hardware at Turning Basin Terminal, Barbours Cut Terminal, and Bayport Container Terminal
2017-0321-16(e)	Request for proposals for software capabilities assessment of our current Computerized Maintenance Management System needs and our future Enterprise Asset Management needs
2017-0321-17	Authorize funding for the Port Authority's self-insurance loss fund account for insurance year 2017- 2018, and authorize its third-party claims administrator to pay claims from such account in accordance with the Amended Insurance Program and Indemnification Policy
2017-0321-18	Approve Vanguard for management of large cap core equity assets for the Port of Houston Authority Restated Retirement Plan (Pension Plan) and the irrevocable trust established for other post-employment benefits (OPEB Trust)

J. Health, Safety, Security & Emergency Management (no items)

K. Infrastructure

2017-0321-19	Reject all proposals for Woodhouse Terminal water and sewer line replacement
2017-0321-20	services contract for the design of the rehabilitation of Wharf 3 at Barbours Cut Terminal to the top-ranked proposer: staff ranking – first, Brown and Gay Engineers, Inc.; second, CH2M; and third, AECOM Technical Services Port Commission adopted the staff-recommended ranking and authorized award
2017-0321-21	Approve staff's ranking of vendors and award a professional services contract for the design of Container Yard 7 at Bayport Container Terminal to the top-ranked proposer: staff ranking – first, RPS Klotz Associates; second, BGE, Inc.; and third, Lockwood, Andrews, & Newnam, Inc. Port Commission adopted the staff-recommended ranking and authorized award

<u>Minute No.</u>	<u>Event/Action</u>
2017-0321-22	Enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers for placement of dredged material by a Non-Federal Interest into a federal dredged material placement area, pursuant to Section 217(b) of the Water Resources Development Act of 1996
2017-0321-23	Enter into dredge material placement agreements with ExxonMobil for disposal of an estimated 175,000 cubic yards of dredged material at Alexander Island Placement area, to collect Port Authority and federal tipping fees, and disburse federal fees collected to the U.S. Army Corps of Engineers for subsequent use for operation and maintenance of the designated placement area
2017-0321-24	Enter into a Gratuitous Services Agreement with the United States Coast Guard (USCG) to construct, at no cost to the USCG, a navigational aid structure marking the Bayport Ship Channel, and after construction to transfer the structure to the USCG for operation and maintenance
2017-0321-25	Issue a transmission/distribution line license to CenterPoint Energy Houston Electric, LLC for one 138-kV transmission line over and across Southside Mainline railroad right-of-way in Houston
2017-0321-26	Issue a transmission/distribution line license to CenterPoint Energy Houston Electric, LLC for one 138-kV transmission line over and across Southside Mainline railroad right-of-way in Houston
2017-0321-27	Approve the renewal of expiring Port Authority licenses for new ten-year terms: Houston Ammonia Terminal, LP, HSC Pipeline Partnership, LLC, Rohm and Haas Texas Incorporated, Chevron Phillips Chemical Company LP, and Equistar Chemicals LP
2017-0321-28	Issue a marine construction permit to HFOTCO LLC to construct Ship Dock 5 adjacent to Jacintoport Channel in Houston
2017-0321-29	Issue a marine construction permit to Magellan Terminals Holdings, L.P. to construct a marine terminal facility adjacent to the Houston Ship Channel in Pasadena
2017-0321-30	Issue a marine construction permit to CGBM Global, Inc. to stabilize the shoreline, install pilings and a spud barge, and dredge to a depth of 4 feet Mean Lower Low Water adjacent to Old River in Channelview
2017-0321-31	Issue a pipeline license to INEOS Americas LLC for one 10-inch water line under and across Southside Mainline railroad right-of-way in Pasadena

<u>Minute No.</u>	<u>Event/Action</u>
2017-0321-32	Amend a pipeline license for KM Liquids Terminals LLC to add one 8-inch Methyl tert-butyl ether pipeline and one 6-inch wastewater pipeline within an existing pipe rack across Panther Creek in Houston
2017-0321-33	Amend a marine construction permit to Intercontinental Terminals Company to modify an existing marine terminal facility adjacent to the Houston Ship Channel in Pasadena

L. Operations

2017-0321-34	Award a two-year contract to Northstar Industries for the repair of motors, generators, and alternators for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2017-0321-35	Award a two-year contract to Aabbott-Michelli Technologies for purchase of parts and repair services for truck scales at Barbours Cut Terminal and Bayport Container Terminal
2017-0321-36	Award a two-year contract to purchase tires for RTG cranes and terminal equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$1,227,991 to T&W Tire, LLC, and a two-year contract to Beasley Tire Service - Houston, Inc. for inter-modal tractor tires in an amount not to exceed \$145,000
2017-0321-37	Award a two-year contract to Rush Truck Centers of Texas, LP dba Rush Truck Center Houston for purchase of Cummins diesel engine parts and related service for Barbours Cut Terminal and Bayport Container Terminal
2017-0321-38	Award a two-year contract to Parkway-Kew Corporation for repair services for festoon rollers on wharf cranes at Barbours Cut Terminal and Bayport Container Terminal
2017-0321-39	Award an annual contract to Maxim Crane Works for crane rental services for maintenance of equipment and facilities at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2017-0321-40	Award a contract to Netsync Network Solutions to provide network and computer hardware to support the container terminal truck lanes and Gate Operating System, using the Department of Information Resources Cooperative Purchasing Program
2017-0321-41	Award a contract to Triumph Cabling Systems LLC for service of network cabling installation, using the Department of Information Resources Cooperative Purchasing Program

<u>Minute No.</u>	<u>Event/Action</u>
2017-0321-42	Approve a change order to Shanghai Zhenhua Heavy Industries Co., Ltd (ZPMC) for installation of hardware and software on one dockside electric container crane for Wharf 2 at Bayport Container Terminal
2017-0321-43	Amend the professional services agreement with CB&I Government Solutions, Inc. dba CB&I GBB International, LLC to perform additional inspection services for construction of three dockside electric container cranes for Wharf 2 at Barbours Cut Terminal

M. People

2017-0321-44	Approve staff's ranking of vendors and award a services contract for regular cleaning services for two years beginning April 1, 2017, for the Executive Office Building, Port Coordination Center, Sam Houston Pavilion, and ten Gatehouses to the top-ranked proposer: staff ranking - first, GMW Quality Cleaning Solutions, DBA Hospitality Cleaning Solutions, LLC; and second, Metroclean Commercial Building Services
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Port Commission adopted the staff-recommended ranking and authorized award

2017-0321-45	Issue a purchase order and enter into a one-year agreement with SumTotal Systems, LLC, the sole source provider for an automated Learning Management System and Talent Suite, to include an Applicant Tracking system and Performance Management system
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N. Technology

2017-0321-46	Award a contract to SHI Warranty Services for hardware and software support, using BuyBoard National Purchasing Cooperative Program
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2017-0321-47	Award a contract to SHI Government Solutions to provide VMware annual software licensing and software support to the current Port Authority's IT infrastructure, using the Department of Information Resources Cooperative Purchasing Program
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O. Recess Open Meeting and Convene Executive Session

P. Reconvene Open Meeting

Q. Adjourn Meeting

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

**Houston, Texas
March 21, 2017**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on March 21, 2017 at 9:02 a.m., at the Port of Houston Authority Executive Offices, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following Commissioners and staff were present:

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

Commissioner Kennedy convened the meeting of the Port Commission, welcomed everyone, and announced that Chairman Longoria had asked him to chair the meeting in her absence.

Commissioner Kennedy informed all present that the Port Authority was awarded a Certificate of Distinction for its investment policy by the Government Treasurers' Organization of Texas, and recognized Ray Yi, Senior Director of Treasury and his team for their outstanding efforts in achieving this honor.

Commissioner Kennedy reported that the Port Authority had been re-certified to the ISO 28000:2007 standard for supply-chain security. In 2008, Port Houston was the first port authority in the world to be certified to the standard, and remains the only port authority in the United States to achieve this stringent international security standard. Commissioner Kennedy thanked Health, Safety, Security, and Emergency Management ("HSSE") division personnel, who have the responsibility for implementation and improvement of the system, for their diligence and dedication. He particularly recognized and thanked Patricia Ramsey, Administrative Manager, HSSE, who has taken the lead to ensure continued Safety Management System certification since inception.

Commissioner Kennedy also reported that Colin Rizzo, the Port Authority's first Emergency Manager, had received the Lou Harrell Emergency Manager of the Year Award, which recognizes the achievements and hard work of those that have made exceptional efforts to further the field of emergency management, and ensure a whole community approach to preventing, preparing for, mitigating against, responding to, and recovering from disasters.

Commissioner Kennedy commented that Mr. Rizzo had many notable accomplishments this past year, including the purchase and implementation of a new

Computer Aided Dispatch system that will connect the Port Authority with more than 20 other regional agencies, the award of a \$1 million grant to the Port Authority for its new Mobile Command Center, and the response to emergencies such as the AFRAMAX RIVER fire and the Apache helicopter crash. He offered him a special thank you and congratulations for exceptional achievement in his field.

Commissioner Kennedy announced that following the meeting the Port Authority's new Mobile Command Center along with a new fire truck would be on display outside the Executive Building.

(2017-0321-01) Commissioner Kennedy called for a motion to approve the minutes of the January 31, 2017 Port Commission meeting. Commissioner Corgey moved for approval, seconded by Commissioner Mease. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

(2016-0321-02) Commissioner Branch reported on the Audit Committee Meeting held on March 7, 2017.

- The committee reviewed and discussed a draft of the August 1, 2016 Actuarial Valuation Audit Report as prepared by Gabriel, Roeder, Smith & Co. ("GRS"). The overall opinion of GRS was that "the August 1, 2016 Actuarial Valuation prepared by the retained actuary [Milliman] provides a fair and reasonable assessment of the financial position of the Plan".
- It was recommended that the investment return assumption rate be lowered to the range of 4%-6.87%. The Port Commission approved a reduction of the actuarial investment return assumption rate from 7% to 6.75% at its December 13, 2016 meeting.
- The final August 1, 2016 Actuarial Valuation Audit Report will be presented to the full commission at the April 2017 Port Commission meeting.
- Staff provided audit reports related to:
 - Accounts Payable Recovery Audit Services
 - Texas Ethics Commission Form 1295 Compliance
 - Wilhemsen Ships Service Breakbulk Revenues
 - Promotion and Development Fund Review – 3rd quarter 2016
- No issues reported were under the Port Authority "whistleblower" policy during December 2016 or January 2017.

Commissioner Kennedy thanked Commissioner Branch for his report and asked if there were any questions; there were none.

(2016-0321-03) Commissioner Fitzgerald reported on the Pension and Benefits Committee Meeting held on March 7, 2017.

- Staff announced that as of December 31, 2016, the Pension Plan had assets of \$165 million, and the Other Post Employee Benefits (“OPEB”) Trust had assets of \$53 million. Both plans had positive returns of over 10% for the year 2016, which compares very favorably against the new actuarial assumption rate of 6.7%. The Pension Plan remains well funded, with a ratio of 92.4% as of the last valuation on August 1, 2016.
- An update on the Pension Plan actuarial audit was presented; the final August 1, 2016 Actuarial Valuation Pension Plan Report will be presented to the full commission at the April 2017 Port Commission meeting.
- Staff and pension consultants AndCo Consulting reviewed the current asset allocation for the Pension Plan and the OPEB Trust. After a discussion regarding increasing the percentage of fixed income investments, it was decided that no changes would be made at this time.

Commissioner Kennedy thanked Commissioner Fitzgerald for his report and asked if there were any questions; there were none.

Commissioner Fitzgerald commented on the excellent job that Ray Yi, and his staff and consultants do regarding the Pension Plan and OPEB Trust. Commissioner Corgey also commented that lowering the investment return assumption rate was very astute of the Port Commission. Commissioner Kennedy commented that the Port Commission takes very seriously its responsibility of overseeing the Pension Fund and thanked Port Authority employees for their service.

(2016-0321-04) Commissioner Kennedy asked if anyone would like to address the Port Commission; there was no response.

(2016-0321-05) Staff Reports

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

- Mr. Guenther announced that in the first two months of 2017, Port Authority terminals handled a cumulative total of 5.7 million tons of cargo, a 3% increase versus 2016.
- Container volume increased 10% in February with a 17% increase in total twenty-foot equivalent units (“TEUs”) through the first two months of 2017. This equates to 385,801 TEUs handled year to date, an increase of more than 57,000 TEUs over this time period last year.
- Loaded container volume through this period increased 21% and remains very balanced between imports and exports at nearly 50/50.
- Steel volumes continue to lag from 2015 highs and are down 4% for the year.

In conclusion, Mr. Guenther advised the Port Commission that staff had placed two items on the Agenda for their consideration pertaining to the projected growth expected this year; the design of Wharf 3 at Barbours Cut and the design of Container Yard 7 at Bayport.

Commissioner Kennedy thanked Mr. Guenther for his report and asked if there were any questions; there were none.

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

(2017-0321-06) RCA G1 was presented, moved by Commissioner Mease, seconded by Commissioner Fitzgerald. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2017-0321-07) RCA G2 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G2 PASSED.

(2017-0321-08) RCA G3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G3 PASSED.

(2017-0321-09) RCA H1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H1 PASSED.

Commissioner Mease asked if this item pertained only to the month-to-month leases; Mr. Guenther replied in the affirmative.

(2017-0321-10) RCA H2 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H2 PASSED.

(2017-0321-11) RCA H3 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H3 PASSED.

(2017-0321-12) RCA H4 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H4 PASSED.

(2017-0321-13) RCA H5 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H5 PASSED.

(2017-0321-14) RCA H6 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H6 PASSED.

(2017-0321-15) RCA H7 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H7 PASSED.

(2017-0321-16) RCA I1(a-e) was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I1(a-e) PASSED.

(2017-0321-17) RCA I2 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2017-0321-18) RCA I3 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2017-0321-19) RCA K1 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2017-0321-20) RCA K2 was presented. Commissioner Branch moved for staff recommended ranking – first, Brown and Gay Engineers, Inc.; second, CH2M; and third, AECOM Technical Services, seconded by Commissioner Fitzgerald. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2017-0321-21) RCA K3 was presented. Commissioner Branch moved for staff recommended ranking – first, RPS Klotz Associates; second, BGE, Inc.; and third, Lockwood, Andrews & Newnam, Inc., seconded by Commissioner Corgey. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K3 PASSED.

(2017-0321-22) RCA K4 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos.

Commissioner Branch asked for an explanation of this item. Richard Byrnes, Chief Infrastructure Officer, explained that there was new guidance from the U.S. Army Corps of Engineers (“Corps”), which allows the Port Authority to play an intermediary role between the Corps and private interests along the ship channel, to enable them to more efficiently put their dredge material into federal placement areas.

Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K4 PASSED.

(2017-0321-23) RCA K5 was presented, moved by Commissioner Mease, seconded by Commissioner Corgey. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K5 PASSED.

(2017-0321-24) RCA K6 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K6 PASSED.

(2017-0321-25) RCA K7 was presented, moved by Commissioner Branch, seconded by Commissioner Mease. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K7 PASSED.

(2017-0321-26) RCA K8 was presented, moved by Commissioner Branch, seconded by Commissioner Mease. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K8 PASSED.

(2017-0321-27) RCA K9 was presented, moved by Commissioner Mease, seconded by Commissioner Fitzgerald. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K9 PASSED.

(2017-0321-28) RCA K10 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K10 PASSED.

(2017-0321-29) RCA K11 was presented, moved by Commissioner Mease, seconded by Commissioner Fitzgerald. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K11 PASSED.

(2017-0321-30) RCA K12 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald.

Commissioner DonCarlos asked if the Port Authority was collecting rent on this property. Mr. Guenther advised that the Port Authority had not established a lease for the submerged lands. CGBM Global, Inc. was the owner of the property and the Port Authority is permitting it to build a bulkhead. Tom Heidt, Chief Operating Officer, noted that at this time the Port Authority did not have a submerged lands procedure. Commissioner Mease asked if this permit should be awarded before procedures are established, and Mr. Guenther responded that the permit states the Port Authority has the option to enter into a lease of the submerged lands after the construction of the dock has been completed.

Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K12 PASSED.

(2017-0321-31) RCA K13 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K13 PASSED.

(2017-0321-32) RCA K14 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K14 PASSED.

(2017-0321-33) RCA K15 was presented, moved by Commissioner Mease, seconded by Commissioner Fitzgerald. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K15 PASSED.

(2017-0321-34) RCA L1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2017-0321-35) RCA L2 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L2 PASSED.

(2017-0321-36) RCA L3 was presented, moved by Commissioner Mease, seconded by Commissioner Branch.

Commissioner Fitzgerald inquired why there were two separate contracts for this item, and Mr. Guenther explained that the procurement was for two types of tires and was worded so that companies could bid on both types of tires, or if they preferred, just one type of tire.

Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L3 PASSED.

(2017-0321-37) RCA L4 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L4 PASSED.

(2017-0321-38) RCA L5 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L5 PASSED.

(2017-0321-39) RCA L6 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L6 PASSED.

(2017-0321-40) RCA L7 was presented, moved by Commissioner Branch, seconded by Commissioner Mease.

Commissioner Mease inquired if this purchase had already been made. Mr. Heidt explained that in October the Port Commission approved the purchase of an operating system and that today's request was to purchase the hardware required to operate the software. Charles Thompson, Chief Information Technology Officer, added that these items are included in the Information Technology ("IT") master plan and will be used at every truck lane at both terminals.

Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L7 PASSED.

(2017-0321-41) RCA L8 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L8 PASSED.

(2017-0321-42) RCA L9 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos.

Commissioner Mease asked for an explanation of this item. Mr. Guenther advised that this was for the remote operation of a crane, and emphasized this was neither “automation” nor intended to replace the operator but would allow the operator to control the crane remotely from a location other than the cab. This feature is expected to increase productivity, efficiency, and safety. The Port Authority faces issues training operators and would like to test this remote operations capability by equipping one crane with this feature. Staff mentioned that other ports were using this technology. Commissioner Kennedy asked if this would affect the delivery schedule of the cranes and was assured it would not; the expected delivery of 1st quarter 2018 was still on schedule.

Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L9 PASSED.

(2017-0321-43) RCA L10 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L10 PASSED.

(2017-0321-44) RCA M1 was presented. Commissioner Corgey moved for staff recommended ranking – first, GMW Quality Cleaning Solutions, DBA Hospitality Cleaning Solutions, LLC; and second, Metroclean Commercial Building Services, seconded by Commissioner DonCarlos. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2017-0321-45) RCA M2 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald.

Commissioner Branch inquired if this system had the capability of responding to applicants. Ms. Shaver replied that the program does have that capability. Commissioner Branch added that the biggest complaint he hears was that after people submit an employment application to the Port Authority they do not hear anything, and stressed that all applicants should receive a response.

Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M2 PASSED.

(2017-0321-46) RCA N1 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA N1 PASSED.

(2017-0321-47) RCA N2 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch.

Commissioner Mease asked for explanation of this item. Mr. Thompson explained that VMware is software for server and client virtualization which allows the IT Department to reduce hardware expenses and benefit from the centralized management of servers.

Commissioners Kennedy, Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA N2 PASSED.

At 9:49 a.m., Commissioner Kennedy called for a brief recess and advised that the closed session would follow.

At 9:58 a.m., Commissioner Kennedy reconvened the public meeting and instructed Mr. Eriksson to make the following announcement:

It is now 9:58 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code, (i) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultation regarding Foreign Trade Zone No. 84; deliberate regarding (ii) Real Estate (*Section 551.072, Texas Open Meetings Act*), including deliberation regarding Turning Basin Terminal properties; (iii) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (iv) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*), including deliberations regarding public employees; and (v) 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 10:25 a.m., Commissioner Kennedy reconvened the open meeting at the Port of Houston Authority Executive Office Boardroom, at 111 East Loop North, Houston, Texas 77029, with the following Commissioners, staff, and counsel in attendance:

John D. Kennedy, Acting Chairman

Theeldon R. Branch, III, Commissioner
Dean E. Corgey, Commissioner
Stephen H. DonCarlos, Commissioner
Clyde E. Fitzgerald, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
J. Kent Friedman, Orrick, Herrington & Sutcliffe LLP

Commissioner Kennedy announced there were no action items to come out of closed session and the next meeting would be held on April 25th.

At 10:26 a.m., Commissioner Kennedy adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the March 21, 2017 meeting of the Port Commission of the Port of Houston Authority.



John D. Kennedy, Acting Chairman



Erik A. Eriksson, Assistant Secretary

G. EXECUTIVE

Subject **1. Amend the professional services contract with Greenberg Traurig, LLP for state and federal governmental policy consulting and support, in an additional amount of \$70,000.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its March 21, 2017 meeting, amend the professional services
Action contract with Greenberg Traurig, LLP for state and federal governmental policy
 consulting and support, in an additional amount of \$70,000, and further authorize the
 Executive Director to do any and all things in his opinion reasonable or necessary to give
 effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Government Relations

Staff Contact:

Spencer Chambers

Background:

The Port Authority currently contracts with Greenberg Traurig, LLP to consult on state and federal policy priorities, assist in developing strategic plans and objectives, and facilitate effective communication with government officials and their staffs. That contract, totaling \$144,000, expires September 30, 2017.

The new administration is proposing infrastructure initiatives that may provide opportunities to support the growth and development of the Port of Houston and Port Authority, including funding for individual projects as well as improvements to the Harbor Maintenance Trust Fund.

Staff Evaluation/Justification:

Staff anticipates that under an amended contract the firm will devote additional resources through September to develop these opportunities, and accordingly recommends that the Port Commission approve this amendment.

G. EXECUTIVE

Subject **2. Amend the Environmental Policy.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its March 21, 2017 meeting, approve the amended Port
Action Authority Environmental Policy, and further authorize the Executive Director to do any
 and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Executive

Staff Contact:
Leah Oberlin

Background:
The Port Commission first adopted an Environmental Policy in April 2001, in connection with the development and implementation of the Port Authority's Environmental Management System.

The policy has been subsequently amended, and cross functional and core teams have recently reviewed it again, with the goal of amending the language to better communicate the Port Authority's environmental commitments.

Staff Evaluation/Justification:
Staff recommends that the Port Commission adopt an updated Port Authority Environmental Policy. The form of updated policy is included with this request for Port Commission action.

G. EXECUTIVE

Subject **3. Authorize an interlocal agreement with the Houston-Galveston Area Council to support an analysis of vehicle activity data to improve regional freight mobility and air quality planning in and around the Port of Houston, in an amount not to exceed \$25,000.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 21, 2017 meeting, authorize an interlocal agreement with the Houston-Galveston Area Council to support an analysis of vehicle activity data to improve regional freight mobility and air quality planning in and around the Port of Houston, in an amount not to exceed \$25,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Executive

Staff Contact:
Leah Oberlin

Background:
The Port Authority has been asked by the Houston-Galveston Area Council (H-GAC) if it would contribute \$25,000 to its analysis of H-GAC's GPS data, collecting information on the operations of drayage trucks, and conducting spatial and temporal analysis on the collected data.

Staff Evaluation/Justification:
Staff recommends that the Port Commission authorize the proposed interlocal agreement, to provide funding for, and data in connection with, the study.

This study could benefit the Port Authority by assisting the development of potential Clean Air Strategy Plan measures providing for changes in truck operations or procedures.

Staff believes that both parties are authorized under the Texas Government Code Section 791 (the Interlocal Cooperation Act) to enter into an interlocal agreement for such project.

H. COMMERCIAL

Subject 1. Approve a lease rate increase of 3% for applicable Port Authority month-to-month leases, effective May 1, 2017.

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 21, 2017 meeting, approve a lease rate increase of 3% for applicable Port Authority month-to-month leases and certain other lease terms effective May 1, 2017, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

Background:
By Minute No. 2012-0228-16, the Port Commission ratified seventy-seven month-to-month leases that had been in effect for more than one year. Currently there are only forty-one month-to-month leases in effect.

The rental rates for these Port Authority month-to-month leases, as well as certain other term leases, are based on rates adopted by the Port Commission from time-to-time.

By Minute No. 2016-0322-09, the Port Commission authorized a 3% increase effective May 1, 2016 for these leases.

Staff Evaluation/Justification:
Staff recommends approval of a lease rate increase of 3% for these leases effective May 1, 2017.

H. COMMERCIAL

Subject **2. Approve the following agreements with Empire Stevedoring (Houston), Inc. to occur concurrently, but no earlier than April 1, 2017: (a) a lease of approximately 5.53 acres out of Block 3 of the Southside Wharves at an annual base rent of \$194,118, with 3% annual escalation, (b) a freight handling assignment agreement, and (c) a stevedore license for a five-year term.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its March 21, 2017 meeting, approve the following agreements with Empire Stevedoring (Houston), Inc. to occur concurrently, but no earlier than April 1, 2017: (a) a lease of approximately 5.53 acres out of Block 3 of the Southside Wharves at an annual base rent of \$194,118, with 3% annual escalation, (b) a freight handling assignment agreement, and (c) a stevedore license for a five-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:

Real Estate

Staff Contact:

R.D. Tanner

Background:

Empire Stevedoring (Houston), Inc. (Empire) currently leases and operates on 5.53 acres at the Southside Wharves under a Lease Agreement, freight handling assignment, and stevedore license which expires on March 31, 2017. The current use of the property includes storage, staging, crating, packaging of cargo, offices, and truck parking area. The Port Authority benefits from this arrangement by collecting rental payments and tariff revenue including dockage, wharfage, demurrage, and other tariff charges. Empire has requested the Port Authority renew its lease agreement at the Southside Wharves, and its freight handling assignment and stevedore license, allowing it to provide cargo handling services at its assigned facility, which includes Shed 46 and Wharves 45, 46, 47, and 48.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve this proposed lease, freight handling assignment, and stevedore license agreement with Empire, with the lease effective no earlier than the lease operations commencement date.

H. COMMERCIAL

Subject	3. Approve an amendment to the lease with the Houston International Seafarers' Center, Inc., effective February 28, 2017, extending the lease construction period for an additional 60 days and modifying the commencement of the relocation and operations period accordingly.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting, approve an amendment to the lease with the Houston International Seafarers' Center, Inc., effective February 28, 2017, extending the lease construction period for an additional 60 days and modifying the commencement of the relocation and operations period accordingly, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

The Houston International Seafarers' Center Inc. (HISC) is the tenant under an office lease of approximately 8,290 sq. ft. of exclusive-use office space, 170 sq. ft. of non-exclusive common area space, and 0.912 acres of non-exclusive use common area parking in the Seamen's Church Institute Building (the SCI Building) located at 9650 High Level Road in Houston. HISC has also been a tenant of the Port Authority on a 7.92-acre parcel of real property located on a portion of Blocks 6 and 7 at the Northside Turning Basin since 1969.

Upon completion of construction, HISC intends to relocate the entirety of its operations from the Northside Turning Basin property to the SCI Building. Pursuant to the office lease, the relocation would have begun on March 1, 2017 and been completed by May 1, 2017. Due to unforeseen issues, the construction was not completed within the time specified in the lease. The project is approximately 70% completed at this time.

HISC has requested an extension of its construction period for an additional 60 days to allow it to reach substantial completion. The commencement of the relocation and operations period would also be moved accordingly, from March 1, 2017 to May 1, 2017.

Staff Evaluation/Justification:

Staff reviewed the request by the HISC and recommends approval of this amendment to the lease agreement.

H. COMMERCIAL

Subject 4. Approve an amendment effective July 1, 2017, extending the term of the office lease with the Port of Houston Credit Union of approximately 926 net rentable square feet in the Executive Office Building for an additional one year, at an annual rent of \$10.

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 21, 2017 meeting, approve an amendment effective July 1, 2017, extending the term of the office lease with the Port of Houston Credit Union of approximately 926 net rentable square feet in the Executive Office Building for an additional one year, at an annual rent of \$10, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

Background:
The Port of Houston Credit Union is currently leasing approximately 926 net rentable square feet of office space in the Executive Office Building and has requested a one-year extension of the lease term. The Port of Houston Credit Union has been a tenant in the Executive Office Building since 1991, and its current lease expires on June 30, 2017. The lease contains a 60-day cancellation and a 30-day relocation requirement.

Staff Evaluation/Justification:
Staff reviewed the request by the Port of Houston Credit Union and recommends approval of the amendment to the lease agreement.

H. COMMERCIAL

Subject **5. Approve an amendment effective June 1, 2017, extending the term of the office lease with Ports America Texas, Inc. of approximately 1,216 net rentable square feet of office space in the Barbours Cut Administration Building for an additional three years, at an annual rent of \$27,372 subject to annual increase of 3% for its lease.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its March 21, 2017 meeting, approve an amendment effective
Action June 1, 2017, extending the term of the office lease with Ports America Texas, Inc. of
 approximately 1,216 net rentable square feet of office space in the Barbours Cut
 Administration Building for an additional three years, at an annual rent of \$27,372
 subject to annual increase of 3% for its lease, and further authorize the Executive
 Director to do any and all things in his opinion reasonable or necessary to give effect to
 the foregoing.

Category:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

Ports America Texas, Inc. is currently leasing approximately 1,216 net rentable square feet of office space in the Barbours Cut Administration Building and has requested a three-year extension of its current lease. Ports America has been located at the Barbours Cut Administration Building since 2012. Its current lease expires on May 31, 2017.

Staff Evaluation/Justification:

Staff reviewed the request by Ports America Texas, Inc. and recommends approval of the terms of this amendment to the leaset.

H. COMMERCIAL

Subject **6. Approve an amendment to extend the term of the Clinton Disposal Site grazing lease with Nancy Barnes and Robert Shane Barnes, for three years, effective April 1, 2017, and reduce the leased acreage from approximately 84 acres to approximately 80 acres, at an annual base rent of \$1,200.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 21, 2017 meeting, approve an amendment to extend the term of the Clinton Disposal Site grazing lease with Nancy Barnes and Robert Shane Barnes, for three years, effective April 1, 2017, and reduce the leased acreage from approximately 84 acres to approximately 80 acres, at an annual base rent of \$1,200, 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:

Lease

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

The Barnes have leased approximately 84 acres since 1997 for grazing livestock. This lease expires March 31, 2017. The Port Authority recently approved an oil, gas, and mineral lease with Ballard Exploration, which requires that approximately 4 acres out of the existing grazing lease property be provided as a surface drill site at commencement of exploration. Accordingly, the Barnes' acreage would be reduced from 84 acres to 80 acres to accommodate the surface drill site.

Staff Evaluation/Justification:

Staff recommends approval of the acreage modification and a new three-year term lease with the Barnes.

H. COMMERCIAL

Subject **7. Approve cancellation of the grazing lease with Calvin Hearne for approximately 40.88 acres near the Bulk Materials Handling Plant effective no earlier than April 30, 2017.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its March 21, 2017 meeting, approve cancellation of the
Action grazing lease with Calvin Hearne for approximately 40.88 acres near the Bulk Materials
Handling Plant effective no earlier than April 30, 2017, and further authorize the
Executive Director to do any and all things in his opinion reasonable or necessary to give
effect to the foregoing.

Category:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

Calvin Hearne is currently leasing approximately 40.88 acres for grazing near the Bulk Materials Handling Plant for a five-year, term which expires on June 30, 2018. The lease has a 30-day cancellation option that either party can exercise. Calvin Hearne has been a grazing lease tenant since 2002.

Staff Evaluation/Justification:

The cancellation of this lease is necessary to make way for the development of an export terminal and tankage farm by a new tenant, and therefore staff recommends its approval.

I. FINANCE

Subject	1. Authorize advertisement and receipt of responses for five formal procurements.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting, authorize the Port Authority to advertise and receive responses for five formal procurements, determine that the proposed procurement methods provide the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing for these procurements. (a) Request for competitive sealed bids for mowing services and landscape maintenance at Turning Basin Terminal, Barbours Cut Terminal, and Bayport Container Terminal (b) Request for competitive sealed bids for purchase of paper products at Turning Basin Terminal, Barbours Cut Terminal, and Bayport Container Terminal (c) Request for competitive sealed proposals for railroad repairs based on labor and equipment rates for Turning Basin Terminal (d) Request for proposals for maintenance and support services for the terminal operating systems, applications, and hardware at Turning Basin Terminal, Barbours Cut Terminal, and Bayport Container Terminal (e) Request for proposals for software capabilities assessment of our current Computerized Maintenance Management System needs and our future Enterprise Asset Management needs

Category:

Authority to Obtain Bids, Proposals, or Qualifications

Department:

Procurement Services

Staff Contact:

Yvette Camel-Smith

Background:

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

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

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

Staff Evaluation/Justification:

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

I. FINANCE

Subject **2. Authorize funding for the Port Authority's self-insurance loss fund account for insurance year 2017-2018, and authorize its third-party claims administrator to pay claims from such account in accordance with the Amended Insurance Program and Indemnification Policy in an amount not to exceed \$1,750,000.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its March 21, 2017 meeting, authorize funding for the Port
Action Authority's self-insurance loss fund account for insurance year 2017-2018, and
 authorize its third-party claims administrator to pay claims from such account in
 accordance with the Amended Insurance Program and Indemnification Policy in an
 amount not to exceed \$1,750,000, and further authorize the Executive Director to do
 any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Risk Management

Staff Contact:

Bruce Birdwell

Background:

By Minute No. 2010-0928-09, the Port Commission authorized establishment of a Self-Insurance Program effective March 1, 2010. Port Authority staff recommended several minor amendments in February 2015. Those were subsequently approved by the Port Commission when it adopted an Amended Insurance Program and Indemnification Policy (Program) by Minute No. 2015-0224-40. The Program is a cost-effective risk financing alternative to traditional insurance and provides protection for the Port Authority, the Port Commission, and employees. The insurance year is March 1, 2017 to February 28, 2018.

Staff Evaluation/Justification:

Based upon actuarial projections, staff recommends \$1,750,000 be placed into the dedicated self-insurance loss fund account to pay for all covered claim costs and expenses related to workers' compensation and liability claims expected to be incurred during the 2017-18 insurance year.

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

Staff recommends the Port Commission authorize funding the Port Authority's self-insurance loss fund account and authorize its third-party claims administrator to pay claims.

I. FINANCE

Subject	3. Approve Vanguard for management of large cap core equity assets for the Port of Houston Authority Restated Retirement Plan (Pension Plan) and the irrevocable trust established for other post-employment benefits (OPEB Trust).
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting, approve Vanguard for management of large cap core equity assets for the Port of Houston Authority Restated Retirement Plan (Pension Plan) and the irrevocable trust established for other post-employment benefits (OPEB Trust), and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Treasury

Staff Contact:
Ray Yi

Background:
By Minute No. 2016-0726-09, the Port Commission last adopted an amended investment policy for the Pension Plan.

By Minute No. 2016-0726-10 the Port Commission last adopted an amended investment policy for the OPEB Trust.

By Minute No. 2015-0929-27, the Port Commission approved The Bogdahn Group as investment consultant for the Pension Plan and OPEB Trust. The Bogdahn Group changed its legal name to AndCo Consulting, LLC, effective January 9, 2017.

Staff Evaluation/Justification:

As part of the ongoing review of Pension Plan and OPEB Trust investments, staff and AndCo Consulting recently recommended to the Pension and Benefits Committee that a passive large cap equity index fund be added to the portfolio, as the current active large cap equity managers have struggled to outperform the S&P 500 Index. Adding a passive equity index fund should help to reduce volatility, increase return potential, and lower annual investment management fees by approximately \$50,000.

Upon review and evaluation, the Pension and Benefits Committee and staff recommend to the Port Commission that it approve a reduction in the assets currently managed by the two active large cap core equity managers (Fiduciary Management and Stacey Braun Associates) by 50%, and that those funds be invested in the Vanguard Institutional Index Fund (VINIX), a passive equity index fund.

K. INFRASTRUCTURE

Subject	1. Reject all proposals for Woodhouse Terminal water and sewer line replacement.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting, reject all proposals for Woodhouse Terminal water and sewer line replacement, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Reject & Other Actions

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2016-1213-23, the Port Commission rejected all bids previously authorized and received and authorized the advertisement and receipt of competitive sealed proposals (CSPs) for the Woodhouse Terminal Water and Sewer Line Replacement. The CSP package was intended to address staff concerns regarding Woodhouse Terminal's water and sewer line system. The project consisted of installing approximately 5,000 linear feet of 6-inch and 8-inch diameter ductile iron water main, 2,000 linear feet of sewer force main, a package type duplex sewer pump station, and appurtenances such as fire hydrants, gate valves, and wharf mounted potable water boat fill stations. Ancillary work would include mobilization and demobilization, soil erosion and sediment control, pipeline disinfection, testing and commissioning, and trench surface restoration.

The Port Authority notified vendors regarding its request for 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. Eleven vendors downloaded the project materials from the system.

Staff Evaluation/Justification:

On January 11, 2017, three CSPs were received, opened, and publicly read.

After further review and consideration, staff recommends that the Port Commission reject the proposals in order to allow staff additional time to consider how the water and sewer line project best fits with the Port Authority's Woodhouse master plan.

K. INFRASTRUCTURE

Subject	2. Approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$4,025,000 for the design of the rehabilitation of Wharf 3 at Barbours Cut Terminal to the top-ranked proposer: staff ranking – first, Brown and Gay Engineers, Inc.; second, CH2M; and third, AECOM Technical Services.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, Brown and Gay Engineers, Inc.; second, CH2M; and third, AECOM Technical Services; (b) award a professional services contract to Brown and Gay Engineers, Inc. for the design of rehabilitation of Wharf 3 at Barbours Cut Terminal, in an amount not to exceed \$4,025,000; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

The Port Authority is seeking to obtain professional services from a qualified firm for the design of the rehabilitation of Wharf 3 at Barbours Cut Terminal. The Port Authority expects to later request additional professional services for the construction phase.

By Minute No. 2015-0929-26(h), the Port Commission authorized the advertisement of a request for qualifications (RFQ) for the professional services. The Port Authority notified vendors regarding its RFQ using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. One hundred and fifteen vendors downloaded the project materials from the system.

Staff Evaluation/Justification:

On April 6, 2016, eight RFQ responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFQ. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required services:

- Brown and Gay Engineers, Inc.
- CH2M
- AECOM Technical Services

Staff recommends that the Port Commission award a contract to Brown and Gay Engineers, Inc.

K. INFRASTRUCTURE

Subject	3. Approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$2,363,968 for the design of Container Yard 7 at Bayport Container Terminal to the top-ranked proposer: staff ranking – first, RPS Klotz Associates; second, BGE, Inc.; and third, Lockwood, Andrews, & Newnam, Inc.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, RPS Klotz Associates; second, BGE, Inc. and third, Lockwood, Andrews & Newnam, Inc.; and (b) award a professional services contract to RPS Klotz Associates for the design of Container Yard 7, in an amount not to exceed \$2,363,968; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

The Port Authority is seeking to obtain professional services from a qualified firm for the design of Container Yard 7 at Bayport Container Terminal. The Port Authority expects to later request additional professional services for the final design phase and construction phase.

By Minute No. 2016-0927-32(e), the Port Commission authorized the advertisement of a request for qualifications (RFQ) for the professional services. The Port Authority notified vendors regarding its RFQ using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Thirty-six vendors downloaded the project materials from the Port Authority's BuySpeed Eprocurement System.

Staff Evaluation/Justification:

On November 16, 2016, eight RFQ responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFQ. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required services:

- RPS Klotz Associates
- BGE, Inc.
- Lockwood, Andrews, & Newnam, Inc.

Staff recommends that the Port Commission award a contract to RPS Klotz Associates.

K. INFRASTRUCTURE

Subject **4. Enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers for placement of dredged material by a Non-Federal Interest into a federal dredged material placement area, pursuant to Section 217(b) of the Water Resources Development Act of 1996.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 21, 2017 meeting, authorize the Port Authority to enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers for placement of dredged material by a Non-Federal Interest into a federal dredge material placement area, pursuant to Section 217(b) of the Water Resources Development Act of 1996, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

General

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

Section 217(b) of the Water Resources Development Act of 1996 (33 U.S.C. 2326a(b)) authorizes the Secretary of the Army to permit the use of dredged material placement facilities under the Secretary's jurisdiction by Non-Federal Interests and to impose fees to recover capital, operation, and maintenance costs associated with such use. The Port Authority is authorized to enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers (Corps) in accordance with the Corps's recent implementing guidance and the Project Cooperation Agreement that governs the Houston-Galveston Navigation Channels (45-foot) project.

ExxonMobil requested the Port Authority utilize this authority to allow it to place dredged material in a federal placement area for its next planned dredging contract. Use of this authority would allow for all tipping fees payable to the federal government by ExxonMobil to be returned to the Galveston District specifically for future work on the designated placement area.

Staff Evaluation/Justification:

Use of this law would reduce the cost to ExxonMobil under the conventional agreement for disposal of dredged material into a federal placement area, and increase federal operations and maintenance funds allocated to the Houston Ship Channel by as much as \$500,000.

Staff recommends that the Port Commission approve entering into this agreement.

K. INFRASTRUCTURE

Subject **5. Enter into dredge material placement agreements with ExxonMobil for disposal of an estimated 175,000 cubic yards of dredged material at Alexander Island Placement area, to collect Port Authority and federal tipping fees, and disburse federal fees collected to the U.S. Army Corps of Engineers for subsequent use for operation and maintenance of the designated placement area.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 21, 2017 meeting, authorize the Port Authority to enter into dredge material placement agreements with ExxonMobil for disposal of an estimated 175,000 cubic yards of dredged material at Alexander Island Placement area, to collect Port Authority and federal tipping fees, and disburse federal tipping fees collected to the U.S. Army Corps of Engineers for subsequent use for operation and maintenance of the designated placement area, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

The Project Cooperation Agreement (PCA) for the Houston-Galveston Navigation Channels project requires the Port Authority to assure that selected major private terminals, including the ExxonMobil Baytown refinery, which use the 46-foot Mean Lower Low Water main channel, maintain ship berths at that depth. ExxonMobil has reported to Port Authority that its primary berths are draft restricted below the required minimum depth; as a result, the Port Authority has directed ExxonMobil to dredge and place its dredged material at Alexander Island. In accordance with Section 217(b) of the Water Resources Development Act of 1996 (33 U.S.C. 2326a(b)), Port Authority intends to execute an agreement with the U.S. Army Corps of Engineers (Corps) to conduct the required dredging, collect all fees, and disburse federal tipping fees to the Corps. Port Authority fees will be collected and retained by the Port Authority.

Staff Evaluation/Justification:

This agreement will assure the terminal berths meet the requirements of the PCA and facilitate cost-effective and efficient marine terminal use; will enable Port Authority to accept and later disburse federal tipping fees assessed for use of the placement area to the Corps; and benefit the Houston Ship Channel system, as all federal tipping fees assessed will be returned to the Corps district for future operation and maintenance of the site.

Staff recommends that the Port Commission approve entering into this agreement.

K. INFRASTRUCTURE

Subject	6. Enter into a Gratuitous Services Agreement with the United States Coast Guard (USCG) to construct, at no cost to the USCG, a navigational aid structure marking the Bayport Ship Channel, and after construction to transfer the structure to the USCG for operation and maintenance.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting, authorize the Port Authority to enter into a Gratuitous Services Agreement with the United States Coast Guard (USCG) to construct, at no cost to the USCG, a navigational aid structure marking the Bayport Ship Channel, and after construction to transfer the structure to the USCG for operation and maintenance, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Channel Development

Staff Contact:
Mark Vincent, P.E.

Background:

By Minute No. 2014-0325-07, the Port Commission authorized the Port Authority to enter into a construction contract for the Bayport Ship Channel and Barbours Cut Channel improvements. Special permit conditions imposed by the United States Army Corps of Engineers (USACE) on the Port Authority required the Port Authority to provide the necessary funding and measures to replace the Bayport Ship Channel inner and outer ranges navigational aids.

The USCG recommended that the Port Authority construct a new outbound outer range, replacing the existing outbound outer range, to comply with the special permit conditions.

Staff has evaluated alternatives to comply with the special conditions imposed by the USACE for the construction of the Bayport Ship Channel and Barbours Cut Ship Channel improvements and determined that the most expedient and cost effective solution would be to procure construction services to install a new outbound outer range per USCG specification, and provide the structure for USCG use as required by the permit's special conditions.

By Minute No. 2016-0523-08, the Port Commission authorized the Port Authority to enter into a construction contract with Bo-Mac Contractors, Ltd. to construct the outer range in compliance with the USACE's special permit conditions.

Staff Evaluation/Justification:

The Port Authority expects construction completion of the range within the next 30 days and expects the USCG to install its equipment to allow use of the structure by vessels transiting the Bayport Ship Channel.

The USCG requires the Port Authority to enter into a "Gratuitous Services Agreement" to memorialize the Port Authority's agreement to construct this navigational aid structure and to transfer the completed structure to the USCG for operation and maintenance. Staff recommends that the Port Commission approve entering into this agreement.

K. INFRASTRUCTURE

Subject **7. Issue a transmission/distribution line license to CenterPoint Energy Houston Electric, LLC for one 138-kV transmission line over and across Southside Mainline railroad right-of-way in Houston.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 21, 2017 meeting, authorize the Port Authority to issue a transmission/distribution line license to CenterPoint Energy Houston Electric, LLC for one 138-kV transmission line over and across Southside Mainline railroad right-of-way in Houston, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

CenterPoint Energy Houston Electric, LLC, Port Authority File No. 2016-0358, has applied for a transmission/distribution line license for one 138-kV transmission line over and across Southside Mainline railroad right-of-way in Houston, in the William Vince Survey, A-78, Harris County, Texas.

This is an existing line originally licensed to Houston Lighting & Power Company (HL&P) under file number MO-P-0007-X. HL&P has since been succeeded by CenterPoint Energy Houston Electric, LLC.

The Port Authority seeks to issue a license to CenterPoint Energy Houston Electric, LLC and to make the license retroactive to 1961 when the original license expired.

Staff Evaluation/Justification:

The application was reviewed and approved by the Channel Development Department and Port Terminal Railroad Association. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$11,376. The \$675 application fee has been paid.

K. INFRASTRUCTURE

Subject **8. Issue a transmission/distribution line license to CenterPoint Energy Houston Electric, LLC for one 138-kV transmission line over and across Southside Mainline railroad right-of-way in Houston.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its March 21, 2017 meeting, authorize the Port Authority to
Action issue a transmission/distribution line license to CenterPoint Energy Houston Electric, LLC for one 138-kV transmission line over and across Southside Mainline railroad right-of-way in Houston, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

CenterPoint Energy Houston Electric, LLC, Port Authority File No. 2016-0359, has applied for a transmission/distribution line license for one 138-kV transmission line over and across Southside Mainline railroad right-of-way in Houston, in the William Vince Survey, A-78, Harris County, Texas.

This is an existing line, not under license, that was identified while coordinating the renewal of file MO-P-0007-X (now 2016-0358). The original line installation date is unknown; however, review of aerial photos for the location by CenterPoint and Port Authority staff indicate the line was installed sometime in 1995.

The Port Authority seeks to issue a license to CenterPoint Energy Houston Electric, LLC retroactive to 1995, which is consistent with review of aerial photos of the location.

Staff Evaluation/Justification:

The application was reviewed and approved by the Channel Development Department and Port Terminal Railroad Association. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$5,688. The \$675 application fee has been paid.

K. INFRASTRUCTURE

Subject **9. Approve the renewal of expiring Port Authority licenses for new ten-year terms: Houston Ammonia Terminal, LP, HSC Pipeline Partnership, LLC, Rohm and Haas Texas Incorporated, Chevron Phillips Chemical Company LP, and Equistar Chemicals LP.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 21, 2017 meeting, authorize the Port Authority to renew expiring licenses for new ten-year terms: Houston Ammonia Terminal, LP, HSC Pipeline Partnership, LLC, Rohm and Haas Texas Incorporated, Chevron Phillips Chemical Company LP, and Equistar Chemicals LP, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Development

Staff Contact:
Mark Vincent, P.E.

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

<u>Company</u>	<u>File number</u>	<u>License fee</u>
Houston Ammonia Terminal, LP	1986-0267	\$25,618
HSC Pipeline Partnership, LLC	2007-0154	\$21,072
Rohm and Haas Texas Incorporated	2004-0412	\$2,916
Rohm and Haas Texas Incorporated	2004-0420	\$100
Chevron Phillips Chemical Company LP	1986-0085	\$1,531
Equistar Chemicals LP	<u>2006-0352</u>	<u>\$1,458</u>
	Total	\$52,695

Staff Evaluation/Justification:
The applications were reviewed and approved by the Channel Development Department and the Port Terminal Railroad Association when applicable. The licenses are to be renewed subject to the Port Authority's usual terms and conditions.

K. INFRASTRUCTURE

Subject	10. Issue a marine construction permit to HFOTCO LLC to construct Ship Dock 5 adjacent to Jacintoport Channel in Houston.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting, authorize the Port Authority to issue a marine construction permit to HFOTCO LLC to construct Ship Dock 5 adjacent to Jacintoport Channel in Houston, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

HFOTCO LLC, Port Authority File No. 2016-0364, has applied for a marine construction permit to construct Ship Dock 5 adjacent to Jacintoport Channel in Houston, in the William Harris & D. Carpenter Survey, A-28, Harris County, Texas, on property leased from the Port Authority.

The project would be located within the Port Authority's Care Terminal at the terminus of the peninsula. The project would consist of dredging an 8.6 acre area to a depth of -47 feet Mean Low Water, constructing a ship dock, and installing a bulkhead, mooring dolphins, and breasting dolphins.

Staff Evaluation/Justification:

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

K. INFRASTRUCTURE

Subject **11. Issue a marine construction permit to Magellan Terminals Holdings, L.P. to construct a marine terminal facility adjacent to the Houston Ship Channel in Pasadena.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its March 21, 2017 meeting, authorize the Port Authority to
Action issue a marine construction permit to Magellan Terminals Holdings, L.P. to construct a
marine terminal facility adjacent to the Houston Ship Channel in Pasadena, and further
authorize the Executive Director to do any and all things in his opinion reasonable or
necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

Magellan Terminals Holdings, L.P., Port Authority File No. 2016-0295, has applied for a marine construction permit to construct a marine terminal facility adjacent to the Houston Ship Channel in Pasadena, in the Thomas Earle Survey, A-18, Harris County, Texas.

Magellan Terminals Holdings, L.P. (Magellan) proposes to excavate a 2,083-foot long by 1,026-foot wide upland area to create a 48.5-foot deep four-ship berthing area and a 26.5-foot deep barge area. Waterside improvements would include the construction of a bulkhead, pipe trestle, and two ship dock platforms, installation of mooring and breasting dolphins, and placement of rip rap along the bulkhead for slope stabilization.

Magellan also proposes to dredge a 1,000-foot diameter turning basin adjacent to the terminal and within the Houston Ship Channel. The turning basin was coordinated with the Houston Pilots and would allow for ships to safely turn as they enter or exit the terminal.

Approximately 5,457,000 cubic yards of dredged material would be removed and placed in a private dredged material placement area.

Staff Evaluation/Justification:

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

K. INFRASTRUCTURE

Subject **12. Issue a marine construction permit to CGBM Global, Inc. to stabilize the shoreline, install pilings and a spud barge, and dredge to a depth of 4 feet Mean Lower Low Water adjacent to Old River in Channelview.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its March 21, 2017 meeting, authorize the Port Authority to
Action issue a marine construction permit to CGBM Global, Inc. to stabilize the shoreline, install pilings and a spud barge, and dredge to a depth of 4 feet Mean Lower Low Water adjacent to Old River in Channelview, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

CGBM Global, Inc. (CGBM), Port Authority File No. 2017-0031, has applied for a marine construction permit to stabilize the shoreline, install pilings and a spud barge, and dredge to a depth of 4 feet Mean Lower Low Water adjacent to Old River in Channelview, in the J. Harrell Survey, A-330, Harris County, Texas.

CGBM proposes to stabilize the shoreline by filling a 0.5 acre area and constructing a bulkhead. CGBM also proposes to dredge to a depth of 4 feet Mean Lower Low Water, install steel pilings along the bulkhead, and position a spud barge parallel to the shoreline.

Staff Evaluation/Justification:

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

K. INFRASTRUCTURE

Subject **13. Issue a pipeline license to INEOS Americas LLC for one 10-inch water line under and across Southside Mainline railroad right-of-way in Pasadena.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its March 21, 2017 meeting, authorize the Port Authority to
Action issue a pipeline license to INEOS Americas LLC for one 10-inch water line under and
 across Southside Mainline railroad right-of-way in Pasadena, and further authorize the
 Executive Director to do any and all things in his opinion reasonable or necessary to give
 effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

INEOS Americas LLC, Port Authority File No. 2017-0020, has applied for a pipeline license for one 10-inch water line under and across Southside Mainline railroad right-of-way in Pasadena, in the Thomas Earle Survey, A-18, Harris County, Texas.

This is an existing pipeline originally licensed under file number 1989-0371 to Georgia Gulf Corporation. Because several ownership transactions have occurred since it was last renewed, the license is to be issued to the current owner and retroactive to 2009.

Staff Evaluation/Justification:

The application was reviewed and approved by the Channel Development Department and Port Terminal Railroad Association. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$1,661. The \$675 application fee has been paid.

K. INFRASTRUCTURE

Subject 14. Amend a pipeline license for KM Liquids Terminals LLC to add one 8-inch Methyl tert-butyl ether pipeline and one 6-inch wastewater pipeline within an existing pipe rack across Panther Creek in Houston.

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 21, 2017 meeting, authorize the Port Authority to amend a pipeline license to add one 8-inch methyl tert-butyl ether (MTBE) pipeline and one 6-inch wastewater pipeline within an existing pipe rack across Panther Creek in Houston, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

KM Liquids Terminals LLC, Port Authority File No. 2014-0207, has applied to amend a pipeline license to add one 8-inch MTBE pipeline and one 6-inch wastewater pipeline within an existing pipe rack across Panther Creek in Houston, in the Ezekiel Thomas Survey, A-73, Harris County, Texas.

Staff Evaluation/Justification:

The application was reviewed and approved by the Channel Development Department. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$2,246. The \$675 application fee and \$2,500 as-built deposit have been paid.

K. INFRASTRUCTURE

Subject **15. Amend a marine construction permit to Intercontinental Terminals Company to modify an existing marine terminal facility adjacent to the Houston Ship Channel in Pasadena.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 21, 2017 meeting, authorize the Port Authority to amend a marine construction permit to Intercontinental Terminals Company to modify an existing marine terminal facility adjacent to the Houston Ship Channel in Pasadena, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

Intercontinental Terminals Company (ITC), Port Authority File No. 2012-0231, has applied to amend a marine construction permit to modify an existing marine terminal facility adjacent to the Houston Ship Channel, in the Thomas Earle Survey, A-18, Harris County, Texas.

ITC proposes to convert Dock 3 from a barge dock to a ship dock. The proposed work would include adding approximately 660 feet of bulkhead along the western side of the existing basin, excavating an upland area, and dredging to a depth of -40 feet Mean Lower Low Water. The project would remove approximately 356,000 cubic yards of material and would be placed, in one of various dredged material placement areas designated in ITC's United States Army Corps of Engineers permit.

Staff Evaluation/Justification:

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

L. OPERATIONS

Subject	1. Award a two-year contract to Northstar Industries for the repair of motors, generators, and alternators for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$1,000,000.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting, award a two-year contract to Northstar Industries for the repair of motors, generators, and alternators for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$1,000,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2015-0324-22, the Port Commission awarded a two-year contract to Northstar Electric in an amount not to exceed \$1,000,000 for repair of motors, generators, and alternators for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. The term of this contract will expire on March 31, 2017.

By Minute No. 2016-1213-16(a), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the repair of motors, generators, and alternators for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed System and the project was advertised on the Port Authority's website and in a local newspaper. Nine vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On February 15, 2017, two CSB responses were received, opened, and publicly read. The bids have been checked for completeness by the staff, and the lowest and responsible bidder is being recommended for Port Commission actions.

Accordingly, staff recommends that the Port Commission award a two-year contract to Northstar Industries.

L. OPERATIONS

Subject **2. Award a two-year contract to Abbott-Michelli Technologies for purchase of parts and repair services for truck scales at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$150,000.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 21, 2017 meeting, award a two-year contract to Abbott-Michelli Technologies for purchase of parts and repair services for truck scales at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$150,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2014-0624-31, the Port Commission awarded a two-year contract to J.P. Bowlin Company, LLC dba Nicol Scales and Measurement, for truck scale maintenance for Barbours Cut Terminal and Bayport Container Terminal in the amount of \$200,000. This contract expired on February 28, 2017.

Truck scales are used to weigh all export loads, an operation which is critical to terminal operations, ensuring safe lifting weight limits are adhered to by yard and wharf equipment. These weights are validated against the maximum safe weight for each container. A reliable source for regular calibration and repair parts and services is needed for operational efficiency. The Port Authority currently has fifty-one scales operating at both facilities. These scales handle approximately 28,000 trucks weekly.

By Minute No. 2016-1025-15(a), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for purchase of parts and repair services for truck scales at Barbours Cut and Bayport Container Terminals. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed System and the project was advertised on the Port Authority's website and in a local newspaper. Seven vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On February 18, 2017, three CSB responses were received, opened, and publicly read. The bids have been checked for completeness by the staff, and the lowest and responsible bidder is being recommended for Port Commission actions.

Accordingly, staff recommends that the Port Commission award a two-year contract to Abbott-Michelli Technologies.

L. OPERATIONS

Subject	3. Award a two-year contract to purchase tires for RTG cranes and terminal equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$1,227,991 to T&W Tire, LLC, and a two-year contract to Beasley Tire Service - Houston, Inc. for inter-modal tractor tires in an amount not to exceed \$145,000.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting: (a) award a two-year contract to T&W Tire, LLC for purchase of passenger, RTG, and industrial tires at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in the amount not to exceed \$1,655,000; (b) award a two-year contract to Beasley Tire Service - Houston, Inc. for purchase of inter-model tractor tires at Barbours Cut Terminal, Bayport Container Terminal in the amount not to exceed \$145,000; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2015-0127-26, the Port Commission awarded a two-year contract to Bridgestone Americas Tire Operations dba GCR Tire & Services in an amount not to exceed \$1,227,991; a two-year contract to Strouhal Tire Recapping, Ltd. in an amount not to exceed \$204,000; and a two-year contract to Southern Tire Mart, LLC in an amount not to exceed \$783,000, for the purchase of tires for RTG cranes and terminal equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. Their contracts expired February 28, 2017.

The Port Authority currently has eighty-three RTG cranes, seventy yard tractors, fifteen top loaders, twenty-three heavy duty forklifts, four fuel trucks, and numerous light passenger vehicles for which tires must be replaced when worn or damaged beyond repair, and retreaded when appropriate.

By Minute No. 2016-1025-15(b), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for purchase of tires for RTG cranes and terminal equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal for a two-year period. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed System and the project was advertised on the Port Authority's website and in a local newspaper. Sixteen vendors downloaded the project materials.

Staff Evaluation/Justification:

On January 11, 2017, five CSB responses were received, opened, and publicly read. The bids have been checked for completeness by the staff, and the lowest and responsible bidders for two categories of tires (this was a divisible procurement to the extent of the latter category) are being recommended for Port Commission action.

Accordingly, staff recommends that the Port Commission award a two-year contract to T&W Tire, LLC for passenger, RTG and Industrial tires and to Beasley Tire Service - Houston, Inc. for inter-modal tractor tires.

L. OPERATIONS

Subject	4. Award a two-year contract to Rush Truck Centers of Texas, LP dba Rush Truck Center Houston for purchase of Cummins diesel engine parts and related service for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$800,000.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting, award a two-year contract to Rush Truck Centers of Texas, LP dba Rush Truck Center Houston for purchase of Cummins diesel engine parts and related service for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$800,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2014-0624-30, the Port Commission awarded a two-year contract to Rush Truck Center Houston, for the purchase of Cummins diesel engine parts and related services for Barbours Cut Terminal and Bayport Container Terminal in the amount of \$700,000. This contract expired February 28, 2017.

Cummins diesel engine parts and related services are necessary for the operation and maintenance of the container handling units powered by Cummins engines that are in operation at the terminals. These engines are highly technical, requiring proprietary parts and software for efficient repair and troubleshooting. A reliable source of Cummins diesel engine parts and repair services is needed to ensure operational efficiency.

The Port Authority currently has eighty-three RTG cranes, seventy yard tractors, fifteen loaders, twenty-three heavy duty forklifts, four fuel trucks, and nine emergency generators that are powered by Cummins diesel engines in operation at both terminals. With the exception of wharf cranes, Cummins diesel engines power all container handling equipment at Barbours Cut Terminal and Bayport Container Terminal.

By Minute No. 2016-1025-15(c), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for Cummins diesel engine parts and related repair services for Barbours Cut Terminal and Bayport Container Terminal for a two-year period. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed System and the project was advertised on the Port Authority's website and in a local newspaper. Seven vendors downloaded the project materials.

Staff Evaluation/Justification:

On January 18, 2017, one CSB response was received, opened, and publicly read. The bid was checked for completeness by the staff, and as the lowest and responsible bidder is being recommended for Port Commission action.

Accordingly, staff recommends that the Port Commission award a two-year contract to Rush Truck Centers of Texas, LP dba Rush Truck Center Houston.

L. OPERATIONS

Subject **5. Award a two-year contract to Parkway-Kew Corporation for repair services for festoon rollers on wharf cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$300,000.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its March 21, 2017 meeting, award a two-year contract to
Action Parkway-Kew Corporation for repair services for festoon rollers on wharf cranes at
Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed
\$300,000, and further authorize the Executive Director to do any and all things in his
opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2015-0324-24, the Port Authority awarded a two-year contract to Parkway-Kew Corporation for repair services for festoon rollers on wharf cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$250,000. The Port Authority currently owns twenty-three wharf cranes at both facilities. Three additional units are scheduled to arrive at Barbours Cut Terminal in July 2017. Each wharf crane has dozens of festoon rollers which require maintenance to OEM specifications. The festoon is a critical system that supports and carries power and communication cables from crane back reach to operator's cab and travels thousands of miles per year. The wear components must be of excellent quality and provide for long life between repairs.

By Minute No. 2017-0131-18(f), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for repair services for festoon rollers on wharf cranes at Barbours Cut Terminal and Bayport Container Terminal. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed 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 February 15, 2017, one CSB response was received, opened, and publicly read. The bid was checked for completeness by the staff, and as the lowest and responsible bidder is being recommended for Port Commission action.

Accordingly, staff recommends that the Port Commission award a two-year contract to Parkway-Kew Corporation.

L. OPERATIONS

Subject **6. Award an annual contract to Maxim Crane Works for crane rental services for maintenance of equipment and facilities at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$150,000.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its March 21, 2017 meeting, award an annual contract to
Action Maxim Crane Works for crane rental services for maintenance of equipment and facilities at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$150,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns twenty-three wharf cranes, eighty-three RTG cranes, several buildings, and hundreds of light poles at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. The regular maintenance of equipment and facilities often require rental of mobile cranes to facilitate access to areas with no walkways or ladders.

By Minute No. 2016-1213-16(b), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for crane rental services for maintenance of equipment and facilities at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed System and the project was advertised on the Port Authority's website and in a local newspaper. Two vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On February 15, 2017, two CSB responses were received, opened, and publicly read. The bids have been checked for completeness by the staff, and the lowest and responsible bidder is being recommended for Port Commission action.

Accordingly, staff recommends that the Port Commission award a one-year contract to Maxim Crane Works.

L. OPERATIONS

Subject	7. Award a contract to Netsync Network Solutions to provide network and computer hardware to support the container terminal truck lanes and Gate Operating System, using the Department of Information Resources Cooperative Purchasing Program, in an amount not to exceed \$675,000.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting, award a contract to Netsync Network Solutions to provide network and computer hardware to support the container terminal truck lanes and Gate Operating System, using the Department of Information Resources Cooperative Purchasing Program, in an amount not to exceed \$675,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand) Strategic Objective 1c. - Implement streamlined processes supported by technology

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Ron Farrow

Background:

The Information Technology (IT) Department was asked to assess the current network and server hardware that supports container terminal truck lanes in conjunction with Operations' pursuit of a new vendor for the Gate Operating System (GOS) and Optical Character Recognition (OCR) system in 2016. It was determined that the current equipment could not meet the requested minimum standards to operate the GOS/OCR in the new environment. A new design for OCR and GOS truck lanes needed to be created and an upgrade to the current IT infrastructure is required to support the new GOS/OCR environment.

The State of Texas Department of Information Resources (DIR) was established under Texas Government Code, Chapter 2054 (known as the Information Resources Management Act). DIR has a cooperative purchasing program that enables governmental entities to efficiently pool their purchasing power to negotiate favorable pricing for computer hardware, software, and technology services. DIR has entered into contracts with providers of such products and related services in compliance with applicable procurement laws, and allows state agencies and local governments to purchase such products and services under DIR contracts.

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

Staff Evaluation/Justification:

State of Texas DIR cooperative contract program provider Netsync Network Solutions offers the necessary hardware at the DIR governmental entity pricing in an amount not to exceed \$675,000.

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

L. OPERATIONS

Subject	8. Award a contract to Triumph Cabling Systems LLC for service of network cabling installation, using the Department of Information Resources Cooperative Purchasing Program, in an amount not to exceed \$100,000.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March, 21 2017 meeting, award a contract to Triumph Cabling Systems LLC for network cabling installation, using the Department of Information Resources Cooperative Purchasing Program, in an amount not to exceed \$100,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand) Strategic Objective 1c. - Implement streamlined processes supported by technology

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Ron Farrow

Background:

During the assessment of current lane infrastructure, the Information Technology (IT) Department determined that the current cabling schema is not sufficient to provide the necessary connectivity for the Gate Operating System project, including replacement of the Optical Character Recognition system.

The State of Texas Department of Information Resources (DIR) was established under Texas Government Code, Chapter 2054 (known as the Information Resources Management Act). DIR has a cooperative purchasing program that enables governmental entities to efficiently pool their purchasing power to negotiate favorable pricing for computer hardware, software, and technology services. DIR has entered into contracts with providers of such products and related services in compliance with applicable procurement laws, and allows state agencies and local governments to purchase such products and services under DIR contracts.

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

Staff Evaluation/Justification:

State of Texas DIR cooperative contract program provider Triumph Cabling Systems LLC, offers the necessary hardware at the DIR governmental entity pricing in an amount not to exceed \$100,000.

Accordingly, staff has determined that the price and availability from Triumph Cabling Systems LLC provides the best value to the Port Authority, and recommends that this method be used to procure this item.

L. OPERATIONS

Subject **9. Approve a change order to Shanghai Zhenhua Heavy Industries Co., Ltd (ZPMC) for installation of hardware and software on one dockside electric container crane for Wharf 2 at Bayport Container Terminal in an amount not to exceed \$460,000.**

Meeting Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 21, 2017 meeting, approve a change order to Shanghai Zhenhua Heavy Industries Co., Ltd (ZPMC) for installation of hardware and software on one dockside electric container crane for Wharf 2 at Bayport Container Terminal in an amount not to exceed \$460,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute 2016-0628-36, the Port Commission awarded a contract to ZPMC for the purchase of three dockside electric container cranes for Wharf No. 2 at Bayport Container Terminal in an amount not to exceed \$33,500,000. The Operations division is currently engaged in a research and development project to enhance the efficiency, productivity, and safety of cranes. As a result, staff has worked closely with crane and motor control drives manufacturers to enable remote operations of our dockside cranes.

Since these three cranes for Bayport Container Terminal are still being fabricated overseas, additional hardware and software can be installed without impact to current terminal operations. Hardware and software to be installed would include vehicle alignment and skew control systems, and interface with existing terminal operating system for automatic work orders.

Staff Evaluation/Justification:

Staff recommends that a change order be issued to ZPMC for installation of hardware and software on one dockside crane so that staff may assess benefits associated with its remote operation. ZPMC has submitted a proposal for additional scope in the amount not to exceed \$460,000.

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

L. OPERATIONS

Subject	10. Amend the professional services agreement with CB&I Government Solutions, Inc. dba CB&I GBB International, LLC to perform additional inspection services for construction of three dockside electric container cranes for Wharf 2 at Barbours Cut Terminal in an amount not to exceed \$123,200.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting, amend the professional services agreement with CB&I Government Solutions, Inc. dba CB&I GBB International, LLC to perform additional inspection services for construction of three dockside electric container cranes for Wharf 2 at Barbours Cut Terminal in an amount not to exceed \$123,200, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute 2015-1027-36, the Port Commission awarded a contract to Shanghai Zhenhua Heavy Industries Co., Ltd. for the purchase of three dockside electric container cranes for Wharf No. 2 at Barbours Cut Terminal in an amount not to exceed \$33,500,000. These cranes require manufacturing inspection on a full-time basis. Inspection of overseas fabrication of these cranes is beyond current manpower capabilities of Port Authority staff, and therefore an inspection services consultant was required.

By Minute No. 2015-1215-39, the Port Commission awarded a professional services contract to CB&I Government Solutions, Inc. dba CB&I GBB International, LLC to perform inspection services for these cranes in an amount not to exceed \$453,000.

According to the first project schedule received from the manufacturer on March 3, 2016, these cranes were expected to depart from the erection site in Shanghai, China on January 30, 2017. However, delays during fabrication, assembly, and erection have affected the shipment date, which is now May 2, 2017.

Staff Evaluation/Justification:

Staff recommends that the contract with CB&I Government Solutions, Inc. dba CB&I GBB International, LLC be extended until May 2017 to continue inspection activities until shipment. CB&I Government Solutions, Inc. dba CB&I GBB International, LLC has submitted a proposal for the additional work in the amount not to exceed \$123,200.

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

M. PEOPLE

Subject	1. Approve staff's ranking of vendors and award a services contract in an amount not to exceed \$326,588, for regular cleaning services for two years beginning April 1, 2017, for the Executive Office Building, Port Coordination Center, Sam Houston Pavilion, and ten Gatehouses to the top-ranked proposer: staff ranking - first, GMW Quality Cleaning Solutions, DBA Hospitality Cleaning Solutions, LLC; and second, Metroclean Commercial Building Services.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting: (a) approve staff's ranking of proposals based on the selection criteria, in the following order – first, GMW Quality Cleaning Solutions, DBA Hospitality Cleaning Solutions, LLC; and second, Metroclean Commercial Building Services; (b) award a contract to GMW Quality Cleaning Solutions, DBA Hospitality Cleaning Solutions, LLC for regular cleaning services and optional additional cleaning services for two years beginning April 1, 2017, for the Executive Office Building, Port Coordination Center, Sam Houston Pavilion, and ten Gatehouses at the Terminal Basin Terminal in an amount not to exceed \$326,588; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Office & Building Services

Staff Contact:

Jessica Shaver

Background:

By Minute No. 2016-1213-16(e), the Port Commission authorized the advertisement of a request for proposals (RFP) for a two-year cleaning contract for the Executive Office Building, Port Coordination Center, Sam Houston Pavilion, and ten Gatehouses at the Turning Basin Terminal. The current cleaning service vendor is Hospitality Cleaning Solutions, which is under a two-year contract ending March 31, 2017. The Port Authority notified vendors regarding its RFP using the Port Authority's BuySpeed Eprocurement System, and the project was advertised on the Port Authority's website and in a local newspaper. Six vendors downloaded the project materials from the BuySpeed Eprocurement System.

Staff Evaluation/Justification:

On February 1, 2017, two proposals were received and opened. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as providing the best offers to the Port Authority:

- GMW Quality Cleaning Solutions, DBA Hospitality Cleaning Solutions, LLC
- Metroclean Commercial Building Services

Staff recommends that the Port Commission award a contract to GMW Quality Cleaning Solutions, DBA Hospitality Cleaning Solutions, LLC.

M. PEOPLE

Subject	2. Issue a purchase order and enter into a one-year agreement with SumTotal Systems, LLC, the sole source provider for an automated Learning Management System and Talent Suite, to include an Applicant Tracking system and Performance Management system, in an amount not to exceed \$87,800.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting, issue a purchase order and enter into a one-year agreement with SumTotal Systems, LLC, the sole source provider for an automated Learning Management System and Talent Suite to include an Applicant Tracking system and Performance Management system, in an amount not to exceed \$87,800, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success) Strategic Objective 1c. - Implement streamlined processes supported by technology

Category:

Awards, Amendments & Change Orders

Department:

People

Staff Contact:

Jessica Shaver

Background:

The Port Authority uses JD Edwards (JDE) as its financial software system, and uses a learning management system (LMS) application by SumTotal Systems, LLC (SumTotal). SumTotal's LMS was selected because it integrates with JDE and with the previous LMS. Staff has determined that systems that provide automated interactive performance management, and applicant tracking applications are helpful in identifying, onboarding, and managing top talent.

Staff researched available options and systems and determined that SumTotal is the only system that supports JDE and our current LMS. The Applicant Tracking system and other modules in SumTotal's Talent Suite were identified as the only application that fully integrates with the Port Authority's current systems.

Staff Evaluation/Justification:

Section 60.412 of the Texas 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 SumTotal is the sole source provider of the SumTotal Talent Suite modules and related training services required by the Port Authority.

Staff recommends that the Port Authority issue a purchase order for and enter into a one-year agreement with SumTotal. The cost of the system is less than the cost would be to hire additional staff to perform these functions.

N. TECHNOLOGY

Subject	1. Award a contract to SHI Warranty Services for hardware and software support, using BuyBoard National Purchasing Cooperative Program, in an amount not to exceed \$70,000.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting, award a contract to SHI Warranty Services for hardware and software support, using BuyBoard National Purchasing Cooperative Program, in an amount not to exceed \$70,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Ron Farrow

Background:

The current hardware and software support agreement for the Hewlett Packard equipment owned by the Port Authority is set to expire on March 31, 2017 and the Informational Technology (IT) Department is requesting that a support agreement be authorized for a coverage period of April 1, 2017 through March 31, 2018 with SHI Government Solutions. This agreement would cover hardware and software support for most of the current IT infrastructure that is currently utilized by the Port Authority. This includes hardware support such as parts replacement in four hours and software support for servers and storage on a 24/7 call level. The service support agreement would also provide access to SHI support engineers for solutions to issues encountered by the current IT staff and access to SHI resources that are not available through other IT channels.

The Local Government Purchasing Cooperative (Cooperative) is an administrative agency of cooperating local governments authorized by the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Cooperative is further authorized as a local purchasing cooperative organization as set forth in Section 271.101, et seq., of the Texas Local Government Code. The Port Commission, by Minute No. 2006-1023-43, entered into an interlocal agreement with the Cooperative to become a member participant, and since that time has used the Cooperative and its BuyBoard electronic purchasing application to facilitate compliance with state procurement requirements; to more efficiently identify qualified vendors of commodities, goods and services; to relieve the burdens of the governmental purchasing function; and to realize the various potential economies, including administrative cost savings.

Staff Evaluation/Justification:

The Local Government Purchasing Cooperative contract program provider SHI Warranty Services offers the necessary services at the DIR governmental entity pricing in an amount not to exceed \$70,000.

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

N. TECHNOLOGY

Subject	2. Award a contract to SHI Government Solutions to provide VMware annual software licensing and software support to the current Port Authority's IT infrastructure, using the Department of Information Resources Cooperative Purchasing Program, in an amount not to exceed \$120,000.
Meeting	Mar 21, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 21, 2017 meeting, award a contract to SHI Government Solutions for the purchase and renewal of the annual VMware licensing and support using the Department of Information Resources Cooperative Purchasing Program, in an amount not to exceed \$120,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Ron Farrow

Background:

The Port Authority leverages VMware software for server and client virtualization. Virtualization allows the Information Technology (IT) Department to reduce hardware expenses and benefit from the centralized management of servers. The IT Department has been utilizing VMware software for over 7 years and considers the technology reliable and proven.

The State of Texas Department of Information Resources (DIR) was established under Texas Government Code, Chapter 2054 (known as the Information Resources Management Act). DIR has a cooperative purchasing program that enables governmental entities to efficiently pool their purchasing power to negotiate favorable pricing for computer hardware, software, and technology services. DIR has entered into contracts with providers of such products and related services in compliance with applicable procurement laws, and allows state agencies and local governments to purchase such products and services under DIR contracts.

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

Staff Evaluation/Justification:

State of Texas DIR cooperative contract program provider SHI Government Solutions offers the necessary licensing and services at the DIR governmental entity pricing in an amount not to exceed \$120,000.

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