

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
May 24, 2022

Minute No.

Event/Action

General

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

Minutes

2022-0524-01 Approve the minutes of the April 26, 2022 Port Commission meeting

Staff Reports

2022-0524-02 Roger Guenther, Executive Director, presented a summary of selected financial and operational matters

Appearances

2022-0524-03(a) Chairman Campo recognized Ellu Nasser, Environmental Defense Fund, who addressed the Port Commission

2022-0524-03(b) Chairman Campo recognized Stephanie Thomas, Public Citizen, who addressed the Port Commission

F. Executive

2022-0524-04 Staff Report – Selected agenda items – Tom Heidt, Chief Operating Officer

2022-0524-05 Affirmatively impose an additional 15% penalty pursuant to Texas Tax Code §33.07 in connection with 2021 property taxes that becomes delinquent before June 1, 2022

G. Business Equity (no items)

H. Commercial

2022-0524-06 Staff Report – Selected agenda items – John Moseley, Chief Commercial Officer

<u>Minute No.</u>	<u>Event/Action</u>
2022-0524-07	Approve a lease for a ten-year term with Sunbelt Group, L.P., d/b/a Arrow Steel Processors, for approximately 7.8 acres at Block 13A at Northside Turning Basin, effective no earlier than June 1, 2022, at an annual base rent of approximately \$292,914, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index
2022-0524-08	Approve an amendment to the lease with Gulf Winds International, Inc. to add approximately 0.838 acres adjacent to the southwest corner of its 10.435-acre leased premises on the south side of Port Road near the Bayport Container Terminal, effective no earlier than May 25, 2022, at an annual base rent of approximately \$456,227, subject to annual rent escalation of the greater of 3% or the increase in the Consumer Price Index
2022-0524-09	Approve an amendment to the lease with Conestoga Supply, LLC for approximately 0.87 acres out of Block 24 at Industrial Park East, to extend the term for one year, effective no earlier than July 1, 2022, at an annual base rent of approximately \$19,921
2022-0524-10	Approve an amendment to the lease with INEOS USA LLC for approximately 1.95 acres near Independence Parkway to extend the term for five years, effective no earlier than September 1, 2022, at an annual base rent of approximately \$48,961, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index
2022-0524-11	Ratify the extended terms of three month-to-month leases with Cooper/Ports America, LLC, each commencing July 1, 2022, for approximately 10 acres, 10.08 acres, and 3.57 acres out of Blocks 4A, 3A, and 4B at the Northside Turning Basin, at an annual base rent of approximately \$442,440 for the 10-acre lease, \$445,979 for the 10.08-acre lease, and \$149,640 for the 3.57-acre lease
	I. Finance
2022-0524-12	Staff Report – Selected agenda items – Tim Finley, Chief Financial Officer
	Open Hearing
2022-0524-13	Mr. Finley reported at the hearing
	Adjourn Hearing
2022-0524-14	Hearing and possible action to (i) amend the Port Authority’s Restated Retirement Plan (“Plan”) to (x) provide for a voluntary lump-sum payment to each participant who has vested and is no longer employed, but who has not yet begun to receive benefit payments, and (y) clarify the Plan’s definition of “Disability Termination Date,” and (ii) amend the Plan, the

Minute No.

Event/Action

457(b) Deferred Compensation Plan, and the 401(a) Defined Contribution Plan to adjust the required minimum plan distributions from age 70½ to 72

J. Infrastructure

2022-0524-15 Staff Report – Selected agenda items – Rich Byrnes, Chief Infrastructure Officer

2022-0524-16 Approve staff's ranking of vendors and award an agreement for non-hazardous and hazardous waste recycling, disposal, and management to the top-ranked proposer: staff ranking- first, Heritage Crystal- Clean, LLC; second, Oil Mop dba OMI Environmental Solutions, LLC; and third, Tradebe Environmental Services, LLC

Port Commission adopted the staff-recommended ranking and authorized award

2022-0524-17 Approve staff's ranking of vendors and award a construction contract for the repair of the Spilman Island bridge to the top-ranked proposer: staff ranking - first, Forde Construction Company, Inc.; and second, NGB Constructors, Inc.

Port Commission adopted the staff-recommended ranking and authorized award

2022-0524-18 Award a construction contract to Jerdon Enterprise, L.P. for restroom renovations at Wharf 8, Wharf 32, and various sheds at Turning Basin Terminal

2022-0524-19 Approve staff's ranking of vendors and award a construction contract to construct Container Yard 6 refrigerated storage infrastructure at Barbours Cut Terminal to the top-ranked proposer: staff ranking - first, C.F. McDonald Electric, Inc.; and second, Pfeiffer & Son, Ltd.

Port Commission adopted the staff-recommended ranking and authorized award

2022-0524-20 Approve staff's ranking of vendors and award a construction contract for electrical preventative maintenance services at Barbours Cut Terminal and Bayport Container Terminal in 2022 through 2024 to the top-ranked proposer: staff ranking - first, Shermco Industries, Inc.; second, Saber Engineering Services, LLC; and third, Power Engineering Services

Port Commission adopted the staff-recommended ranking and authorized award

<u>Minute No.</u>	<u>Event/Action</u>
2022-0524-21	Award a professional services contract to Jacobs Engineering Group, Inc. for engineering evaluation of Wharves 9, 16, 17, 23, 24, 25, 26, 29, 30, 31, and 32 at Turning Basin Terminal
2022-0524-22	Amend the professional services contract with AECOM Technical Services, Inc. to perform services for rehabilitation and repair design of Wharfs 20 and 21 at Turning Basin Terminal
2022-0524-23	Amend the professional services contract with DE Corp. to perform additional services for the rehabilitation and repair of Wharf 2 at Manchester Terminal
2022-0524-24	Amend a professional services contract to GHD, Inc. to further develop Asset Management and Geographic Information System programs
2022-0524-25	Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the construction of Wharf 6 at Bayport Container Terminal
2022-0524-26	Enter into an Interlocal Agreement with Harris County to provide wage rate compliance services for a nineteen-month period
2022-0524-27	Increase funding under the Memorandum of Agreement with the U.S. Army Corps of Engineers for maintenance dredging of berths at the Bayport Container Terminal, Bayport Auto Terminal, and Barbours Cut Terminal by \$4,000,000 for a new total amount not to exceed \$9,000,000
2022-0524-28	Enter into a reimbursement agreement with HSC Pipeline Partnership, LLC for (i) the design and construction of one 24- inch pipeline related to Segment 3 of the Houston Ship Channel Expansion Channel Improvement Project at a cost not to exceed \$8.1 million, for which the Port Authority would be responsible for one half the cost, for a total amount not to exceed \$4.05 million and (ii) shoreline protection work on the Port Authority's behalf in an amount not to exceed 7.3 million
2022-0524-29	Issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one 138kV transmission line over and across Greens Bayou, approximately 0.63 miles upstream of the Crosby Freeway bridge
2022-0524-30	Amend a pipeline license contract with INEOS Chocolate Bayou Pipeline, LLC to relocate an existing pipeline under the Houston Ship Channel near the Bulk Materials Handling Plant
K. Operations	
2022-0524-31	Staff Report – Selected agenda items – Jeff Davis, Chief Operations Officer

<u>Minute No.</u>	<u>Event/Action</u>
2022-0524-32	<p>Approve staff's ranking of vendors and award a three-year contract for the purchase of janitorial services at Barbours Cut Terminal and Bayport Container Terminal to the top-ranked proposer: staff ranking – first, Ambassador Services, LLC; second, Unicare Building Maintenance, Inc.; and third, Office Pride Commercial Cleaning of Bayport-Mont Belvieu</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2022-0524-33	Award a two-year contract to Rush Truck Centers of Texas, LP dba Rush Truck Center, Houston for the purchase of Cummins diesel engine parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2022-0524-34	Award a two-year contract to Monument Chevrolet for the purchase of General Motors parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using a Sourcewell cooperative purchase program contract
2022-0524-35	Authorize payment to Navis LLC for annual maintenance services for the Marine Terminal Management Software System for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2022-0524-36	Authorize payment to Smart Tecs LLC for annual maintenance services for the Marine Terminal Gate Operating Software System for Barbours Cut Terminal and Bayport Container Terminal
2022-0524-37	Authorize an amendment to a previous award to Yard Mule Specialists Texas, Inc. for the purchase of sixteen yard tractors for Barbours Cut Terminal and Bayport Container Terminal for a revised contract amount

L. People (no items)

M. Security and Emergency Operations

2022-0524-38	Staff Report – Selected agenda items – Marcus Woodring, Chief Port Security and Emergency Operations Officer
2022-0524-39	Approve two-year extensions to both the current professional services contracts with Garner Environmental Services and T&T Salvage for emergency standby products and services

N. Technology (no items)

Recess Open Meeting and Convene Executive Session

Minute No.

Event/Action

Reconvene Open Meeting

Infrastructure

2022-0524-40

Item Q-1 was pulled from the agenda

2022-0524-41

Motion to authorize the Port Authority to settle its claims against Celanese Ltd. on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing

Closing Remarks by Chairman and Commissioners

Adjourn Meeting

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

**Houston, Texas
May 24, 2022**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on May 24, 2022, at 9:15 a.m., at the Port of Houston Authority Executive Offices, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029, and via Cisco WebEx. The following commissioners, staff, and counsel were present:

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

Chairman Campo opened the meeting by reporting that Project 11 was progressing very well and was currently on schedule and on budget. Four contracts were in construction and three of those would be completed soon. The U.S. Army Corps of Engineers (Army Corps) oyster mitigation project, building 45-acres of new oyster reef in Galveston Bay, was 90% complete. The Beltway 8 clearing project, for the site to be used for one-time dredge placement, was 95% complete. The abandoned pipeline removal contract was 75% complete, and the contract for dredging Segment 1A would be completed the forthcoming winter.

Chairman Campo reported that the Port Authority was preparing to award the next large contract for Segments 1B and 2 at a special meeting of the Port Commission; he thanked all the companies that had submitted proposals for the work.

Chairman Campo reported that a meeting of the Port Commission Community Advisory Council had taken place the prior day, the final meeting of the current iteration of the council; new members would be appointed for the next meeting. He commented that it was unfortunate that the council was only able to meet virtually for the previous two years and never in person, and offered his thanks for those who served on the council.

Commissioner DonCarlos wondered if the new environmental retrofits to improve air quality associated with the dredging of the channel had been factored into the scoring of companies that were currently bidding on future dredging phases. Mr. Guenther confirmed such retrofits were accounted for in the evaluation of the bids. Chairman Campo added that Small, Minority- and Woman-Owned Business Enterprise (S/MWBE) participation was also being factored in.

Chairman Campo continued by recognizing Mr. Guenther for his induction by the Maritime Association of Port of New York and New Jersey into the International Maritime Hall of Fame in New York City.

Commissioner Corgey remarked that he had been present at the ceremony and explained how New York City always looked down on the Port of Houston in the past as if it were a little

brother, but not anymore. The common thread at the ceremony was respect for both Mr. Guenther, the Port Commission, and the Port Authority as a whole. Everyone in Houston worked together for the common good and it was being noticed.

Commissioner Fitzgerald emphasized that many shipping lines present at the ceremony had mentioned to him that they were waiting for the channel to be widened – they were waiting to bring the cargo as soon as the infrastructure allowed for it.

Mr. Guenther thanked the Port Commissioners and emphasized that the investment that the Port Commission had made in him, and staff was important. The success would not have been achieved but for the people who work for the Port Authority.

(2022-0524-01) Chairman Campo called for a motion to approve the minutes of the April 26, 2022 Port Commission meeting. Commissioner Mease moved for approval, seconded by Commissioner Cloonan. The minutes were approved as written.

(2022-0524-02) Roger Guenther, Executive Director, presented a summary of selected financial and operational matters.

Mr. Guenther emphasized that business continued to be strong on all fronts, with overall tonnage up 23% and container twenty-foot equivalent units (TEUs) up 21%. After talking with industry partners, he believed it was apparent that the trend for containers would continue to be strong in Houston. Steel imports and general cargo were moving across the docks at a rapid pace through April, with tonnage doubling from year-to-date 2021.

Mr. Guenther noted that two weeks previously the Port Authority had worked the largest volume container ship in its history at the Bayport Container Terminal, just shy of 8,000 moves, at 35 moves per hour per crane. It was incredibly significant as it was a large vessel and shone a light on what could be expected upon completion of Project 11. He added that investments were prioritized to maintain capacity for continued growth across all sectors of business, with nearly \$30 million in awards on the agenda in support of said priorities.

Mr. Guenther yielded the floor to Mr. Heidt to talk about the updated CIP for 2022. Mr. Heidt distributed the capital projects report to the Port Commission, which included everything over \$2 million.

Commissioner Mease reported that the City of Pasadena recently recognized the Port Authority as the business of the year, and an upcoming banquet was scheduled to commemorate the award.

Chairman Campo noted to Mr. Heidt that the report dealt with new projects only; he wanted to know the status on all ongoing projects as well. Mr. Heidt promised a separate report the next month for ongoing projects.

Commissioner Fitzgerald asked how many cranes were currently on order. Paulo Soares, Sr. Director Maintenance, answered that there were currently three cranes being fabricated, with additional orders to be approved by the Port Commission in the near future.

Jeff Davis, Chief Port Operations Officer, added that three new berths were scheduled for Bayport Container Terminal upon completion of Project 11, to be capable of handling 15,000 TEU vessels, and new cranes would be required to service those berths.

Chairman Campo asked what the size of the 15,000 TEU ships were, and Mr. Davis explained that they were 1,200 feet by 168 feet.

Commissioner Fitzgerald clarified his earlier question. He wanted to know if there were current plans for new cranes at Barbours Cut Container Terminal. Mr. Davis explained that there was a plan to add 2,600 feet of wharf over the next five years at the terminal, and the current plan was both to purchase new cranes for Barbours Cut Terminal and to relocate older cranes from Bayport Container Terminal to Barbours Cut Container Terminal. Additional rubber-tired gantry (RTG) cranes were also expected to be needed in the future.

Commissioner DonCarlos asked if Barbours Cut Container Terminal would be able to handle the same size vessels as Bayport Container Terminal, and Mr. Davis responded in the affirmative.

Commissioner Creuzot asked what service line brought the vessel mentioned in Mr. Guenther's opening remarks, and Mr. Davis replied that it was an Asian shipping line; the ship was 1,100 feet long.

Commissioner Creuzot followed up by asking about the impact of the COVID-19 pandemic in Asia, specifically port closures in China. Mr. Guenther answered that the closures had impacted business and would continue to do so; with factories being closed in Asia, peak demand would continue throughout the U.S. as businesses attempted to catch up on inventory. Mr. Guenther added that peak season was in July, August, and September, when companies prepared for the holiday season.

Commissioner Creuzot felt that rising interest rates may result in an abundance of inventory, and Mr. Guenther admitted that was a concern. Chairman Campo added the target was getting the right inventory at the right time – as receiving Halloween costumes in November did not do much good.

(2022-0524-03) Appearances

(a) Chairman Campo recognized Ellu Nasser, Environmental Defense Fund (EDF), who addressed the Port Commission.

Ms. Nasser stated that the EDF worked in collaboration with the Port Authority on the recent "mega-grant" application. Specifically, the Port Authority had been willing to include a truck idling campaign in the application, a program which could improve impact on local communities, especially those located near intermodal facilities and warehouses. The program could also improve the Port Authority's Clean Air Strategy Plan (CASP) goals.

Ms. Nasser added that she also appreciated the questions regarding clean equipment use in dredging, and expressed a concern about the Army Corps lack of engagement regarding the dredging impacts related to Project 11. She asked for help from the Port Authority in setting up a meeting with the Army Corps and for support in advocating for cleaner equipment.

Finally, Ms. Nasser commended the Port Authority on its commitment to be carbon neutral. She believed that, given the lack of regulatory mechanisms in Texas, that lease agreements presented a meaningful opportunity to include requirements for sustainable operations through technology.

Mr. Guenther recognized staff on its hard work to complete and submit the application for the mega-grant.

Chairman Campo clarified that the mega-grant was following on the bipartisan infrastructure bill passed by Congress.

Rich Byrnes, Chief Infrastructure Officer, explained that the Port Authority had in fact recently applied for two grants: a Port Infrastructure Development grant – which it had won in the past – and the mega-grant. The mega-grant was much more transformational. The federal government was looking for programs that supported supply chain resiliency, environmental quality, and social equality.

The Port Authority gave its application the Gulf Star name, and was attempting a regional transformational program. The grant would accelerate programs that were already part of the Port Authority's 2040 Plan, such as a third terminal, wharf expansion, and zero emission truck programs. The total amount of the projects would be over \$1 billion, with a 60/40 match. Fifty letters of support had been obtained from community advocates, ocean carriers, non-governmental organizations (NGOs), trucking companies, etc.

Mr. Guenther noted that a full summary on the topic of the mega-grant would be forthcoming, and that the Port Authority had facilitated a meeting with the Army Corps regarding the use of clean dredging equipment. Mr. Byrnes added that there had been a town hall meeting in Jacinto City attended by the Army Corps, and it had signaled being open to additional meetings to discuss the topic.

Commissioner DonCarlos encouraged staff to engage with local governments in an effort to help various communities with infrastructure improvements such as road maintenance, to better supply chain movement. Mr. Byrnes replied that the Port Authority's Freight Mobility Department worked with the city, county, and state to advocate for infrastructure maintenance.

(b) Chairman Campo recognized Dr. Stephanie Thomas, Public Citizen, who addressed the Port Commission.

Dr. Thomas thanked Commissioner DonCarlos for his comments as it was important to remember impacts to the communities. The Healthy Port Communities Coalition was excited to support the Port Authority's mega-grant. She commented that the Port Authority was right to

engage the coalition early in the process so that the proposal could be evaluated, and discussed how it best aligned with community goals.

Dr. Thomas also thanked Mr. Guenther for his support in connecting the communities to the Army Corps.

(2022-0524-04) Chairman Campo recognized Tom Heidt, Chief Operating Officer, to provide a report of selected Executive agenda items.

Mr. Heidt reported that the single item on the Executive agenda was to impose a 15% penalty pursuant to Texas Tax Code §33.07 in connection with 2021 property taxes that became delinquent before June 1, 2022. The Harris County Tax Assessor and Collector collects taxes on behalf of the Port Authority. Other various taxing entities had imposed such a penalty and the Port Authority was following suit.

Commissioner DonCarlos added that it was a standard fee.

(2022-0524-05) RCA F1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F1 PASSED.

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

(2022-0524-06) Chairman Campo recognized John Moseley, Chief Commercial Officer, to provide a report of selected agenda items.

Mr. Moseley thanked Commissioners Corgey and Fitzgerald for joining him the previous week in New York. It helped to highlight the importance of communication with various groups, especially customers.

Mr. Moseley shared some of the new developments behind recent growth in the commercial sector. There were currently seven “mega” industrial projects under construction including Interchange 249, Portside Logistics Center, and Baytown 10 Commerce Center. Combined, the seven “mega projects” totaled 13 million square feet and would be capable of driving 260,000 TEUs of new containers across Port Authority docks while creating at least 4,000 new jobs in the region.

Mr. Moseley thanked Shane Williams and Rina Lawrence for leading the Port Authority’s Economic Development Department in coordination with state and local offices.

Mr. Moseley remarked that the current operating rig count in Texas was 370, which was 143 more than the prior year. Strong drilling activity increased the demand for Oil Country Tubular Goods, which was basically the steel pipe that was crossing the public docks.

Commissioner Fitzgerald asked about the location of the Baytown 10 Commerce Center and Mr. Moseley clarified that it was just east of State Highway 149.

Mr. Moseley noted that each item was for a new lease with an existing tenant. He highlighted Item H1, a new ten-year lease with a tenant who had leased the property since the early 1990s. Item H5 was for the ratification of three month-to-month leases with the same tenant. The tenant had opted to remain on a month-to-month tenancy instead of converting to a term lease.

Commissioner Fitzgerald questioned why the tenant would want to remain on a month-to-month lease, and Mr. Moseley responded that it was to mitigate risk, and although the tenant was paying the 10% premium on the month-to-month lease, the ability to terminate on short notice was preferred.

(2022-0524-07) RCA H1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2022-0524-08) RCA H2 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H2 PASSED.

(2022-0524-09) RCA H3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H3 PASSED.

(2022-0524-10) RCA H4 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H4 PASSED.

(2022-0524-11) RCA H5 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H5 PASSED.

(2022-0524-12) Chairman Campo recognized Tim Finley, Chief Financial Officer to provide a report of selected agenda items.

(2022-0524-13) Mr. Finley announced that Item I2 required an open hearing; Chairman Campo opened a public hearing to discuss the Port Authority's pension plan and defined contribution plan.

Mr. Finley reported there were several amendments to the plans, the most tangible was an amendment to provide a voluntary lump sum payment to every participant who was vested and was no longer employed by the Port Authority, but who had not yet begun to receive benefit payments. The total eligible population was approximately 170 participants and the window to volunteer would open on August 1 and run through mid-September 2022.

Mr. Finley commented that this was a common action often referred to as a de-risking plan. It tangibly removed administrative burdens as well and was a common move in the industry when an entity was as well funded as the Port Authority. Liability would be reduced up to \$11 million.

Mr. Finley explained that there were three other amendments proposed. One raised the ceiling under which a vested participant, upon separation, could elect to receive a lump sum payout. There were 27 individuals that the action would apply to.

Commissioner Creuzot asked if the individual would receive a lump sum payout and annuity. Mr. Finley clarified that it would only be a lump sum payout.

The next amendment clarified a definition in the plan while the final amendment adjusted the age and dates for the required minimum distribution to conform to current law.

Commissioner Corgy emphasized that the key word in the entire item was voluntary.

Chairman Campo adjourned the hearing.

(2022-0524-14) RCA II was presented, moved by Commissioner Mease, seconded by Commissioner Corgy. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA II PASSED.

(2022-0524-15) Chairman Campo recognized Mr. Byrnes to provide a report of selected agenda items.

Mr. Byrnes explained that there were 15 items on the agenda, 13 of which represented \$28.5 million in authorization requests and included seven professional services and design contracts related to dredging. Item J3 was an award for restroom renovations in various locations at the Turning Basin Terminal to substantially upgrade the facilities currently in use by the waterfront labor force. The contract had a S/MWBE component to it.

Mr. Byrnes continued: agenda Item J9 was to further develop the Port Authority's asset management capabilities. The Port Authority had focused on developing its asset management maturity, which included things such as strategic programs, the facility inspection and condition assessment program (FICAP), geographic information system (GIS) capabilities, and risk management frameworks. Item J10 was a change order to perform additional work associated with the construction of Wharf 6 at Bayport Container Terminal; the project would be accelerated by approximately three months as a result of the action.

Item J12 increased the funding available under the Memorandum of Agreement (MOA) with the Army Corps to piggyback off its dredging contracts, while Item J13 was a reimbursement agreement in support of a pipeline removal project near Segment 3 of Project 11.

Commissioner Mease asked how many restrooms would be renovated under Item J3; he thought the \$3 million cost was high. Mr. Byrnes described the locations of the restrooms and noted that there were approximately ten in total. Mr. Davis added that the restrooms were at least 50 years old, and the item was for the total replacement of the restrooms, which would include redoing plumbing and pipe work.

Commissioner Mease also emphasized that he did not like large change orders. In the case of Item J10 he approved as the change order would result in the accelerated completion of the project, which was needed, however; he did not want to make a habit of such large change orders.

Commissioner DonCarlos suggested that the Port Authority consider incentives in its contracts for the accelerated completion of projects. Additionally, he hoped that the infrastructure needed for refrigerated cargo was emphasized, in light of the buildout being constructed in Chambers County, and planning sessions with CenterPoint would be a good idea to make sure energy needs were accommodated. Mr. Heidt commented that staff had already met with CenterPoint to discuss the issue.

Mr. Guenther explained that reefer racks and other types of storage would be evaluated in future projects, and that he agreed with the concept of incentivized contracts.

Commissioner Creuzot questioned why only one proposal was received for Item J3. Mr. Byrnes answered that there was a conversation with the Procurement and Business Equity groups to address that issue, and sometimes it was a mystery as to why several companies would initially show interest in placing a bid on a proposal and then not follow through. Many construction companies were currently very busy, sometimes too busy to even write proposals, and staff considered rebidding the project but given its importance to the Port Authority's labor workforce, the decision was made to award the contract to the sole bidder and proceed with the renovation.

Mr. Byrnes added that the winning contractor had done business with the Port Authority before and had proven to be capable. Lessons had been learned and staff was taking steps to ensure that upcoming projects slated to go out for bid would be more successful in receiving responses.

Commissioner Cloonan questioned if staff knew which companies downloaded the bid package; Mr. Byrnes replied in the affirmative and added that the Business Equity department was reaching out to many of them to inquire as to why bids were not received.

Mr. Heidt added that one of the answers as to why a bid was not received was that companies simply download every applicable proposal currently open and then decide which to bid on, if any.

(2022-0524-16) RCA J1 was presented. Commissioner Fitzgerald moved for staff's ranking of vendors - first, Heritage Crystal- Clean, LLC; second, Oil Mop dba OMI Environmental Solutions, LLC; and third, Tradebe Environmental Services, LLC, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgery, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2022-0524-17) RCA J2 was presented. Commissioner Fitzgerald moved for staff's ranking of vendors - first, first, Forde Construction Company, Inc.; and second, NGB Constructors, Inc., seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgery, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2022-0524-18) RCA J3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J3 PASSED.

(2022-0524-19) RCA J4 was presented. Commissioner Fitzgerald moved for staff's ranking of vendors - first, C.F. McDonald Electric, Inc.; and second, Pfeiffer & Son, Ltd., seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J4 PASSED.

(2022-0524-20) RCA J5 was presented. Commissioner Fitzgerald moved for staff's ranking of vendors - first, Shermco Industries, Inc.; second, Saber Engineering Services, LLC; and third, Power Engineering Services, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J5 PASSED.

(2022-0524-21) RCA J6 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J6 PASSED.

(2022-0524-22) RCA J7 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J7 PASSED.

(2022-0524-23) RCA J8 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J8 PASSED.

(2022-0524-24) RCA J9 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J9 PASSED.

(2022-0524-25) RCA J10 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J10 PASSED.

(2022-0524-26) RCA J11 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J11 PASSED.

(2022-0524-27) RCA J12 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J12 PASSED.

(2022-0524-28) RCA J13 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J13 PASSED.

(2022-0524-29) RCA J14 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Commissioner Cloonan recused herself. Nays none. RCA J14 PASSED.

(2022-0524-30) RCA J15 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J15 PASSED.

(2022-0524-31) Chairman Campo recognized Mr. Davis to provide a report of selected agenda items.

Mr. Davis announced that the Port Authority had set a TEU record in April, for a total of approximately 334,000. A new north-south service was set to start, bringing the total number of services calling on the Port Authority to 26; additionally, Mediterranean Shipping Company (MSC) had dispatched an extra vessel since demand was high.

Mr. Davis remarked that import loads were higher than exports, although exports had picked up recently, and steel cargo also continued to do well. Approximately 12-14 ships were docked at the Turning Basin Terminal each day, and eight to ten container ships continued to wait at the buoy each day, adding that new cranes at Bayport Container Terminal would be operational within the week and should reduce the queue at the buoy. The Port Authority had recently trained 61 crane operators on the new cranes. Finally, Saturday gate hours were still planned in the forthcoming weeks.

Mr. Davis highlighted Item K1, the purchase of janitorial services at Barbours Cut Terminal and Bayport Container Terminal. Previous contracts had been for two-year terms but staff felt a new contract with a three-year term was more efficient. Item K4 was for annual maintenance services for the Marine Terminal Management Software System for the Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. The software could track all ships that had docked and would be docking at the terminals.

Item K5 pertained to annual maintenance services for the Marine Terminal Gate Operating Software System for Barbours Cut Terminal and Bayport Container Terminal. The software was the interface between Port Authority staff and the truck driver at the gate.

Commissioner Creuzot questioned why there was only one bid on Item K2 and no bids for Items K3 through K6. Mr. Heidt remarked that Item K3 was purchased through a co-op while K4 and K5 were software licenses that needed to be purchased from the specific software company.

(2022-0524-32) RCA K1 was presented. Commissioner Corgey moved for staff's ranking of vendors - first, Ambassador Services, LLC; second, Unicare Building Maintenance, Inc.; and third, Office Pride Commercial Cleaning of Bayport-Mont Belvieu, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2022-0524-33) RCA K2 was presented, moved by Commissioner Corgery, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgery, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2022-0524-34) RCA K3 was presented, moved by Commissioner Corgery, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgery, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K3 PASSED.

(2022-0524-35) RCA K4 was presented, moved by Commissioner Corgery, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgery, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K4 PASSED.

(2022-0524-36) RCA K5 was presented, moved by Commissioner Corgery, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgery, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K5 PASSED.

(2022-0524-37) RCA K6 was presented, moved by Commissioner Corgery, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgery, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K6 PASSED.

Chairman Campo noted that there were no People agenda items.

(2022-05224-38) Chairman Campo recognized Marcus Woodring, Chief Port Security and Emergency Operations Officer, to provide a report of selected agenda items.

Mr. Woodring announced that his division recently passed its ISO 28000 audit with only three minor non-conformances, related to what the program and policy said versus how it was being done in the field. Additionally, the Customs Trade Partnership Against Terrorism (CTPAT) program was also recertified; this was another voluntary standard that the Port Authority held itself accountable to.

Mr. Woodring noted that there was only one item on the agenda for his division: extensions to the current standby emergency services contracts. The contracts had an initial three-year term with a two-year option. Staff sought approval for the exercise of the option period. The contracts were for equipment and services such as generators, pumps, equipment, cleaning, etc., needed during an emergency, such as the freeze, and purchased from a pre-negotiated price list, providing a quick way to procure equipment. The equipment and services were potentially reimbursable by the Federal Emergency Management Agency (FEMA).

Mr. Heidt commented that there was only a \$50,000 purchase order initially created for each emergency services contract, so as not to allocate large sums of funds when the Port Authority did not know if the services would be needed. If the purchase order amount was exceeded, staff would bring the dollar amount back to the Port Commission for approval.

(2022-0524-39) RCA M1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgery. Chairman Campo, and Commissioners Cloonan, Corgery, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

Chairman Campo noted that there were no Technology agenda items.

Commissioner Fitzgerald addressed Capt. Thompson, who was in attendance. He thanked the Houston Pilots for their hard work in keeping traffic moving along the channel.

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

It is now 10:27 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code (1) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultation regarding claims of the Port Authority against Celanese Ltd.; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including deliberation regarding licensing of miscellaneous Houston Ship Channel and upland properties; (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*); and (5) Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*). The Port Commission will reconvene in public session after the closed meeting is adjourned.

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

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

(2022-0524-40) Chairman Campo pulled agenda Item Q1 from the agenda.

(2022-0524-41) Commissioner Cloonan moved to authorize the Port Authority to settle its claims against Celanese Ltd. on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

At 10:44 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the May 24, 2022 meeting of the Port Commission of the Port of Houston Authority.

A handwritten signature in black ink, consisting of stylized initials and a long horizontal stroke extending to the right.

Ric Campo, Chairman

A handwritten signature in black ink, appearing to read 'Erik A. Eriksson' in a cursive script.

Erik A. Eriksson, Secretary

F. EXECUTIVE

Subject	1. Affirmatively impose an additional 15% penalty pursuant to Texas Tax Code §33.07 in connection with 2021 property taxes that becomes delinquent before June 1, 2022.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, authorize the Port Authority to affirmatively impose an additional 15% penalty pursuant to Texas Tax Code §33.07 in connection with 2021 property taxes that becomes delinquent before June 1, 2022, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Executive

Staff Contact:

Erik Eriksson

Background:

Special District Local Laws Code Sec. 5007.007(n) provides in part that the Tax Assessor-Collector of Harris County is required to collect all taxes levied and assessed against Harris County property on behalf of the Port Authority and receive compensation for such services, including tax collection services, as the Port Commission shall agree upon.

By action at its September 2021 meeting, the Port Commission authorized a new contract with the law firm Linebarger Goggan Blair & Sampson, LLP for the collection of delinquent ad valorem taxes, joining the firm's proposed contract for that purpose with Harris County, the Harris County Hospital District d/b/a Harris Health System, the Harris County Flood Control District, and the Harris County Department of Education.

In connection with the collection of 2021 taxes that becomes delinquent before June 1, 2022, the Property Tax Division of the Harris County Tax Assessor-Collector has now requested that the Port Authority join Harris County, the Harris County Hospital District, and the Harris County Flood Control District in taking action to affirmatively impose an additional 15% penalty pursuant to Texas Tax Code §33.07.

Evaluation/Justification:

Port Authority staff recommends that the Port Commission authorize the Port Authority to do so.

H. COMMERCIAL

Subject **1. Approve a lease for a ten-year term with Sunbelt Group, L.P., d/b/a Arrow Steel Processors, for approximately 7.8 acres at Block 13A at Northside Turning Basin, effective no earlier than June 1, 2022, at an annual base rent of approximately \$292,914, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index.**

Meeting May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 24, 2022 meeting, approve a lease for a ten-year term with Sunbelt Group L.P., d/b/a Arrow Steel Processors, for approximately 7.8 acres out of Block 13A at Northside Turning Basin, effective no earlier than June 1, 2022, at an annual base rent of approximately \$292,914, subject to annual base rent escalation of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

Background:
By Minute No. 2021-0323-11, the Port Commission approved a one-year lease with Sunbelt Group L.P., d/b/a Arrow Steel Processors (Sunbelt Group) for approximately 7.8 acres out of Block 13A at Northside Turning Basin. This one-year lease expires May 31, 2022. This property is used for storage and processing of steel, including steel coils. Sunbelt Group has leased the property since 1982.

Sunbelt Group has requested that the Port Authority lease it approximately 7.8 acres out of its Block 13A at Northside Turning Basin for a ten-year term. Sunbelt Group would use the property for the same purpose as described above.

Staff Evaluation/Justification:
Staff recommends the Port Commission approve the proposed lease with Sunbelt Group under the terms described above.

H. COMMERCIAL

Subject	2. Approve an amendment to the lease with Gulf Winds International, Inc. to add approximately 0.838 acres adjacent to the southwest corner of its 10.435-acre leased premises on the south side of Port Road near the Bayport Container Terminal, effective no earlier than May 25, 2022, at an annual base rent of approximately \$456,227, subject to annual rent escalation of the greater of 3% or the increase in the Consumer Price Index.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, approve an amendment to the lease with Gulf Winds International, Inc. to add approximately 0.838 acres adjacent to the southwest corner of its 10.435-acre leased premises on the south side of Port Road near the Bayport Container Terminal, effective no earlier than May 25, 2022, at an annual base rent of approximately \$456,227, subject to annual rent escalation of the greater of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	<p>STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)</p> <p>Strategic Objective 3a. - Cultivate key relationships to accomplish common goals</p> <p>STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)</p> <p>Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port</p>

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

By Minute No. 2018-1030-10, the Port Commission authorized a five-year lease with Gulf Winds International, Inc. (Gulf Winds) for approximately 8.58 acres, including a non-exclusive roadway, on the south side of Port Road near Bayport Container Terminal. The property is used for the staging of trucks awaiting entry into the Gulf Winds warehouse, the operation of empty and loaded container handling equipment, the stacking and storage of empty and loaded containers, and operations of a small mobile office building.

By Minute No. 2021-1026-13, the Port Commission approved an amendment to the lease with Gulf Winds to (i) add approximately 1.85 acres of land located adjacent to the southeast corner of its leased premises, and (ii) extend the term for an additional ten years.

Gulf Winds has now requested an additional 0.838 acres for the development and expansion of its permitted operations under the lease. The current 10.435-acre rent rate is based on 8.58-acres of improved (stabilized and fenced) acreage at \$3,827.69 per acre per month and 1.85 acres of unimproved acreage at \$1,919.00 per acre per month, both subject to annual adjustments of 3%. The additional 0.838-acre rent rate will be based on unimproved acreage at \$1,919 per acre per month. Total monthly base rent would be subject to the same annual adjustment terms.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the proposed lease amendment to on the terms described above.

H. COMMERCIAL

Subject **3. Approve an amendment to the lease with Conestoga Supply, LLC for approximately 0.87 acres out of Block 24 at Industrial Park East, to extend the term for one year, effective no earlier than July 1, 2022, at an annual base rent of approximately \$19,921.**

Meeting May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 24, 2022, meeting, approve an amendment to the lease with Conestoga Supply, LLC for approximately 0.87 acres out of Block 24 at Industrial Park East, to extend the term for one year, effective no earlier than July 1, 2022, at an annual base rent of approximately \$19,921, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

By Minute No. 2019-0423-17, the Port Commission approved a one-year lease with one two-year mutual extension option with Conestoga Supply, LLC (Conestoga) for approximately 0.87 acres out of Block 24 at Industrial Park East. The property is used for storing and sorting steel and bulk-material cargo.

Conestoga has requested that the Port Authority extend the term of the lease for an additional one year and intends to continue to use the property for the purpose described above.

Staff Evaluation/Justification:

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

H. COMMERCIAL

Subject	4. Approve an amendment to the lease with INEOS USA LLC for approximately 1.95 acres near Independence Parkway, to extend the term for five years, effective no earlier than September 1, 2022, at an annual base rent of approximately \$48,961, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, approve an amendment to the lease with INEOS USA LLC for approximately 1.95 acres near Independence Parkway, to extend the term for five years, effective no earlier than September 1, 2022, at an annual base rent of approximately \$48,961, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	<p>STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)</p> <p>Strategic Objective 3a. - Cultivate key relationships to accomplish common goals</p> <p>STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)</p> <p>Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port</p>

Category:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

Background:

By Minute No. 2017-0725-07, the Port Commission approved a five-year lease with INEOS USA LLC (INEOS) for approximately 1.95 acres near Independence Parkway. The property includes approximately 2,967 linear feet of rail siding track and is used for transport of empty and loaded railcars containing non-hazardous resin and empty and loaded tank cars containing only materials approved by the Port Authority as referenced in the lease.

INEOS has requested that the Port Authority extend the term of the lease for an additional five years and would use the property for the same purpose as described above.

The current entity has been a tenant on the property since September 1, 2012, and its predecessors have been tenants of the Port Authority since 1976.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the proposed lease amendment under the terms above.

H. COMMERCIAL

Subject	5. Ratify the extended terms of three month-to-month leases with Cooper/Ports America, LLC, each commencing July 1, 2022, for approximately 10 acres, 10.08 acres, and 3.57 acres, out of Blocks 4A, 3A, and 4B at the Northside Turning Basin, at an annual base rent of approximately \$442,440 for the 10-acre lease, \$445,979 for the 10.08-acre lease, and \$149,640 for the 3.57-acre lease.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, ratify the extended terms of three month-to-month leases with Cooper/Ports America, LLC, each commencing July 1, 2022, for approximately 10 acres, 10.08 acres, and 3.57 acres, out of Blocks 4A, 3A, and 4B at the Northside Turning Basin, at an annual base rent of approximately \$442,440 for the 10-acre lease, \$445,979 for the 10.08-acre lease, and \$149,640 for the 3.57-acre lease, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	<p>STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)</p> <p>Strategic Objective 3a. - Cultivate key relationships to accomplish common goals</p> <p>STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)</p> <p>Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port</p>

Category:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

The Port Authority currently has three month-to-month leases with Cooper/Ports America, LLC (CPA) for approximately 10 acres, 10.08 acres, and 3.57 acres, out of Blocks 4A, 3A, and 4B at the Northside Turning Basin. Each lease will have been in effect for more than one year after June 30, 2022. CPA's current annual base rent is approximately \$442,440 for the 10-acre lease, \$445,979 for the 10.08-acre lease, and \$149,640 for the 3.57-acre lease, and is based upon the current premium rate for a month-to-month lease agreement. CPA uses the property for storage and handling of steel products and general cargo and would continue to use the property for the same purpose under the extended term.

An amendment to the Texas Water Code adopted in the 2011 State of Texas legislative session requires that the Port Commission authorize month-to-month lease agreements in effect for more than one year.

Staff Evaluation/Justification:

Staff recommends the Port Commission ratify the extended terms of the three month-to-month leases with CPA under the terms described above.

I. FINANCE

Subject **1. Hearing and possible action to (i) amend the Port Authority's Restated Retirement Plan ("Plan") to (x) provide for a voluntary lump-sum payment to each participant who has vested and is no longer employed, but who has not yet begun to receive benefit payments, and (y) clarify the Plan's definition of "Disability Termination Date," and (ii) amend the Plan, the 457(b) Deferred Compensation Plan, and the 401(a) Defined Contribution Plan to adjust the required minimum plan distributions from age 70½ to 72.**

Meeting May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 24, 2022 meeting, conduct a hearing and take action to (i) amend the Port Authority's Restated Retirement Plan ("Plan") to (x) provide for a voluntary lump-sum payment to each participant who has vested and is no longer employed, but who has not yet begun to receive benefit payments, and (y) clarify the Plan's definition of "Disability Termination Date," and (ii) amend the Plan, the 457(b) Deferred Compensation Plan, and the 401(a) Defined Contribution Plan to adjust the required minimum plan distributions from age 70½ to 72, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
General

Department:
Treasury

Staff Contact:
Roland Gonzalez/Tim Finley

Background:

The Port Authority sponsors the Port of Houston Authority Restated Retirement Plan (Plan), a defined-benefit pension plan for eligible employees hired before August 1, 2012. Participants are typically paid a monthly annuity at retirement, based on years of service and compensation received while employed at the Port Authority.

The current funding status of the Plan permits actions to potentially de-risk it in part and reduce some future administrative responsibilities. In order to do so, staff has evaluated a potential program that would provide the option of a voluntary lump-sum payment to every participant who has vested and is no longer employed by the Port Authority, but who has not yet begun to receive benefit payments (the current participant option for a lump-sum payout is limited in amount and only available when departing employment).

This program would relieve the Port Authority of the risks and burdens of paying retirement benefits to participants who choose to accept a voluntary payout.

Staff therefore proposes a Plan amendment establishing a one-time window during which approximately 170 participants would have the opportunity to voluntarily elect to have their accrued benefit paid in a lump sum. Staff anticipates that this election window would be open from August 1, 2022 to September 15, 2022.

To encourage participants to accept the payments, staff recommends that payout valuations be calculated using Internal Revenue Code Section 417(e) rates rather than the 6% discount rate currently used to calculate various retiree payout options. This would result in higher lump sum calculations, encouraging higher acceptance, i.e. take-out rates.

To further allow for earlier distributions to future beneficiaries, staff also recommends that an option be created, to permit employees who are vested participants with an accrued benefit of \$100,000 or less to select a lump-sum distribution at the time they leave Port Authority employment.

In addition to the above changes, the proposed amendments would also adjust the "required beginning date" for "required minimum distributions" under the Plan, the 457(b) Deferred Compensation Plan, and the 401(a) Defined Contribution Plan, to conform to Section 114 of the SECURE Act. Under prior law, an individual who was no longer employed was required to take minimum distributions from a retirement plan by April 1 of the year following the year the individual reached age 70½; this amendment would change that age to 72, to conform to the act.

Finally, the proposed amendments would also clarify the Plan's definition of "Disability Termination Date."

Staff Evaluation/Justification:

Port Authority staff and Haynes & Boone, the Port Authority's benefits counsel, have prepared changes to carry out these proposals. The changes to the Plan have been reviewed by Milliman, the Port Authority's Plan actuary, and PNC Bank, the Plan trustee, and the Port Commission Pension and Benefits Committee has concurred with these proposals.

Subchapter B of Chapter 60 of the Texas Water Code provides that the Port Commission may change the benefit plans after notice to employees and a hearing. On May 19, 2022, notice was given to employees regarding (i) the proposed amendments described above, and (ii) that such Port Commission hearing on the matter was scheduled for May 24, 2022.

Staff recommends that the Port Commission conduct a hearing on this matter and adopt the amendments as described above.

J. INFRASTRUCTURE

Subject	1. Approve staff's ranking of vendors and award an agreement in an amount not to exceed \$225,000 for non-hazardous and hazardous waste recycling, disposal, and management to the top-ranked proposer: staff ranking- first, Heritage Crystal-Clean, LLC; second, Oil Mop dba OMI Environmental Solutions, LLC; and third, Tradebe Environmental Services, LLC.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022, meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order - first, Heritage Crystal-Clean, LLC; second, Oil Mop dba OMI Environmental Solutions, LLC; and third, Tradebe Environmental Services, LLC; (b) award an agreement to Heritage Crystal-Clean, LLC for non-hazardous and hazardous waste recycling, disposal, and management in an amount not to exceed \$225,000 for a two-year term; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4a. - Implement an innovative environmental leadership strategy STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:

Awards, Amendments & Change Orders

Department:

Environmental Affairs

Staff Contact:

Trae Camble

Background:

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

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

Staff Evaluation/Justification:

On March 23, 2022, three RFP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFP. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required analysis and design services:

- Heritage Crystal-Clean, LLC
- Oil Mop dba OMI Environmental Solutions, LLC
- Tradebe Environmental Services, LLC

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Heritage Crystal-Clean, LLC for an agreement for non-hazardous and hazardous waste recycling, disposal, and management, and act as otherwise described above.

J. INFRASTRUCTURE

Subject	2. Approve staff's ranking of vendors and award a construction contract in an amount not to exceed \$1,649,760 for the repair of the Spilman Island bridge to the top-ranked proposer: staff ranking - first, Forde Construction Company, Inc.; and second, NGB Constructors, Inc.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, Forde Construction Company, Inc.; and second, NGB Constructors, Inc.; (b) award a contract to Forde Construction Company, Inc. for repair of the Spilman Island bridge, in an amount not to exceed \$1,649,760; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This project consists of repair of the Spilman Island bridge, including but not limited to repair of the deck, beams, supports, etc.

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

Staff Evaluation/Justification:

On April 13, 2022, two CSPs were received, opened, and publicly read. 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 value for the required services:

- Forde Construction Company, Inc.
- NGB Constructors, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Forde Construction Company, Inc. and act as otherwise described above.

J. INFRASTRUCTURE

Subject **3. Award a construction contract to Jerdon Enterprise, L.P. for restroom renovations at Wharf 8, Wharf 32, and various sheds at Turning Basin Terminal in an amount not to exceed \$3,875,889.**

Meeting May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 24, 2022 meeting, award a construction contract to Jerdon Enterprise, L.P. for restroom renovations at Wharf 8, Wharf 32, and various sheds at Turning Basin Terminal in an amount not to exceed \$3,875,889, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This project consists of the demolition and replacement of restroom buildings at Wharf 8, Shed 10, Shed 11, Shed 18/19, Shed 21/22, Shed 27/28, Shed 30/31 at Turning Basin Terminal, and Wharf associated utility connections. This project also includes the rehabilitation of the office and restroom building at Wharf 32.

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

Staff Evaluation/Justification:

On April 20, 2022, one CSP was received, opened, and publicly read. The response was reviewed and evaluated by staff in accordance with the published selection criteria.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Jerdon Enterprise, L.P. and act as otherwise described above.

J. INFRASTRUCTURE

Subject	4. Approve staff's ranking of vendors and award a construction contract in an amount not to exceed \$338,469 to construct Container Yard 6 refrigerated storage infrastructure at Barbours Cut Terminal to the top-ranked proposer: staff ranking - first, C.F. McDonald Electric, Inc.; and second, Pfeiffer & Son, Ltd.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, C.F. McDonald Electric, Inc.; and second, Pfeiffer & Son, Ltd.; (b) award a contract to C.F. McDonald Electric, Inc. to construct Container Yard 6 refrigerated storage infrastructure at Barbours Cut Terminal, in an amount not to exceed \$338,469; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This project consists of construction of refrigerated storage connections in Container Yard 6 at Barbours Cut Terminal. The scope of work includes the partial demolition of an existing wooden loading dock, and construction of new overhead electrical conductors, wooden poles, reefer bunkers, distribution panels, conduit, and conductors.

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

Staff Evaluation/Justification:

On April 13, 2022, two CSPs were received, opened, and publicly read. 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 value for the required services:

- C.F. McDonald Electric, Inc.
- Pfeiffer & Son, Ltd.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to C.F. McDonald Electric, Inc. and act as otherwise described above.

J. INFRASTRUCTURE

Subject	5. Approve staff's ranking of vendors and award a construction contract in an amount not to exceed \$815,774 for electrical preventative maintenance services at Barbours Cut Terminal and Bayport Container Terminal in 2022 through 2024 to the top-ranked proposer: staff ranking - first, Shermco Industries, Inc.; second, Saber Engineering Services, LLC; and third, Power Engineering Services.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, Shermco Industries, Inc.; second, Saber Engineering Services, LLC; and third, Power Engineering Services; (b) award a contract to Shermco Industries, Inc. for electrical preventative maintenance services at Barbours Cut Terminal and Bayport Container Terminal in 2022 through 2024, in an amount not to exceed \$815,774; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This project consists of furnishing supervision, labor, parts, tools, materials, transportation, equipment, and supplies necessary to provide scheduled electrical preventative maintenance and inspection services to electrical substations and switchgear at Barbours Cut Terminal and Bayport Container Terminal. The contract is for a three-year period.

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

Staff Evaluation/Justification:

On April 13, 2022, three CSPs were received, opened, and publicly read. 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 value for the required services:

- Shermco Industries, Inc.
- Saber Engineering Services, LLC
- Power Engineering Services

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

J. INFRASTRUCTURE

Subject	6. Award a professional services contract to Jacobs Engineering Group, Inc. for engineering evaluation of Wharves 9, 16, 17, 23, 24, 25, 26, 29, 30, 31, and 32 at Turning Basin Terminal in an amount not to exceed \$342,825.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, award a professional services contract to Jacobs Engineering Group, Inc. for engineering evaluation of Wharves 9, 16, 17, 23, 24, 25, 26, 29, 30, 31, and 32 at Turning Basin Terminal in an amount not to exceed \$342,825, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

The scope of this project is to evaluate Wharves 9, 16, 17, 23, 24, 25, 26, 29, 30, 31, and 32 at Turning Basin Terminal in connection with the Project 11 deepening of the federal channel and concomitant deepening of the associated berth pockets.

Staff Evaluation/Justification:

Staff has reviewed Jacobs Engineering Group Inc.'s proposal and found it to be fair and reasonable and recommends that the Port Commission approve the proposed amendment.

J. INFRASTRUCTURE

Subject	7. Amend the professional services contract with AECOM Technical Services, Inc. to perform services for rehabilitation and repair design of Wharves 20 and 21 at Turning Basin Terminal in an amount not to exceed \$88,778.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, amend the professional services contract with AECOM Technical Services, Inc. to perform services for rehabilitation and repair design of Wharves 20 and 21 at Turning Basin Terminal in an amount not to exceed \$88,778, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2020-0623-16, the Port Commission authorized the Port Authority to enter into a professional services contract with AECOM Technical Services, Inc. ("AECOM") to perform in-depth structural assessment and development of repair options for Wharves 20, 21, 24, 25, and 26 at Turning Basin Terminal, in the amount of \$395,265.

By Minute No. 2021-0730-18, the Port Commission authorized an amendment the contract to perform additional professional engineering design services in the amount of \$1,286,829, bringing the total contract amount to \$1,682,094.

On or about December 22, 2021, the Port Authority and AECOM entered into a second amendment to the contract (the "Second Amendment") to extend the contract term to December 31, 2023, add Business Equity-related reporting obligations, and include additional professional engineering services in the amount of \$18,743, for a total contract price of \$1,700,837.

On or about May 18, 2022, the Port Authority and AECOM entered into a third amendment of the contract, to replace the subcontractor performing the scope of work included in the Second Amendment and include additional professional engineering services in the amount of \$8,795, for a total contract price of \$1,709,632.

This fourth proposed amendment adds additional professional engineering services relating to a study and stability analysis of Wharves 20 and 21 in connection with the Project 11 deepening of the federal channel and concomitant berth pocket dredging associated with it.

Staff Evaluation/Justification:

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

J. INFRASTRUCTURE

Subject	8. Amend the professional services contract with DE Corp. to perform additional services for the rehabilitation and repair of Wharf 2 at Manchester Terminal in an amount not to exceed \$143,285.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, approve an amendment to the professional services contract with DE Corp. to perform additional services for the rehabilitation and repair of Wharf 2 at Manchester Terminal in an amount not to exceed \$143,285, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2018-0925-27, the Port Commission awarded a professional services contract to DE Corporation (f/k/a Dannenbaum Engineering Corporation) to perform analysis and design for the rehabilitation and repair of Wharf 2 at Manchester Terminal for \$850,290.

By Minute No. 2020-0428-27, the Port Commission amended the contract for \$176,306 to address design changes.

This second amendment is for a total value of \$143,285 and represents an increase of 16.9% over the original contract value. This proposed amendment would consist of the evaluation of Wharf 2 at Manchester terminal in connection with the Project 11 deepening of the federal channel and its berth pocket.

Staff Evaluation/Justification:

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

J. INFRASTRUCTURE

Subject	9. Amend a professional services contract to GHD, Inc. to further develop Asset Management and Geographic Information System programs, in an amount not to exceed \$720,393.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, approve an amendment to the professional services contract with GHD, Inc. to further develop Asset Management and Geographic Information System programs in an amount not to exceed \$720,393, 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:

Asset Management

Staff Contact:

Charlie Jenkins

Background:

By Minute No. 2021-0126-13, the Port Commission approved a contract with GHD Inc. totaling \$183,630 to provide professional services to support the Asset Management Strategic Improvements Initiative (AMSII) project (Phase I, or the "2021 project scope"). Staff advised the Port Commission at that time that it anticipated requesting future amendment to this professional services contract, pending the performance of GHD, Inc., to extend the term and add scope for beginning implementation of the actions recommended in the 2021 project scope.

The services provided under the scope of the contemplated amendment and extension would be Year 1 of Phase II of the AMSII project for improving the Asset Management (AM) and Geographic Information System (GIS) programs. Additionally, these services will be integrated with the Next Generation Enterprise Resource Planning project, ahead of the implementation of the new Port Authority's Enterprise Resource Planning system.

Over the five years of program improvements, a total \$6.17 million investment is currently estimated for external expenditures (with +15%/-10% confidence), which would be consulting costs to provide subject matter and best practice expertise, given limited Port Authority resources to perform this work in house.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve amending the professional service contract with GHD, Inc.

J. INFRASTRUCTURE

Subject	10. Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the construction of Wharf 6 at Bayport Container Terminal in an amount not to exceed \$4,885,000.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022, meeting, approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the construction of Wharf 6 at Bayport Container Terminal in an amount not to exceed \$4,885,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2021-0223-16, the Port Commission awarded a construction contract to McCarthy Building Companies, Inc. for the construction of Wharf 6 at Bayport Container Terminal.

This is the fifth change order to this contract, for a total change order value to date of \$5,790,397, i.e. 6.8% of the total contract value. The original contract value was \$85,337,000 and with all change orders including this proposed amendment, the total value of the contract would be \$91,127,397.

This change order addresses acceleration to move the date of substantial completion for construction to July 31, 2023, from Nov 10, 2023.

Staff Evaluation/Justification:

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

J. INFRASTRUCTURE

Subject	11. Enter into an Interlocal Agreement with Harris County to provide wage rate compliance services for a nineteen-month period in an amount not to exceed \$113,346.08.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, authorize the Port Authority to enter into an Interlocal Agreement with Harris County to provide wage rate compliance services, for a nineteen-month period in an amount not to exceed \$113,346.08, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Project & Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

Government Code Chapter 2258 requires that workers employed on public works projects by or on behalf of political subdivisions of the state be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed. The Port Authority undertakes various efforts to provide that construction of its public works projects adheres to the provisions of Government Code Chapter 2258. Since 2008, in connection with those efforts, the Port Commission has authorized annual Interlocal Agreements with Harris County to provide these wage rate compliance services. This proposed agreement would be for a nineteen-month period, in an amount not to exceed \$113,346.08 which breaks down to \$71,587 for a twelve-month period and \$41,759.08 for a seven-month prorated period, to accommodate expected changes in the Harris County fiscal year.

Staff Evaluation/Justification:

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

Staff recommends that the Port Commission approve the agreement.

J. INFRASTRUCTURE

Subject	12. Increase funding under the Memorandum of Agreement with the U.S. Army Corps of Engineers for maintenance dredging of berths at the Bayport Container Terminal, Bayport Auto Terminal, and Barbours Cut Terminal by \$4,000,000 for a new total amount not to exceed \$9,000,000.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, authorize the Port Authority to increase funding under the Memorandum of Agreement with the U.S. Army Corps of Engineers for maintenance dredging of berths at the Bayport Container Terminal, Bayport Auto Terminal, and Barbours Cut Terminal by \$4,000,000 for a new total amount not to exceed \$9,000,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Channel Operations

Staff Contact:
Garry McMahan

Background:
The U.S. Army Corps of Engineers (Corps) is currently performing channel maintenance dredging of the Houston Ship Channel and Bayport Ship Channel adjacent to the Bayport Container Terminal, Bayport Auto Terminal, and Barbours Cut Terminal berths and it is efficient and cost effective to dredge these berths concurrently with channel dredging.

By Minute No. 2021-0525-21, the Port Commission authorized the not-to-exceed amount of \$5,000,000 for these services, as originally estimated by the Corps. Because of a projected increase in the volume of dredge material and potential for more stand-by costs due to heavy use of container berths, the Corps has revised its estimated cost of berth dredging to \$9,000,000.

Staff Evaluation/Justification:
Use of the Corps dredging contract for berth maintenance is expected to lower the Port Authority's cost for maintenance, improve navigation and commerce, and reduce impacts to placement areas.

Staff recommends that the Port Commission authorize this increase to the agreement amount.

J. INFRASTRUCTURE

Subject **13. Enter into a reimbursement agreement with HSC Pipeline Partnership, LLC for (i) the design and construction of one 24-inch pipeline related to Segment 3 of the Houston Ship Channel Expansion Channel Improvement Project at a cost not to exceed \$8.1 million, for which the Port Authority would be responsible for one half the cost, for a total amount not to exceed \$4.05 million and (ii) shoreline protection work on the Port Authority's behalf in an amount not to exceed 7.3 million.**

Meeting May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 24, 2022 meeting, authorize the Port Authority to enter into a reimbursement agreement with HSC Pipeline Partnership, LLC for (i) the design and construction of one 24-inch pipeline related to Segment 3 of the Houston Ship Channel Expansion Channel Improvement Project at a cost not to exceed \$8.1 million, for which the Port Authority would be responsible for one half the cost, for a total amount not to exceed \$4.05 million and (ii) shoreline protection work on the Port Authority's behalf in an amount not to exceed 7.3 million, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port

Category:

Project 11

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

As part of the Houston Ship Channel Expansion Channel Improvement Project (HSC ECIP), several pipelines have to be removed and relocated in order to meet the U.S. Army Corps of Engineers safety requirements. HSC Pipeline Partnership, LLC is the owner of a 24-inch pipeline which must be moved to accommodate the widening of the Barbour's Cut Ship Channel in Segment 3. Federal rules require the local sponsor to pay half of the costs for the relocation which includes, among other things, design, permitting, and construction.

Staff has separately determined it would be efficient for HSC Pipeline Partnership, LLC to perform slope stability work on behalf of the Port Authority while performing the relocation. This cost would be fully borne by the Port Authority.

Staff Evaluation/Justification:

The proposed agreement would accomplish both purposes. Accordingly, Channel Operations department staff recommends approval at this time to facilitate continued accelerated progress on the HSC ECIP project.

J. INFRASTRUCTURE

Subject	14. Issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one 138kV transmission line over and across Greens Bayou, approximately 0.63 miles upstream of the Crosby Freeway bridge.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, authorize a transmission line license to CenterPoint Energy Houston Electric, LLC for one 138kV transmission line over and across Greens Bayou, approximately 0.63 miles upstream of the Crosby Freeway bridge, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

CenterPoint Energy Houston Electric, LLC, Port Authority File No. 2022-0109, has applied for a transmission line license for one 138kV transmission line over and across Greens Bayou, approximately 0.63 miles upstream of the Crosby Freeway bridge, in the P. Reels and J. Trobough Survey, A-59.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department and the Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$2,334. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

AFFIDAVIT OF SUBSTANTIAL INTEREST

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

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

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

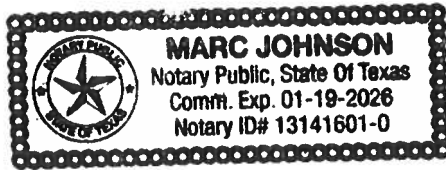
1. I am twenty-one (21) years of age or over and competent to make this Affidavit of Substantial Interest, based upon facts within my personal knowledge.
2. I am a member of the Port Commission (the “Port Commission”) of the Port of Houston Authority (the “Port Authority”).
3. I am filing this Affidavit with the official record keeper of the Port Authority, pursuant to §171.004 of the Texas Local Government Code, to comply with the provisions of Chapter 171 of the Texas Local Government Code.
4. I have, or may have, a substantial interest in the matter of Item J-14 as set forth in the agenda for the meeting of the Port Commission scheduled for May 24, 2022:

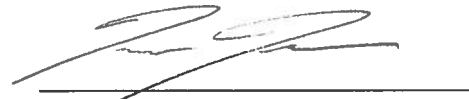
 Issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one 138kV transmission line over and across Greens Bayou, approximately 0.63 miles upstream of the Crosby Freeway bridge.
5. The nature and extent of the substantial interest described above is as follows: my service as a director of CenterPoint Energy Inc., a company affiliated with CenterPoint Energy Houston Electric, LLC. Funds received by me in connection with such employment may exceed 10 percent of my gross income for the previous year.
6. This substantial interest also derives from an interest in CenterPoint Energy Inc., on which the action requested in the above matter will have a special economic effect, distinguished from the effect on the public. This substantial interest derives from possible ownership of \$15,000 or more of the fair market value of such entity.

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


Wendy Montoya Cloonan

SWORN TO AND SUBSCRIBED before me this May 24, 2022.




Notary Public, State of Texas

J. INFRASTRUCTURE

Subject	15. Amend a pipeline license contract with INEOS Chocolate Bayou Pipeline, LLC to relocate an existing pipeline under the Houston Ship Channel near the Bulk Materials Handling Plant.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, authorize the Port Authority to amend a pipeline license contract with INEOS Chocolate Bayou Pipeline, LLC to relocate an existing pipeline under the Houston Ship Channel near the Bulk Materials Handling Plant, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

INEOS Chocolate Bayou Pipeline, LLC, Port Authority File No 2004-0283, has applied to amend a pipeline license to relocate the existing pipeline under the Houston Ship Channel near the Bulk Materials Handling Plant, in the Robert & Richard Vince Survey, A-76. The pipeline would be relocated as part of the Houston Ship Channel Expansion Channel Improvement Project (HSC ECIP), Project 11.

Staff Evaluation/Justification:

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

Staff recommends approval.

K. OPERATIONS

Subject	1. Approve staff's ranking of vendors and award a three-year contract in an amount not to exceed \$1,200,000 for the purchase of janitorial services at Barbours Cut Terminal and Bayport Container Terminal to the top-ranked proposer: staff ranking – first, Ambassador Services, LLC; second, Unicare Building Maintenance, Inc.; and third, Office Pride Commercial Cleaning of Bayport-Mont Belvieu.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Ambassador Services, LLC; second, Unicare Building Maintenance, Inc.; and third, Office Pride Commercial Cleaning of Baytown-Mont Belvieu; (b) award a three-year contract to the top-ranked proposer for the purchase of janitorial services at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,200,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2019-0625-33, the Port Commission awarded a two-year contract to Ambassador Services, LLC in the amount not to exceed \$800,000 for the purchase of janitorial services at Barbours Cut Terminal and Bayport Container Terminal. Approximately 120,000 square feet of Port Authority office building space and facilities require daily professional cleaning services. Buildings include terminal administration buildings, maintenance facilities, gate operations offices, driver services buildings, and other terminal support offices. Port Authority staff has determined that returning to the past practice of combining services for both terminals into a three-year contract is economically and administratively beneficial to the Port Authority.

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

Staff Evaluation/Justification:

On April 13, 2022, eight RFP responses 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 most qualified to provide the required product:

- Ambassador Services, LLC
- Unicare Building Maintenance, Inc.
- Office Pride Commercial Cleaning of Baytown-Mont Belvieu

Following staff Executive Committee review, staff recommends that the Port Commission award a three-year contract to Ambassador Services, LLC and act as otherwise described above.

K. OPERATIONS

Subject	2. Award a two-year contract to Rush Truck Centers of Texas, LP dba Rush Truck Center, Houston for the purchase of Cummins diesel engine parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$1,100,000.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, award a two-year contract to Rush Truck Centers of Texas, LP dba Rush Truck Center, Houston for the purchase of Cummins diesel engine parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in the amount not to exceed \$1,100,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2019-0729-48, the Port Commission awarded a two-year contract to Rush Truck Center of Texas, LP dba 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 \$1,200,000. This contract is set to expire on May 31, 2022.

Parts and related services are necessary for the operation and maintenance of terminal equipment powered by Cummins engines. These engines are highly technical, requiring proprietary parts and software for efficient operation. A reliable source of Cummins diesel engine parts and related services is needed for proper repair and maintenance.

The Port Authority currently owns ninety-nine Rubber Tired Gantry (RTG) cranes, sixty-eight yard tractors, fifteen loaders, twenty-three heavy-duty forklifts, four fuel trucks, and nine emergency generators powered by Cummins diesel engines in operation at its terminals. Except for wharf cranes, Cummins diesel engines power all container handling equipment at Barbours Cut Terminal and Bayport Container Terminal.

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

Staff Evaluation/Justification:

On April 20, 2022, one CSB response was received and opened. The response was reviewed by staff.

Following staff Executive Committee review, staff recommends that the Port Commission award a two-year contract to Rush Truck Centers of Texas, LP dba Rush Truck Center, Houston, the responsible bidder submitting the only bid, for the purchase of purchase of Cummins diesel engine parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

K. OPERATIONS

Subject	3. Award a two-year contract to Monument Chevrolet for the purchase of General Motors parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using a Sourcewell cooperative purchase program contract, in an amount not to exceed \$300,000.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, award a two-year contract to Monument Chevrolet for the purchase of General Motors parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using a Sourcewell cooperative purchase program contract, in an amount not to exceed \$300,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Award, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

Approximately 88% of the Port Authority's current fleet of vehicles was manufactured by General Motors (GM). Monument Chevrolet is the only GM dealership located near the Port Authority's maintenance shops, and has partnered with GM to offer a Government Fleet Program through the Sourcewell cooperative purchase program. This allows for seamless warranty work, discounted parts, and related services. In addition, this cooperative allows the Port Authority to enter the GM Government Fleet Services Program, which gives the Port Authority shops access to proprietary software, tools, and knowledge centers that are only available to GM shops. Furthermore, Port Authority shops gain access to instructor-led courses for electric vehicles, and Continued Education Units for Port Authority mechanics by certified GM Technicians.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring the two-year purchase agreement for General Motors parts and related services through a Sourcewell cooperative purchase program contract is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

The Maintenance Department has determined that the best availability, price, and contract term for the items needed are provided by Monument Chevrolet under the pricing schedule obtained from that vendor's contract with Sourcewell cooperative purchase program and is therefore recommending this purchase.

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

K. OPERATIONS

Subject	4. Authorize payment to Navis LLC for annual maintenance services for the Marine Terminal Management Software System for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$764,480.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, authorize payment to Navis LLC for annual maintenance services for the Marine Terminal Management Software System for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal pursuant to the current contract between Navis LLC and the Port Authority, for a one-year term beginning July 1, 2022 in an amount not to exceed \$764,480, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Operations

Staff Contact:

Jeff Davis

Background:

By Minute No. 2001-0326-32, the Port Commission awarded a contract (Contract) to Navis LLC to provide for the implementation and maintenance of a marine terminal management software system (Management Software System) for use at Port Authority terminals. The Management Software System is currently used by the Operations Department to manage the Port Authority's Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, and by the Accounting Department for billing at these terminals. Since expiration of the initial one-year maintenance term, the Port Commission has approved each subsequent annual maintenance renewal. The current annual maintenance term is set to expire June 30, 2022.

The Contract describes the year-to-year maintenance services that are required to be performed and sets forth the maintenance fee for each one-year maintenance term. The maintenance fee for each one-year term is based upon the combined annual through-put (TEU) at the container terminals, and tonnage for the general cargo facilities, for the immediately preceding year, plus six fixed amounts associated to additional licensed software modules. The total maintenance fee for July 1, 2022 through June 30, 2023 would be in an amount not to exceed \$764,480.

Staff Evaluation/Justification:

Staff recommends the Port Commission authorize payment to Navis LLC for annual maintenance services for the Marine Terminal Management Software System.

K. OPERATIONS

Subject	5. Authorize payment to Smart Tecs LLC for annual maintenance services for the Marine Terminal Gate Operating Software System for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$372,214.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, authorize payment to Smart Tecs LLC for annual maintenance services for the Marine Terminal Gate Operating Software System for Barbours Cut Terminal and Bayport Container Terminal pursuant to the current contract between Smart Tecs LLC and the Port Authority, for a one-year term beginning July 1, 2022 in an amount not to exceed \$372,214, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Operations

Staff Contact:

Jeff Davis

Background:

By Minute No. 2016-1025-26, the Port Commission awarded a contract (Contract) to Smart Tecs LLC to provide for the implementation and maintenance of a Marine Terminal Gate Operating Software for use at Bayport Container Terminal and Barbours Cut Terminal. The Marine Terminal Gate Operating Software is currently used by the Operations Department to interchange trucks and containers at these terminals. Additional funding is required for the maintenance and support period starting July 1, 2022 and ending June 30, 2023.

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

Staff Evaluation/Justification:

Staff recommends the Port Commission authorize payment to Smart Tecs LLC for annual maintenance services for the Marine Terminal Gate Operating Software System.

K. OPERATIONS

Subject	6. Authorize an amendment to a previous award to Yard Mule Specialists Texas, Inc. for the purchase of sixteen yard tractors for Barbours Cut Terminal and Bayport Container Terminal for a revised contract amount not to exceed \$2,251,045.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, amend a previous award to Yard Mule Specialists Texas, Inc. for the purchase of sixteen yard tractors for Barbours Cut Terminal and Bayport Container Terminal for a revised contract amount not to exceed \$2,251,045, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2021-1026-28, the Port Commission awarded a contract to Yard Mule Specialists Texas, Inc. (Yard Mule Specialists) in the amount of \$2,045,035 for the purchase of sixteen yard tractors for Barbours Cut Terminal and Bayport Container Terminal. The Port Authority secured funding for this purchase from the Seaport and Rail Yard Areas Emissions Reduction Program (SPRY) grant funds in the amounts of \$644,310 for ten units for Barbours Cut Terminal and \$362,868 for six units for Bayport Container Terminal.

Following the award in October, Port Authority staff engaged with Yard Mule Specialists to issue a purchase order. However, Yard Mule Specialists informed the Port Authority that it could not move forward with its original price or commit to a firm price or delivery schedule, due to issues with its third party supplier.

In May 2022, Yard Mule Specialists provided a commitment at an increased price and more extended delivery schedule. However, a purchase order has not been issued to date, pending Port Commission approval of the increased price, because in the time that has elapsed since the October 2021 award, the SPRY grant funds of \$362,868 for six units for Bayport Container Terminal expired, and are no longer available for this project.

The Port Authority currently owns sixty-eight yard tractors in operation at Barbours Cut Terminal and Bayport Container Terminal. Their median age is fifteen years. These units are used daily to move containers through the terminals, rework grounded stacks, handle rail moves and USDA/VACIS exams, and move empty containers for stakeholders. Staff recommends that a total of sixteen units be replaced, given their age and parts obsolescence.

Staff Evaluation/Justification:

Staff recommends that the Port Commission amend an award to Yard Mule Specialists Texas, Inc. and act as otherwise described above.

M. SECURITY AND EMERGENCY OPERATIONS

Subject	1. Approve two-year extensions to the current professional services contracts with Garner Environmental Services and T&T Salvage for emergency standby products and services.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, approve two-year extensions to the professional services contracts with Garner Environmental Services and T&T Salvage for emergency standby products and services for an additional two years, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:

Awards, Amendments & Change Orders

Department:

Emergency Management

Staff Contact:

Colin Rizzo

Background:

By Minute No. 2019-0423-41 the Port Commission awarded a three-year professional services contract, with an option for a two-year extension, to Garner Environmental Services and T&T Salvage for emergency standby products and services.

The contracts are for equipment and services (generators, port-a-potties, tents, pumps, equipment, cleaning etc.) needed during an emergency or crisis and purchased from a pre-negotiated price list, providing a quick way to procure equipment when the Emergency Operations Center is activated.

By competitively bidding this contract in advance of a crisis, the procurement process was streamlined, and the equipment and services are potentially reimbursable under federal disaster declaration relief programs via the Federal Emergency Management Agency (FEMA).

To date, the contract with Garner Environmental Services has been utilized to respond to emergency incidents and declared disasters including the COVID-19 pandemic and Winter Storm Uri. The professional services contract with T&T Salvage, which is mainly related to maritime salvage, has not been needed.

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve a two-year extension to the current professional services contracts with Garner Environmental Services and T&T Salvage. No additional funds are requested at this time.

Q. INFRASTRUCTURE

Subject	1. Approve revised license fees for petroleum and chemical pipeline licenses according to the attached rate schedule, effective June 1, 2022.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, approve revised license fees for petroleum and chemical pipeline licenses according to the attached rate schedule, effective June 1, 2022, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

In 2019, the Port Authority's Channel Development Operations Department researched pipeline licensing fees assessed by other public entities, and following that work, prepared a new rate schedule based on those marketplace fees. The proposed rates were disseminated to Port Authority stakeholders in August 2019 for awareness and potential comment; no comments on the proposed fees were received.

Accordingly, in September 2019, the Port Commission approved schedule proposed by staff, to take effect October 1, 2019 and adjusted annually according to the Producers Price Index, beginning in January, 2021.

The Texas Energy Coalition, a pipeline-member organization, has been in discussion with the Port Authority since August 2020 regarding the impact of those fees on licensing of the petroleum and chemical pipelines of its member companies; those discussions have now concluded.

The attached schedule reflects proposed changes to petroleum and chemical pipeline rates resulting from those discussions; other rates are generally unchanged from the January 2022 schedule.

Staff Evaluation/Justification:

The updated schedule provides the following:

- Effective June 1, the rates for petroleum and chemical pipelines for the period beginning October 2019 would be lowered by 10%. The Port Authority will make corresponding adjustments to those customer accounts.
- Beginning January 1, 2030, the rates for new petroleum and chemical pipeline licenses would be adjusted to Port Authority-determined market rates.
- Petroleum and chemical pipeline licenses would be issued for thirty year terms, with rate adjustments in year 11 and year 21.
- Those adjustments would be equal to the change in the Consumer Price Index, but not less than 2.5% or more than 6%.

Staff recommends Port Commission approve revised license fees for petroleum and chemical pipeline licenses according to the attached rate schedule, effective June 1, 2022.

FEE SCHEDULE FOR PORT OF HOUSTON AUTHORITY
LICENSES AND PERMITS
Effective June 1, 2022

I. Permits (e.g., bulkheads, moorings, docks, dredging, etc.):	
<p>Application fee (one time only) for installations on the Houston Ship Channel (HSC), tributaries to the HSC, and other Port Authority property.</p> <p>A \$2,500 deposit for "As-Built" drawings will be required at time of application. Such deposit will be refunded when as-built drawings are furnished as required in the permit, or if said project is canceled. If "As-Built" drawings have not been furnished within one year of completion of project installation, the \$2,500 deposit is forfeited to the Port Authority.</p>	\$ 675.00
II. Licenses (for Pipelines, Cable, or Transmission lines along, across, under or within railroad right-of-way, submerged lands, and other properties):	
<ul style="list-style-type: none"> • Please note: the Port Authority reserves the right to charge lease rates rather than license fees for pipelines or transmission lines on or crossing Port Authority terminals 	
<p>Application fee (term of license) in addition to fees listed below.</p> <p>A \$2,500 deposit for "As-Built" drawings will be required at time of application. Such deposit will be refunded when as-built drawings are furnished as required in the license, or if the license is canceled. If "As-Built" drawings have not been furnished within one year of completion of project installation, the \$2,500 deposit is forfeited to the Port Authority.</p>	\$ 675.00
Petroleum/Chemical*	
Under 8"	\$ 9.64 per linear foot (LF) \$ 4,772.00 minimum (min) per line and per crossing
Over 8" but not over 16" diameter	\$ 11.57 per LF \$ 5,727.00 min per line and per crossing
Over 16" but not over 32" diameter	\$ 21.21 per LF \$ 7,953.00 min per line and per crossing
Over 32" but not over 48" diameter	\$ 33.74 per LF \$ 14,316.00 min per line and per crossing
Over 48" but not over 64" diameter	\$ 46.28 per LF \$ 17,497.00 min per line and per crossing
Over 64" but not over 80" diameter	\$ 60.73 per LF \$ 20,678.00 min per line and per crossing
Over 80" but not over 96" diameter	\$ 74.23 per LF \$ 25,450.00 min per line and per crossing
96" and greater	\$ 86.76 per LF \$ 30,223.00 min per line and per crossing

*The following provisions are applicable to petroleum and chemical pipeline licenses only:

1. The rates for petroleum and chemical pipeline licenses will remain constant through December 31, 2029.
2. The rates for new petroleum and chemical pipeline licenses will be adjusted to Port Authority-determined market rates beginning January 1, 2030.
3. Petroleum and chemical pipeline licenses will be issued for thirty year terms, with rate adjustments in year 11 and year 21.
4. Those adjustments will be equal to the change in the Consumer Price Index, but not less than 2.5% or more than 6%.

Non-Petroleum / Non-Chemical (e.g. water lines, conduits, etc.)	
Under 8"	\$ 3.63 per LF \$ 1,794.00 min per line and per crossing
Over 8" but not over 16" diameter	\$ 4.99 per LF \$ 2,044.00 min per line and per crossing
Over 16" but not over 32" diameter	\$ 9.50 per LF \$ 3,928.00 min per line and per crossing
Over 32" but not over 48" diameter	\$ 15.89 per LF \$ 6,477.00 min per line and per crossing
Over 48" but not over 64" diameter	\$ 21.55 per LF \$ 7,924.00 min per line and per crossing
Over 64" but not over 80" diameter	\$ 28.57 per LF \$ 10,144.00 min per line and per crossing
Over 80" but not over 96" diameter	\$ 34.90 per LF \$ 12,366.00 min per line and per crossing
96" and greater	\$ 35.49 per LF \$ 14,590.00 min per line and per crossing
Electrical Transmission / Distribution	
12KV	\$ 3.63 per LF \$ 1,794.00 min per line and per crossing
35KV	\$ 4.21 per LF \$ 1,975.00 min per line and per crossing
69KV	\$ 4.35 per LF \$ 2,155.00 min per line and per crossing
138KV	\$ 4.73 per LF \$ 2,334.00 min per line and per crossing
345KV	\$ 5.07 per LF \$ 2,514.00 min per line and per crossing
Wooden support poles	\$ 250.00 each
Steel towers	\$ 1,000.00 each
III. Dredged Material Placement Agreements	
Application Fee	\$ 675.00 each use
Material Placement Fee (payable to the Port Authority)	\$ 4.12 per cubic yard
IV. Temporary Access License (Right-of-entry letter)	
	\$ 500.00 per letter
V. Seismic Exploration (Right-of-entry letter)	
Fee for right-of-entry	\$ 500.00 per letter
Fee for exploration	3D \$25.00 per acre 2D \$2,475.00 per mile \$ 2,475.00 minimum
Vi. Transfers, assignments, name changes, or other amendments	
	\$ 675.00 each
VII. Surface Site Licenses (e.g. valve sites, road grade crossings, pipe bridges, access)	
<ul style="list-style-type: none"> Please note: the Port Authority reserves the right to charge lease rates rather than license fees for surface sites on or crossing Port Authority terminals 	
Application Fee	\$ 675.00
License Fee	\$ 4.86 per ft ² \$ 8,016.00 minimum
VIII. Penalty for delinquent renewals	
<ul style="list-style-type: none"> Please note: It is the responsibility of the Licensee to renew its License with the Port Authority before the License expires, even if no renewal notice is received. 	
For delinquencies of 30 days or less, the greater of 5% of the License Fee or \$25.00 For delinquencies of more than 30 days, the greater of 10% of the License Fee or \$50.00	