

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
October 26, 2021

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

2021-1026-01 Approve the minutes of the September 28, 2021 Port Commission meeting

Staff Reports

2021-1026-02 Roger Guenther, Executive Director, presented a summary of selected financial and operational matters

Appearances

2021-1026-03 Chairman Campo introduced Captain Keith Donohue, U.S. Coast Guard, who addressed the Port Commission

F. Executive (not items)

G. Business Equity (no items)

H. Commercial

2021-1026-04 Chairman Campo recognized Mr. Heidt to provide a report of selected Commercial Division agenda items

2021-1026-05 Approve staff's ranking of vendors and award a fourteen-month professional service with an option for a one-year extension for media buy services to the top- ranked proposer: staff ranking – first, Love Advertising Inc.; second, BQR Advertising and Public Relations, Inc.; and third, Strike Marketing

Port Commission adopted the staff-recommended ranking and authorized award

<u>Minute No.</u>	<u>Event/Action</u>
2021-1026-06	Approve the Port Authority's 2022 membership in the Greater Houston Partnership at the Managing Partner level with associated membership fees
2021-1026-07	Approve an amendment to the lease with Cooper/Ports America, LLC for approximately 3.56 acres and an approximate 15,563 square foot warehouse at Block 8, Northside Turning Basin, to extend the term for one year, effective no earlier than January 1, 2022, at an annual base rent of approximately \$214,944.48, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index RCA H3 amended and approved by Minute Number 2021-1026-13
2021-1026-08	Approve a lease for a thirteen-month term with R. Warehousing & Port Services, Inc. for approximately 0.9 acres, including an approximate 7,700 square feet rail shed, at Block 5C, Northside Turning Basin, effective no earlier than November 1, 2021, at an annual base rent of approximately \$40,471.20, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index
2021-1026-09	Approve a lease for a five-year term with Suderman Contracting Stevedores, Inc. d/b/a Metro Ports for approximately 3.13 acres, including an approximate 44,850 square foot transit building, at Block 1B, Northside Turning Basin, effective no earlier than November 1, 2021, (i) for years one through three, at an annual base rent of approximately \$135,066, adjusted for an annual abated base rent not less than \$126,795, resulting in an annual net base rent not less than \$8,271, subject to an annual rent escalation of the greater of 3% or the increase in the Consumer Price Index, and (ii) for years four and five, at an annual base rent at the then-current stabilized lease rate, subject to an annual rent escalation of the greater of 3% or the increase in the Consumer Price Index
2021-1026-10	Approve an amendment to the lease with SESCO Terminals Corp. to (i) increase the leased premises from approximately 20,817 square feet to approximately 41,634 square feet out of the Wharf 1 warehouse located at Turning Basin West and (ii) extend the term for an additional five years, effective no earlier than November 1, 2021, at an annual base rent of approximately \$83,234, subject to annual rent escalation of the greater of 3% or the increase in the Consumer Price Index
2021-1026-11	Approve an amendment to the lease with Cooper/Ports America, LLC for approximately 5.18 acres at Block 11, Northside Turning Basin, to extend the term for three years, effective no earlier than January 1, 2022, at an annual base rent of approximately \$248,399.16, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index

<u>Minute No.</u>	<u>Event/Action</u>
2021-1026-12	Authorize the Port Authority to consent to a lease amendment between San Jacinto Community College District and LBC Houston, L.P. (LBC) in connection with the district's lease with LBC dated May 1, 2020
2021-1026-13	Approve an amendment to the lease with Gulf Winds International, Inc. to (i) add approximately 1.85 acres of land located directly adjacent to the southeast corner of its current 8.585-acre leased premises at Bayport Container Terminal, and (ii) extend the term for an additional ten years, effective no earlier than November 1, 2021, at an annual base rent of approximately \$425,445, subject to annual rent escalation of the greater of 3% or the increase in the Consumer Price Index (<i>as amended to reflect that the annual base rent as of November 1 will equal \$436,930</i>)
	I. Finance
2021-1026-14	Chairman Campo recognized Mr. Heidt to provide a report of selected Finance Division agenda items
2021-1026-15	Approve an order authorizing the sale of Port of Houston Authority of Harris County, Texas, First Lien Revenue Bonds, Series 2021 (NON-AMT), in an aggregate principal amount not to exceed \$400,000,000, a Second Supplemental Resolution and a Bond Purchase Agreement in connection therewith, and other instruments and matters incident thereto
	Appearances
2021-1026-16	Chairman Campo recognized Gladys House, CDC of Freedmen's Town, who addressed the Port Commission
	J. Infrastructure
2021-1026-17	Chairman Campo recognized Mr. Heidt to provide a report of selected Infrastructure Division agenda items
2021-1026-18	Approve staff's ranking of vendors and award a services contract for the removal of subsurface abandoned pipelines that lie within the future limits of the Houston Ship Channel Expansion Channel Improvement Project (Project 11) to the top-ranked proposer: staff ranking – first, Orion Construction, LP; second, Castle Energy Group, LLC; and third, Sunland Construction, Inc & Affiliates Port Commission adopted the staff-recommended ranking and authorized award
2021-1026-19	Award a construction contract to Resicom, Inc. for the annual concrete replacement at Turning Basin Terminal for 2021 and 2022

<u>Minute No.</u>	<u>Event/Action</u>
2021-1026-20	Amend the professional engineering and auditing services contract supporting the Houston Ship Channel Expansion Channel Improvement Project (Project 11) with Atkins North America, Inc.
2021-1026-21	Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the construction of Wharf 6 at Bayport Container Terminal
2021-1026-22	Approve a change order with Archer Western Construction, LLC to perform additional work associated with the expansion of gate facilities at Barbours Cut Terminal
2021-1026-23	Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: Chevron Phillips Chemical Company LP, Enterprise Crude Pipeline LLC, Enterprise Products Operating LLC, and Enterprise TE Products Pipeline Company LLC
2021-1026-24	Issue a transmission line license to Comcast of Houston, LLC for one fiber optic cable line under the Port Terminal Railroad Association's right-of-way on the east side of Independence Parkway South
2021-1026-25	Issue a transmission line license to Southwestern Bell Telephone Company for one fiber optic cable line and four service poles inside Gate 18 near the Southside Wharves
	J. Operations
2021-1026-26	Chairman Campo recognized Mr. Heidt to provide a report of selected Operations Division agenda items
2021-1026-27	Award a contract to All-Tech Fuel Systems, LLC for the purchase and installation of two 10,000-gallon diesel tanks for Bayport Container Terminal
2021-1026-28	Award a contract to Yard Mule Specialists Texas, Inc. for the purchase of sixteen yard tractors for Barbours Cut Terminal and Bayport Container Terminal
2021-1026-29	Approve staff's ranking of vendors and award a two-year contract for the purchase of wire ropes and related components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal to the top-ranked proposer: staff ranking – first, Bishop Lifting Products, Inc.; and second, Kennedy Wire Rope and Sling
	Port Commission adopted the staff-recommended ranking and authorized award

<u>Minute No.</u>	<u>Event/Action</u>
2021-1026-30	Award a three-year contract to Waste Corporation of Texas LP d/b/a GFL Environmental for trash disposal and recycling services for the Turning Basin Terminal, Barbours Cut Terminal, Bayport Container Terminal, Turning Basin Terminal South, and fireboat barracks
2021-1026-31	Award a contract to SAFT America, Inc., the sole source provider, for the purchase of battery modules and accessories for four hybrid rubber-tired gantry (RTG) cranes at Barbours Cut Terminal
2021-1026-32	Approve a change order with A.J. Hurt, Jr., Inc. dba Reladyne for the purchase of unleaded gasoline and ultra-low sulfur diesel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal

K. People

2021-1026-33	Chairman Campo recognized Mr. Heidt to provide a report of selected People Division agenda items
2021-1026-34	Authorize renewal of the agreement with Aetna Life Insurance Company to provide stop-loss insurance coverage for the calendar year 2022 for the Port Authority's self-funded group medical benefits program for active employees, retirees who are not Medicare-eligible, and dependents
2021-1026-35	Authorize renewal of the agreement with Aetna Life Insurance Company to provide professional third- party administration services for the Port Authority's self-funded group medical benefits program for active employees, retirees who are not Medicare-eligible, and dependents, for the calendar year 2022

L. Security and Emergency Operations

2021-1026-36	Chairman Campo recognized Mr. Heidt to provide a report of selected SEO Division agenda items
2021-1026-37	Approve the proportional purchase via League City of a Computer Aided Dispatch system, accessories, and support services from Motorola Solutions, Inc., utilizing a U.S. Communities Government Purchasing Alliance contract
2021-1026-38	Approve an agreement with the Houston Ship Channel Security District for payment of the current year (2021-2022) contribution
2021-1026-39	Approve a Memorandum of Agreement with the U.S. Coast Guard Sector Houston-Galveston concerning safe harbor for fishing vessels during storm events

Minute No.

Event/Action

M. Technology

2021-1026-40

Chairman Campo recognized Mr. Heidt to provide a report of selected Technology Division agenda items

2021-1026-41

Issue a purchase order to SHI Government Solutions, Inc. for Microsoft licensing and subscriptions using Texas Department of Information Resources cooperative purchase program, over a three-year period and authorize a three-year renewal of the Microsoft Enterprise Agreement

Recess Open Meeting and Convene Executive Session

Reconvene Open Meeting

Closing Remarks by Chairman and Commissioners

Adjourn Meeting

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

**Houston, Texas
October 26, 2021**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on October 26, 2021, 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 Creuzot, Commissioner
Stephen DonCarlos, Commissioner
Clyde Fitzgerald, Commissioner
Roy Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

Chairman Campo began his opening remarks by recognizing Port Authority staff for working diligently to move cargo. He reiterated that despite the challenges, cargo was moving – there was just a lot of it!

Chairman Campo reminded everyone that at the previous mid-month meeting, the Port Commission had approved a contract to begin construction of the first segment of Project 11, which would be an amazing part of the expansion.

Commissioner DonCarlos remarked that he had taken mayors and council members on a tour of the channel and the response from the attendees was very positive. He commended staff on their positive contributions.

Commissioner Corgey and Commissioner Creuzot echoed Commissioner DonCarlos' comments regarding staff's positive contributions.

(2021-1026-01) Chairman Campo called for a motion to approve the minutes of the September 28, 2021 Port Commission meeting. Commissioner Mease moved for approval, seconded by Commissioner Creuzot. The minutes were approved as written.

(2021-1026-02) Roger Guenther, Executive Director, presented a summary of selected operational matters.

Mr. Guenther began with an operations update.

- Multipurpose facilities
 - The Turning Basin Terminal continued to have many ships in berth.
 - General Cargo tonnage was up 31% for the year, including cement, plywood, bagged goods, etc.
 - Steel was up 27% for the year, after a slow start.
 - There was a total of 337,000 tons in September 2021 vs. 128,000 tons the previous September.
- Container terminals
 - Volume was up 16% in twenty-foot equivalent units (TEUs) through the third quarter.
 - Volume was up 11 % in September 2021.

Mr. Guenther discussed the recent supply chain disruptions that had impacted the Port Authority's container facilities. Freight continued to move through Houston, yet it was not immune to the challenges that were seen throughout the country. Demand had overwhelmed the supply chain, as imports to rebuild depleted inventory resulting from the pandemic had increased; the peak season for the holiday rush also played a factor.

Mr. Guenther explained that the previous day saw three ships at Bayport and one at Barbours Cut at anchor, and the Port Authority had anywhere from one to twelve ships in the queue at any given time over the past twelve months. The average time at anchor for the past two weeks was about 60 hours, and nine vessels had skipped Houston since September, with an additional ten planning on skipping Houston or having blank sailings through November. The carriers were citing congestion and schedule recovery as reasons for doing so.

Mr. Guenther defined terminal dwell and noted that it was up to nine days for imports and ten days for exports, whereas historically it had been three to four days. The average daily loaded import units in January of 2021 was 13,000 units, or 22,000 TEUs, while in October of the same year there were 23,000 units, or 39,000 TEUs. There was a 75% increase in import containers sitting on the terminals at any given time, with nearly half being seven days or more, and some greater than 30 days.

Mr. Guenther continued: the Port Authority had been able to mitigate significant impacts to service levels with minimal increases to truck turn times beyond the occasional spike. Labor was a challenge but working with the International Longshoremen's Association (ILA) resulted in improved gang availability: there were as many as 15 to 16 gangs during the week; weekend gang activity was slightly more limited. The availability of labor to operate rubber-tired gantry cranes had improved significantly, with the certification of 26 operators in the past few months. However, the availability of both truck drivers and chassis was still limited.

Mr. Guenther reported that the expected arrival of new ship-to-shore cranes had been pushed back to mid-January of 2022, due to labor availability delays.

Mr. Guenther concluded his remarks with an update on the proposed rate increase for Port Authority's tariffs. At the November 2021 Port Commission meeting, staff would seek approval for an increase that would be effective the following January. Container terminals would see a 5.4% increase based on the July 2021 Consumer Price Index, per the marine terminal services agreements, and non-container terminals would see a 3% increase, to be consistent with the increases of many of the Port Authority's real estate leases at the Turning Basin.

Mr. Guenther explained that the increase tied to continued expansion related to the capital plan, the Port Authority's share of Project 11, an ILA increase in wages over four of the past six years, and a flat tariff rate the previous year, due to the pandemic.

Commissioner Fitzgerald clarified that the ILA was putting out twelve gangs during the day and twelve at night, not twelve in total; about 3,000 ILA laborers were working each day. Though crane operator training during the pandemic had been a problem, operators from outside Houston had been brought in to help, and by the end of the year it was expected that a full complement of crane operators would be employed.

Mr. Guenther reiterated that as many as 15 or 16 gangs had been employed at times.

Commissioner Corgey reported that he had seen an improvement in the labor shortage as well.

Chairman Campo commented that other businesses were still having difficulties employing labor; his company was down approximately 40%.

(2021-1012-03) Chairman Campo introduced Capt. Keith Donohue, U.S. Coast Guard, who addressed the Port Commission.

Capt. Donohue appreciated the partnership between the Coast Guard and Port Authority regarding safe harbor and refuge of fishing vessels during storms. Last summer he viewed an aerial with a line of fishing vessels entering the port in advance of a tropical storm, while the deep draft vessels vacated it. He appreciated the partnership that would help put operational controls and safety measures in place to help and protect those vessels while also protecting the wharves.

(2021-1026-04) Chairman Campo recognized Mr. Heidt to provide a report of selected Commercial Division agenda items.

Mr. Heidt began with Item H1, to approve a fourteen-month contract for media buy services for advertising. Item H2 was for approval of the Port Authority's 2022 membership in the Greater Houston Partnership at the standard level, which included a seat on the board and various committees that staff belonged to.

Mr. Heidt explained that Item H3, an amendment to a lease with Gulf Winds International to add approximately 1.85 acres, needed to be amended to reflect the correct annual base, and would taken up separately following the vote on Items 1 and 2, and 4 through 9.

(2021-1026-05) RCA H1 was presented. Commissioner Corgey moved for staff's ranking of vendors - first, Love Advertising Inc.; second, BQR Advertising and Public Relations, Inc.; and third, Strike Marketing, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2021-1026-06) RCA H2 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H2 PASSED.

RCA H3 amended and approved by Minute Number 2021-1026-13.

(2021-1026-07) RCA H4 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H4 PASSED.

(2021-1026-08) RCA H5 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H5 PASSED.

(2021-1026-09) RCA H6 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H6 PASSED.

(2021-1026-10) RCA H7 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H7 PASSED.

(2021-1026-11) RCA H8 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H8 PASSED.

(2021-1026-12) RCA H9 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H9 PASSED.

Mr. Eriksson read the motion, that the proposed amendment to a lease with Gulf Winds International reflect that the annual base rent as of November 1, 2021 would be \$436,930.

(2021-1026-13) RCA H3 was presented as amended, moved by Commissioner DonCarlos, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H3 PASSED.

(2021-1026-14) Chairman Campo recognized Tim Finley, Chief Financial Officer, to provide a report of the Finance Division agenda item.

Mr. Finley explained that the item was for the approval and authorization to proceed with revenue bond issuance of \$400 million, to be used exclusively to fund the acceleration of Project 11. The item included approval of a Second Supplemental Resolution that specifically authorized the sale of the bonds, along with the distribution of an official statement to be used in connection with the sale of the bonds.

Mr. Finley reiterated that the total cost of Project 11 was estimated at \$1 billion, with the Port Authority potentially committing up to \$665 million of the total, including \$75 million for pipeline removal and relocation. The issuance of the revenue bonds was planned to produce \$400 million in proceeds, of which \$50 million was reimbursement for costs incurred on the project prior to bond issuance.

Mr. Finley stated that the \$400 million was forecast to cover the Port Authority's commitment to Project 11 and the remaining funding would come from cash generated from its operations. Additional financing might be required as early as 2023 depending on the demand for facilities.

Chairman Campo noted that the item had already been presented and passed at the Audit Committee meeting.

In response to Commissioner Fitzgerald's request for clarification about future funding, Mr. Finley explained that modeling indicated an additional need for financial support in the \$250 to \$400 million range in 2023, pending future demands at Port Authority facilities.

Mr. Finley continued: if capacity continued to grow it would signal that the Port Authority had more demand on its facilities and was generating more revenue. The Port Authority could continue to cover the funding and borrow in two to three years.

Commissioner Fitzgerald asked whether the Port Authority was already planning on needing additional money and Mr. Finley confirmed that to be correct: the ten year-plus timeline, which included additional terminals and Project 12, would require significant additional sources of funding.

Commissioner Fitzgerald stated that it sounded as if the Port Authority would be funding the first stage of Project 11 entirely, and asked if anyone else had come to the table.

Chairman Campo answered that nobody else had come to the table but pointed out that of the \$400 million, \$20 million was committed for debt service, that the Port Authority would generate over \$200 million in cash flow just in 2021, and that this meant that there was \$180 million in net cash flow. This would continue to grow over forthcoming years, putting the Port Authority in an amazingly strong financial position, and giving it financial flexibility in the future to issue more revenue bonds or use existing cash flow to expand terminals and capacity.

Chairman Campo explained that the Port Authority's TEU capacity could reach approximately seven million if everything was built out, and there was also the flexibility to issue general obligation (GO) bonds if needed: there were a lot of options moving forward.

Commissioner Fitzgerald predicted the need for additional terminals in the next three to five years, and planning for the issuance of GO bonds would need to be done well in advance.

Commissioner Cloonan thanked staff for all the work done in order to bring this item before the Port Commission.

Commissioner DonCarlos thought the Port Authority's commitment for funding was \$500 million, and questioned why Mr. Finley had reported \$665 million. Mr. Finley explained that \$500 million would pay for the completion of Segments 1 and 2; Segments 3-6 were cost shared with the federal government.

Commissioner DonCarlos suggested that he believed industry had committed to funding everything above Segment 2, or half of the entire project. Mr. Finley replied that the Port Authority was committing to the total local sponsor cost share.

Mr. Heidt emphasized that the Port Authority had received no viable plan from industry as to how it would fund its commitment. Therefore, the Port Authority needed to move forward as if it would be paying the entirety of the local share.

Mr. Eriksson added that the Project Partnership Agreement included a commitment for the Port Authority to pay its share, and the \$665 million reflected that commitment. What would unfold was an industry commitment, agreed to by the Port Commission.

Mr. Guenther stated that number included a credit for advance funding.

Chairman Campo explained that the Port Authority was required by virtue of its status as the non-federal sponsor to pay 35% of the project and also pay 100% of the Locally Preferred Plan (LPP), which pertained to Segment 1B. Industry had said multiple times that it would pay for half, but had not yet put proposals forward that made any sense.

Commissioner Mease emphasized that if industry came forward with a plan to fund its commitment, then the overall cost to the Port Authority would come down.

Chairman Campo agreed and stated that the Port Authority needed to continue to work with industry and press it to follow through on its commitment.

Commissioner Fitzgerald questioned whether it was right to pay for industry's portion. He wondered what would happen if industry did not pay.

Chairman Campo did not disagree with Commissioner Fitzgerald but did note that it was the Port Authority's obligation as the non-federal sponsor to pay for the project.

Mr. Guenther referenced the proposed user fee currently under evaluation.

Chairman Campo stated that the Port Commission had elected to table the harbor fee discussion – especially since it could not be implemented until a project was completed. The most important part of the project was the bay reach section and once completed, the next part of the project could be interesting.

Chairman Campo explained all that went into the advance design and the Port Authority's commitment to spend money up front, with no guaranty of success, in order to design the project quickly and advance the timeline. If that had not been done, completion of Project 11 would have been three years later, and while it was disappointing that industry did not write a check, it had helped politically.

Commissioner DonCarlos was in favor of the strategy but was concerned that the overall cost had grown. He wondered if the project was estimated at \$1 billion, how would Segments 3-6 get built, and Mr. Guenther answered that it would be done through cost share.

Chairman Campo emphasized that the bay reach would be built. Once Segment 3 was reached, it then became a federal appropriations project. If anyone operating terminals in the upper reach wanted the segment completed more quickly, they would have to help come up with the money. The Port Authority would have to make a decision on Segments 3-6, as it could take a long time to fund if waiting on federal appropriations, and it would be a decision the Port Authority along with industry would have to make; additional capital from industry would be needed to accelerate the project.

Commissioner Creuzot asked if the federal process could be started sooner. Rich Byrnes, Chief Infrastructure Officer, answered that the process was already underway and depended on the infrastructure bills currently in Congress, including the bipartisan infrastructure bill.

(2021-1026-15) RCA I1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I1 PASSED.

(2021-1026-16) Chairman Campo recognized Gladys House, Community Development Corporation of Freedmen's Town, who addressed the Port Commission.

Ms. House expressed concern regarding the practices and policies of the community grants program and felt the selection process appeared to be very unfair. Her organization submitted its proposal with difficulty – there never appeared to be anybody available to answer questions. She was concerned that one sector of Houston got the lion's share of the grants and hoped that the policies would be changed to be more inclusive of all the disadvantaged communities.

Chairman Campo appreciated the comments and stated that her concerns would be brought up for staff's understanding at the Community Relations Committee meeting to be held following the Port Commission meeting.

Ms. House noted that when speaking with a Port Authority staff member, she was told that the focus of the grants program was to communities directly adjacent to the port area. Her organization still submitted an application for a grant and hoped the Port Authority could address all communities, not just those in the East End of Houston.

Commissioner DonCarlos asked how many applications had been received and how many grants had been awarded.

Mr. Guenther answered that there were 63 applicants, for a total “ask” of \$2.5 million, and the Port Authority awarded twelve grants for a total of \$300,000 – 12% of what was asked for. The process was obviously very competitive, and the awards went to various communities located in Harris County.

Commissioner Mease emphasized that there were a number of cities outside of Houston that endured traffic and smog along the channel, and he wanted to see more money put into said communities.

(2021-1026-17) Chairman Campo recognized Mr. Heidt to provide a report of selected Infrastructure Division agenda items.

Mr. Heidt reported that Item J1 was to award a contract for the removal of subsurface abandoned pipelines that lay within the future limits of Project 11. The pipelines were owned by bankrupt and defunct companies, which was why the Port Authority was paying the full share.

Commissioner Mease asked if the pipelines had been abandoned completely. Mr. Heidt confirmed they had and there was nothing in them.

Commissioner Mease then stated that all that was to be done was remove the pipeline, not relocate them, and Mr. Heidt confirmed that was correct.

Mr. Byrnes explained that many of the pipelines had been partially removed already for Project 10, and now the stubs on each side were all that was left and needed to be removed.

Chairman Campo asked if the pipelines would be taken out all the way or just as far as necessary for Project 11, thus making it necessary to remove again for Project 12. Mr. Heidt answered that they were being taken out to the limits so that no further removal would be needed for the future Project 12.

Mr. Heidt explained that agenda Item J2 was to award a construction contract for the annual concrete replacement at the Turning Basin Terminal for 2021 and 2022. The previous vendor had cancelled the contract as it did not have the necessary equipment to complete the scope, and the package had therefore been rebid, this time for two years.

Finally, Mr. Heidt commented on Item J3, an amendment to a professional engineering and auditing services contract to support Project 11; the company had performed peer reviews for the design and procurement packages.

(2021-1026-18) RCA J1 was presented. Commissioner Fitzgerald moved for staff's ranking of vendors - first, Orion Construction, LP; second, Castle Energy Group, LLC; and third, Sunland Construction, Inc & Affiliates, seconded by Commissioner Corghey. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2021-1026-19) RCA J2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corghey. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2021-1026-20) RCA J3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corghey. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J3 PASSED.

(2021-1026-21) RCA J4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corghey. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J4 PASSED.

(2021-1026-22) RCA J5 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corghey. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J5 PASSED.

(2021-1026-23) RCA J6 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corghey. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J6 PASSED.

(2021-1026-24) RCA J7 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corghey. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J7 PASSED.

(2021-1026-25) RCA J8 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corghey. Chairman Campo, and Commissioners Cloonan, Corghey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J8 PASSED.

(2021-1026-26) Chairman Campo recognized Mr. Heidt to provide a report of selected Port Operations Division agenda items.

Mr. Heidt began with Item K2, an award for the purchase of sixteen Tier 4 diesel yard tractors for the Barbours Cut and Bayport Container Terminals. The purchases were part of a grant received from the Seaport and Rail Yard Areas Emissions Reduction (SPRY) Program to replace older yard tractors for those with Tier 4 engines, which would result in a 93% reduction in NOx and an 85% reduction in particulate matter. This grant requires that replacement units be diesel powered.

Mr. Heidt then explained Item K4 which was a contract for trash disposal and recycling services for all Port Authority terminals and buildings. The Port Authority recycled approximately 75,000 tons of materials in 2020.

Chairman Campo queried as to whether electric yard mules were available for purchase, and Mr. Heidt responded that they were, and cost approximately \$500,000.

Mr. Guenther added that the Port Authority currently owned one electric yard mule and that more grants were expected to be available in the future for electric ones.

Commissioner Fitzgerald asked if yard mules could run on liquid natural gas, and Mr. Guenther answered that it was not economical.

Chairman Campo reminded the attendees that Project 11 had been delayed by three months in order to incorporate cleaner technology.

Mr. Byrnes added that the grant contributed to NOx reductions at the Port Authority.

(2021-1026-27) RCA K1 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2021-1026-28) RCA K2 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2021-1026-29) RCA K3 was presented. Commissioner Mease moved for staff's ranking of vendors - first, Bishop Lifting Products, Inc.; and second, Kennedy Wire Rope and Sling, seconded by Commissioner DonCarlos. Chairman Campo, and

Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K3 PASSED.

(2021-1026-30) RCA K4 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K4 PASSED.

(2021-1026-31) RCA K5 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K5 PASSED.

(2021-1026-32) RCA K6 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K6 PASSED.

(2021-1026-33) Chairman Campo recognized Mr. Heidt to provide a report of selected People Division agenda items.

Mr. Heidt stated that Item L1 was to renew the Port Authority's stop-loss insurance coverage for the calendar year 2022, for its self-funded group medical benefits program for active employees, retirees who were not Medicare-eligible, and dependents. This was the excess insurance to cover any individual claim over \$175,000 and the aggregate of all claims that reached 120% of Aetna's claim level.

Mr. Heidt moved to Item L2, to renew the agreement to provide professional third-party administration services for the Port Authority's self-funded group medical benefits program for active employees, retirees who were not Medicare-eligible, and dependents. This was for the handling of all transactions in terms of paying doctors, hospitals, etc.

(2021-1026-34) RCA L1 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2021-1026-35) RCA L2 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan,

Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L2 PASSED.

(2021-1026-36) Chairman Campo recognized Mr. Heidt to provide a report of selected Security and Emergency Operations Division agenda items.

Mr. Heidt remarked that agenda Item M1 was for the proportional purchase via League City of a computer-aided dispatch (CAD) system. The Port Authority joined League City's CAD system in 2015; it was currently going through an upgrade. Item M2 pertained to the annual agreement with Houston Ship Channel Security District for membership fees, while M3 related to Capt. Donohue's remarks earlier in the meeting, regarding a Memorandum of Agreement with the Coast Guard to provide safe harbor for fishing vessels during storm events.

(2021-1026-37) RCA M1 was presented, moved by Commissioner Mease, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2021-1026-38) RCA M2 was presented, moved by Commissioner Mease, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M2 PASSED.

(2021-1026-39) RCA M3 was presented, moved by Commissioner Mease, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M3 PASSED.

(2021-1026-40) Chairman Campo recognized Mr. Heidt to provide a report of selected Technology Division agenda items.

Mr. Heidt concluded the RCAs with Item N1, a purchase order for Microsoft licensing and subscriptions, using the Texas Department of Information Resources cooperative purchase program, and to authorize the renewal of the Microsoft Enterprise Agreement.

(2021-1026-41) RCA N1 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA N1 PASSED.

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

It is now 10:20 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*); deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including disposition of Bayport Terminal vicinity 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 11:00 a.m., Chairman Campo reconvened the open meeting with the following Commissioners, staff, and counsel in attendance:

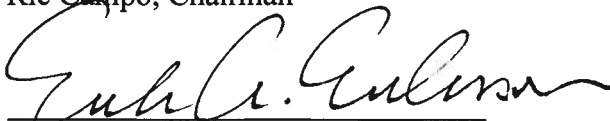
Ric Campo, Chairman
Wendy Cloonan, Commissioner
Dean Corgey, Commissioner
Cheryl Creuzot, Commissioner
Stephen DonCarlos, Commissioner
Clyde Fitzgerald, Commissioner
Roy Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
Tom Heidt, Chief Operating Officer
J. Kent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

At 11:01 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the October 26, 2021 meeting of the Port Commission of the Port of Houston Authority.



Ric Campo, Chairman



Erik A. Eriksson, Secretary

H. COMMERCIAL

Subject	1. Approve staff's ranking of vendors and award a fourteen-month professional service contract in an amount not to exceed \$550,000 with an option for a one-year extension for media buy services to the top-ranked proposer: staff ranking – first, Love Advertising Inc.; second, BQR Advertising and Public Relations, Inc.; and third, Strike Marketing.
Meeting	Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 26, 2021 meeting: <ul style="list-style-type: none"> (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Love Advertising Inc.; second, BQR Advertising and Public Relations, Inc.; and third, Strike Marketing; (b) award a fourteen-month professional service contract with an option for a one-year extension to the top-ranked proposer for media buy services in the amount not to exceed \$550,000; (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	<p>STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)</p> <p>Strategic Objective 3c. - Engage in proactive two-way communication</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:

Awards, Amendments & Change Orders

Department:

Commercial

Staff Contact:

Christine Abbruscato

Background:

The Port Authority's strategic plan is, in part, to grow and diversify the business base, create greater value for the region by supporting sustainable growth of Port Houston and the greater port, and develop and strengthen external relationships with our stakeholders through proactive two-way communication. To assist with achieving these goals and objectives, the Commercial Division seeks to purchase media buy services. As part of this effort, the Port Authority solicited requests for proposals (RFP) for media buy services to identify media channels and advertise in local, regional, and national markets.

The media buy services are expected to support efforts to communicate the Port Authority's message and brand to its various audiences and enhance the Commercial Division's ability to promote the Port Authority. The media buy services are expected to include, but are not limited to, the following:

- Advertising strategy services;

- Advertising media buy services in local, regional, and national markets to increase brand awareness, lease properties, inform others about major projects, generate cost-effective, quality customer inquiries, and assist other goals related to the Port Authority's business and community efforts;
- Account management for all media buy projects; and
- Provision of supporting data on all purchases of media and associated tracking.

The Port Authority notified vendors regarding its request for 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. Thirteen vendors downloaded the project materials from Buyspeed.

Staff Evaluation/Justification:

On September 15, 2021, ten RFP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFQ. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required services:

- Love Advertising Inc.
- BQR Advertising and Public Relations, Inc.
- The Pogge Marketing Group, Inc. d/b/a Strike Marketing

Love Advertising's commission is 12% of the total buy amount. Thus, the majority of the funding would go directly to advertising, paid via Love Advertising.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Love Advertising for media buy services and to act as otherwise described above.

H. COMMERCIAL

Subject **2. Approve the Port Authority's 2022 membership in the Greater Houston Partnership at the Managing Partner level with associated membership fees in an amount not to exceed \$60,000.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve the Port Authority's 2022 membership in the Greater Houston Partnership at the Managing Partner level with associated membership fees in an amount not to exceed \$60,000, and further authorize the Executive Director to do any and all the things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)
STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)

Category:

Awards, Amendments, & Change Orders

Department:

Economic Development

Staff Contact:

Shane Williams

Background:

By Minute No. 2021-0323-08, the Port Commission approved the Port Authority's 2021 membership in the Greater Houston Partnership (GHP) at the Managing Partner level with associated membership fees in an amount not to exceed \$60,000.

Staff Evaluation/Justification:

The GHP is the leading advocacy group for Houston's regional business community and the City of Houston chamber of commerce and World Trade Center. The Port Authority is committed to developing our region's economy and is in support of GHP's economic development efforts. To maintain the Port Authority's leadership position and working relationship with GHP, staff recommends that the Port Authority continue its membership investment at the Managing Partner level.

Benefits of the Managing Partner level membership include nomination to the GHP Board of Directors, eligibility to participate in ten GHP Committees, the Steering Committee, up to four Advisory Committees, and premier table placement at sponsored events.

Staff recommends that the Port Commission approve membership for the Port Authority's 2022 membership in the GHP.

H. COMMERCIAL

Subject **3. Approve an amendment to the lease with Gulf Winds International, Inc. to (i) add approximately 1.85 acres of land located directly adjacent to the southeast corner of its current 8.585-acre leased premises at Bayport Container Terminal, and (ii) extend the term for an additional ten years, effective no earlier than November 1, 2021, at an annual base rent of approximately \$425,445, subject to annual rent escalation of the greater of 3% or the increase in the Consumer Price Index.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve an amendment to the lease with Gulf Winds International, Inc. to (i) add approximately 1.85 acres land located directly adjacent to the southeast corner of its current 8.585-acre leased premises at Bayport Container Terminal, and (ii) extend the term for an additional ten years, effective no earlier than November 1, 2021, at an annual base rent of approximately \$425,445, 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 STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)
 STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)
 STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

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 Gulf Winds International, Inc. (Gulf Winds) for approximately 8.585 acres, including a non-exclusive entrance and non-exclusive roadway, on the south side of Port Road adjacent to Old Highway 146 at 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 the operation of a small mobile office building.

Gulf Winds has requested the additional acreage for the development and expansion of its operations. The current 8.585-acre rent rate is based on improved (stabilized and fenced) acreage at \$3,718.37 per acre per month subject to annual rent escalations of the greater of 3% or the increase in the Consumer Price Index beginning from lease's expected commencement date of November 1, 2018. The additional 1.85-acres rent rate would be based on unimproved acreage at approximately \$1,919 per acre per month. Total monthly base rent would be subject to the same annual rent escalation terms.

Gulf Winds is also requesting a right-of-first refusal (ROFR) for approximately 8.92 acres of land adjacent to the south and southwest boundary of its current leased premises. This ROFR is supported by our Operations Division as Gulf Winds would clear, grub, and stabilize any amended acreage to its leased premises and its

operations supports and is aligned with the overall Bayport Container Terminal expansion plans. The lease would provide the Port Authority the right to terminate the lease and Gulf Winds' rights under the lease by giving Gulf Winds at least 60 days prior written notice of such termination.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the proposed lease amendment to add approximately 1.85 acres of land to the current 8.585-acre Leased Premises and extend the term for an additional ten years.

H. COMMERCIAL

Subject	4. Approve an amendment to the lease with Cooper/Ports America, LLC for approximately 3.56 acres and an approximate 15,563 square foot warehouse at Block 8, Northside Turning Basin, to extend the term for one year, effective no earlier than January 1, 2022, at an annual base rent of approximately \$214,944.48, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index.
Meeting	Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 26, 2021 meeting, approve an amendment to the lease with Cooper/Ports America, LLC for approximately 3.56 acres with an approximate 15,563 square foot warehouse at Block 8, Northside Turning Basin, to extend the term for one year, effective no earlier than January 1, 2022, at an annual base rent of approximately \$214,944.48, 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	STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships) STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region) STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

By Minute No. 2019-1211-22, the Port Commission authorized a one-year lease with a one-year mutual lease extension option with Cooper/Ports America, LLC for approximately 3.56 acres with an approximate 15,563 square foot warehouse at Block 8, Northside Turning Basin. The property is used for maintenance, storage, and repair of mechanical equipment.

On January 12, 2021, the one-year mutual lease extension option was granted by the Port Authority to Cooper Ports America, LLC to extend the lease for a period from January 1, 2021 through December 31, 2021.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the proposed lease amendment and extension.

H. COMMERCIAL

Subject	5. Approve a lease for a thirteen-month term with R. Warehousing & Port Services, Inc. for approximately 0.9 acres, including an approximate 7,700 square foot rail shed, at Block 5C, Northside Turning Basin, effective no earlier than November 1, 2021, at an annual base rent of approximately \$40,471.20, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index.
Meeting	Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 26, 2021 meeting, approve a lease for a thirteen-month term with R. Warehousing & Port Services, Inc. for approximately 0.9 acres, including an approximate 7,700 square foot rail shed, at Block 5C, Northside Turning Basin, effective no earlier than November 1, 2021, at an annual base rent of approximately \$40,471.20, 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 #4 - STEWARDSHIP (Create Greater Value for the Region)</p> <p>STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)</p> <p>STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)</p>

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

R. Warehousing & Port Services, Inc. has requested that the Port Authority lease it approximately 0.9 acres, including an approximate 7,700 square foot rail shed, at Block 5C, Northside Turning Basin for a thirteen-month term. On September 10, 2021, R. Warehousing & Port Services, Inc. began leasing this property from the Port Authority under a month-to-month lease. R. Warehousing & Port Services, Inc. has requested the lease move from a month-to-month lease to a thirteen-month term lease. R. Warehousing & Port Services, Inc. has been using and plans to continue to use this property for storing and handling steel products and general cargo.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the proposed lease with R. Warehousing & Port Services, Inc. under the terms described above.

H. COMMERCIAL

Subject **6. Approve a lease for a five-year term with Suderman Contracting Stevedores, Inc. d/b/a Metro Ports for approximately 3.13 acres, including an approximate 44,850 square foot transit building, at Block 1B, Northside Turning Basin, effective no earlier than November 1, 2021, (i) for years one through three, at an annual base rent of approximately \$135,066, adjusted for an annual abated base rent not less than \$126,795, resulting in an annual net base rent not less than \$8,271, subject to an annual rent escalation of the greater of 3% or the increase in the Consumer Price Index, and (ii) for years four and five, at an annual base rent at the then-current stabilized lease rate, subject to an annual rent escalation of the greater of 3% or the increase in the Consumer Price Index.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve a lease for a five-year term with Suderman Contracting Stevedores, Inc. d/b/a Metro Ports for approximately 3.13 acres, including an approximate 44,850 square foot transit building, at Block 1B, Northside Turning Basin, effective no earlier than November 1, 2021, (i) for years one through three, at an annual base rent of approximately \$135,066, adjusted for an annual abated base rent not to less than \$126,795, resulting in an annual net base rent not less than \$8,271, subject to an annual rent escalation of the greater of 3% or the increase in the Consumer Price Index, and (ii) for years four and five, at an annual base rent at the then-current stabilized lease rate, subject to an 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 [STRATEGIC GOAL #4 - STEWARDSHIP \(Create Greater Value for the Region\)](#)
[STRATEGIC GOAL #2 - INFRASTRUCTURE \(Optimize Infrastructure and Channel Capacity to Serve the Region\)](#)

Category:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

Background:

Suderman Contracting Stevedores, Inc. d/b/a Metro Ports has requested that the Port Authority lease it approximately 3.13 acres, including an approximate 44,850 square foot transit building, at Block 1B, Northside Turning Basin for a five-year term. Metro Ports plans to use the property for handling and storing bulk commodities.

Metro Ports plans to complete substantial improvements to the property, including a new floor in the 44,850 square foot transit building. Accordingly, Metro Ports has requested an abated base rent in a total amount not to exceed \$380,385 for years one through three of the lease. The proposed abated based rent is based on a negotiated abated rate due to the Port Authority-validated cost of the improvements and related work that Metro Ports plans to complete on the property, including transit building improvements. After year three of the lease, Metro Ports would pay the annual base rent at the then-current stabilized lease rate for years four and five. The annual base rent would begin escalating 3% starting in year two through year five.

At the end of the term, Metro Ports would surrender the property with the improvements and investments that have been made to the property.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the proposed lease with Suderman Contracting Stevedores, Inc. d/b/a Metro Ports under the terms described above.

H. COMMERCIAL

Subject **7. Approve an amendment to the lease with Sesco Terminals Corp. to (i) increase the leased premises from approximately 20,817 square feet to approximately 41,634 square feet out of the Wharf 1 warehouse located at Turning Basin West and (ii) extend the term for an additional five years, effective no earlier than November 1, 2021, at an annual base rent of approximately \$83,234, subject to annual rent escalation of the greater of 3% or the increase in the Consumer Price Index.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve an amendment to the lease with Sesco Terminals Corp. to (i) increase the leased premises from approximately 20,817 square feet to approximately 41,634 square feet out of the Wharf 1 warehouse located at Turning Basin West and (ii) extend the term for an additional five years, effective no earlier than November 1, 2021, at an annual base rent of approximately \$83,234, 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 STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)
 STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

By Minute No. 2021-0223-07, the Port Commission authorized a one-year lease with Sesco Terminals Corp. for approximately 20,817 square feet out of Wharf 1 warehouse located at Turning Basin West in Harris County, Texas. The warehouse is used for storage, primarily of cement in super sacks or other bagged cement.

Under the current lease, Sesco Terminals Corp. is leasing approximately half of the Wharf 1 warehouse (20,817 square feet) and is now requesting the Port Authority lease it the remainder of the Wharf 1 warehouse space for the same use, and to extend the term for an additional five years.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the proposed lease amendment to (i) increase the leased premises from approximately 20,817 square feet to approximately 41,634 square feet out of the Wharf 1 warehouse and (ii) extend the term for an additional five years.

H. COMMERCIAL

Subject **8. Approve an amendment to the lease with Cooper/Ports America, LLC for approximately 5.18 acres at Block 11, Northside Turning Basin, to extend the term for three years, effective no earlier than January 1, 2022, at an annual base rent of approximately \$248,399.16, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve an amendment to the lease with Cooper/Ports America, LLC for approximately 5.18 acres at Block 11, Northside Turning Basin, to extend the term for three years, effective no earlier than January 1, 2022, at an annual base rent of approximately \$248,399.16 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 STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)
Strategic Objective 2b. - Drive development of landside infrastructure and inland distribution networks
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. 2019-1211-21, the Port Commission authorized a one-year lease with a one-year mutual lease extension option with Cooper/Ports America, LLC for approximately 5.18 acres at Block 11, Northside Turning Basin. The property is used for storage and handling of steel products and general cargo originating from or departing via the Port Authority's wharves.

On January 12, 2021, the mutual one-year lease extension option was granted by the Port Authority to Cooper/Ports America, LLC to extend its lease for a period from January 1, 2021, through December 31, 2021.

Staff Evaluation/Justification:
Staff recommends the Port Commission approve the proposed lease amendment and extension.

H. COMMERCIAL

Subject	9. Authorize the Port Authority to consent to a lease amendment between San Jacinto Community College District and LBC Houston, L.P. (LBC) in connection with the district's lease with LBC dated May 1, 2020.
Meeting	Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 26, 2021 meeting, authorize the Port Authority to consent to a lease amendment between San Jacinto Community College District and LBC Houston, L.P. (LBC) in connection with the district's lease with LBC dated May 1, 2020, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	<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 #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)</p>

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

At the February 2016 Port Commission meeting, the Port Commission authorized the Port Authority to enter into a lease with LBC Houston, L.P. (LBC), for approximately 16.3 acres out of the north side of the Bayport Turning Basin for a fifty-year term, with an initial lease payment of \$4 million, and additional annual base rent payments of \$41,815 due at the first of each year, with annual rent escalation of the greater of 2% or the increase in the Consumer Price Index. Additionally, the lease terms included (i) a minimum annual guaranteed throughput commitment of \$600,000 beginning on the operation's commencement date, (ii) the Port Authority's consent to LBC's sublease of approximately 8.3 acres, containing the liquid bulk dock, to Seabrook Logistics LLC, and (iii) the Port Authority's consent to a sublease (SJCCD Sublease) of any residual unused portion of the 16.3-acre property (which has been determined to be approximately 8 acres of the north portion of the leased premises) to San Jacinto Community College District (SJCCD).

Pursuant to the 2016 lease, LBC constructed a portion of the LBC dock improvements (to belong to the Port Authority at the expiration of the 2016 lease). These dock improvements extend and encroach onto .1818 acres owned by SJCCD, which LBC now leases from SJCCD.

The proposed amendment to the .1818 acre lease would clarify the Port Authority's rights with respect to the LBC dock improvements encroaching onto the .1818-acre tract. Additionally, this amendment would provide that if certain events trigger the termination of the SJCCD Sublease, and if SJCCD has constructed improvements on the SJCCD Sublease premises, then the Port Authority as landlord and SJCCD as tenant would either (a) enter into a new lease for the subleased premises under the same terms and conditions of the existing SJCCD Sublease, or (b) the Port Authority would pay to SJCCD the value of those improvements based on an appraisal performed for that purpose.

Staff Evaluation/Justification:

Staff recommends the Port Commission authorize the Port Authority to consent to the proposed lease amendment between SJCCD and LBC under the terms described above.

I. FINANCE

Subject **1. Approve an order authorizing the sale of Port of Houston Authority of Harris County, Texas, First Lien Revenue Bonds, Series 2021 (NON-AMT), in an aggregate principal amount not to exceed \$400,000,000, a Second Supplemental Resolution and a Bond Purchase Agreement in connection therewith, and other instruments and matters incident thereto.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve an order authorizing the sale of Port of Houston Authority of Harris County, Texas, First Lien Revenue Bonds, Series 2021 (NON-AMT), in an aggregate principal amount not to exceed \$400,000,000, confirming the terms and form thereof; confirming the payment of the principal thereof and interest thereon; authorizing a Second Supplemental Resolution, a Bond Purchase Agreement, and other instruments in connection therewith, and the preparation and distribution of an official statement to be used in connection with the sale of the bonds; and making other provisions regarding such bonds, including use of the proceeds thereof, and matters incident thereto, 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 Houston Ship Channel Expansion Channel Improvement Project (Project 11) is the result of the Port Authority's multi-year collaboration with the federal government, including the U.S. Army Corps of Engineers, Houston Ship Channel stakeholders, and many others. The improvements planned for Project 11 include widening the channel by 170 feet along its Galveston Bay reach, from 530 feet to 700 feet, other widening upstream, deepening upstream segments up to 46.5 feet, safety and efficiency improvements, and new environmental features.

The Port Authority proposes to issue revenue bonds (Bonds) to pay for a portion of the Port Authority's share of the costs of the design, construction, property acquisition, and equipment for Project 11, and the costs of issuance of the Bonds.

The Bonds would be designated as First Lien Obligations under the Master Resolution adopted by the Port Authority on September 28, 2021 and would be issued pursuant to the Second Supplemental Resolution. The Bonds would be secured by a first lien on the Net Revenues of the Port Authority and the First Lien Debt Service Fund and the applicable account of the First Lien Debt Service Reserve Fund, all as defined and provided in the Second Supplemental Resolution.

The Port Authority has planned for the construction of Project 11 and prepared liquidity projections for the level of expected investment in the construction project. The substantial level of capital investment requires issuance of revenue bonds as a source of funding. Revenue bond issuance also avoids the potential for impairment of other operating equipment and infrastructure capital investments. Liquidity projections show

the need to issue revenue bonds in 2022, or possibly earlier, depending on the financial market environment, requiring preparation for issuance to begin in 2021.

The Port Authority last issued revenue bonds in 2002 (pass-through funding which has since been retired) and also last issued unlimited tax (GO) port improvement bonds for new funding in 2010.

Staff Evaluation/Justification:

By Minute No. 2021-0720-10, the Port Commission: authorized the Port Authority to (a) plan and prepare for the future issuance of revenue bonds for long-term financing to fund a portion of the Port Authority's share of Project 11 construction costs; (b) appoint PFM Financial Advisors, LLC as financial advisor, and Siebert Williams Shank & Co., LLC (senior manager), Academy Securities, Inc., Morgan Stanley, Raymond James & Associates, Inc., and RBC Capital Markets, LLC as underwriters, to assist in the bond issuance; (c) appoint Orrick, Herrington & Sutcliffe LLP as bond counsel, West and Associates, L.L.P. as co-bond counsel, Bracewell LLP as disclosure counsel, and Hardwick Law Firm, LLC as co-disclosure counsel; and (d) prepare documentation authorizing the issuance of revenue bonds.

The Master Resolution adopted by the Port Commission by Minute No. 2021-0928-15 authorized financing systems, that included the issuance of revenue bonds secured by a first lien on available net revenues generated by the Port Authority.

To provide initial funding and liquidity for portions of Project 11 costs, the Audit Committee and staff recommends that the Port Commission authorize various additional actions relating thereto as describe herein, including approval of an order authorizing sale of Port of Houston Authority of Harris County, Texas, Unlimited First Lien Revenue Bonds, Series 2021 (Non-AMT).

J. INFRASTRUCTURE

Subject 1. Approve staff's ranking of vendors and award a services contract in an amount not to exceed \$4,085,500 for the removal of subsurface abandoned pipelines that lie within the future limits of the Houston Ship Channel Expansion Channel Improvement Project (Project 11) to the top-ranked proposer: staff ranking – first, Orion Construction, LP; second, Castle Energy Group, LLC; and third, Sunland Construction, Inc & Affiliates.

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting:

- (a) approve staff's ranking of vendors that offer the best value to the Port Authority, based on the selection criteria, in the following order – first, Orion Construction, LP; second, Castle Energy Group, LLC; and third, Sunland Construction, Inc & Affiliates.
- (b) award a services contract to Orion Construction, LP for the removal of subsurface abandoned pipelines that lie within the future limits of the Houston Ship Channel Expansion Channel Improvement Project and removal of a section of debris along the north shoreline of the Bayport Ship Channel in an amount not to exceed \$4,085,500;
- (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
- (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:

Channel Improvement

Staff Contact:

Lori Brownell

Background:

The proposed project consists of the removal of subsurface abandoned pipelines located in four zones that lie within the future limits of the Houston Ship Channel Expansion Channel Improvement Project (Project 11) and removal of a section of debris along the north shoreline of the Bayport Ship Channel.

The Port Authority notified vendors regarding its request for competitive sealed proposals (CSPs) for the pipeline removal project, 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 September 15, 2021, four CSPs were reviewed and opened; one proposal was deemed non-responsive. 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 offering the best value to provide the required services:

- Orion Construction, LP
- Castle Energy Group, LLC
- Sunland Construction, Inc & Affiliates

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

J. INFRASTRUCTURE

Subject **2. Award a construction contract to Resicom, Inc. for the annual concrete replacement at Turning Basin Terminal for 2021 and 2022 in an amount not to exceed \$1,700,000.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, award a construction contract to Resicom, Inc. for the annual concrete replacement at Turning Basin Terminal for 2021 and 2022 in an amount not to exceed \$1,700,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This project consists of the removal and replacement of damaged and deteriorated existing concrete within Turning Basin Terminal during 2021 and 2022.

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. Fifteen vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On September 22, 2021, three CSBs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published criteria.

Staff recommends that the Port Authority award a contract to Resicom, Inc., the responsible bidder submitting the lowest and best bid, for the annual concrete replacement at Turning Basin Terminal for 2021 and 2022.

J. INFRASTRUCTURE

Subject **3. Amend the professional engineering and auditing services contract supporting the Houston Ship Channel Expansion Channel Improvement Project (Project 11) with Atkins North America, Inc. in an amount not to exceed of \$650,000.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, authorize the Port Authority to amend the professional engineering and auditing services contract supporting the Houston Ship Channel Expansion Channel Improvement Project (Project 11) with Atkins North America, Inc. in an amount not to exceed \$650,000 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:

Channel Improvement

Staff Contact:

Lori S Brownell

Background:

By Minute Nos. 2020-0428-39, 2020-0730-27, and 2020-1027-18 the Port Commission approved contracts totaling \$1,896,600 with Atkins North America, Inc. and \$200,000 with Freese and Nichols, Inc., for each firm to provide professional engineering and auditing services to support the Houston Ship Channel Expansion Channel Improvement Project (Project 11) on an as-needed basis.

Atkins North America, Inc. is currently under contract to perform auditing services for Project 10 (the Houston Galveston Navigation Channel) and the now-completed Project 11 feasibility study and perform a peer review for the design package submittals.

With the award of the first Project 11 construction contract, additional support is required to assure proper crediting by the U.S. Army Corps of Engineers (USACE) for Port Authority construction contracts, including Bolivar Roads to Redfish/Segment 1A, the first segment moving forward.

Staff Evaluation/Justification:

An additional total not to exceed amount of \$650,000 is requested for engineering and auditing services to be performed by Atkins North America, Inc. for Project 11. Federal policy requires that construction implementation provided by the local sponsor be consistent with the planning, engineering, and designs (PED) previously approved by the USACE and the Project Partnership Agreement the Port Authority entered into with the USACE. The funding request herein would supplement Port Authority staff to execute the highly complex project and ensure proper crediting with the USACE.

Staff recommends the Port Commission approve this additional funding for Atkins North America, Inc.

J. INFRASTRUCTURE

Subject **4. 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 \$744,381.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 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 \$744,381, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 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 second change order to this contract for a total change order value to date of \$769,194.12, 0.90% of the total contract value.

This change order is created to accommodate for quantity adjustments and unplanned below-grade demolition, that was not part of the project scope.

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 **5. Approve a change order with Archer Western Construction, LLC to perform additional work associated with the expansion of gate facilities at Barbours Cut Terminal in an amount not to exceed \$187,798.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, authorize a change order with McCarthy Building Companies, Inc. to perform additional work associated with the expansion of gate facilities at Barbours Cut Terminal in an amount not to exceed \$187,798, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

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

This change order for \$187,798 is the fifth change order to this contract, for a total change order value to date of \$111,826, which represents an increase of 0.28% of the total contract value.

The change order proposed by the contractor includes the following items:

- Placing and re-purposing excess excavation material from Barbours Cut Terminal to Bayport South to support future development
- Interior modifications to the TWIC security building
- Additional conduit and cabling for electrical and communications required for third party vendor's optical character recognition equipment
- Updated fiber termination type to align with current Port Authority standards
- Additional ladder platforms for lane kiosks

Staff Evaluation/Justification:

Staff has reviewed Archer Western Construction, LLC's proposal and found it to be fair and reasonable and recommends that the Port Commission authorize this change order.

J. INFRASTRUCTURE

Subject **6. Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: Chevron Phillips Chemical Company LP, Enterprise Crude Pipeline LLC, Enterprise Products Operating LLC, and Enterprise TE Products Pipeline Company LLC.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, authorize the Port Authority to approve the renewal of the following expiring licenses for new ten-year terms: Chevron Phillips Chemical Company LP, Enterprise Crude Pipeline LLC, Enterprise Products Operating LLC, and Enterprise TE Products Pipeline Company LLC, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

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

Company	File No.	License Fee
Chevron Phillips Chemical Company LP	2001-0346	\$56,067
Enterprise Crude Pipeline LLC	2011-0363	\$23,321
Enterprise Products Operating LLC	2015-0120	\$15,906
Enterprise TE Products Pipeline Company LLC	2001-0180	\$12,726
Enterprise TE Products Pipeline Company LLC	2001-0410	\$6,363
Total		\$114,383

Staff Evaluation/Justification:

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

Staff recommends approval.

J. INFRASTRUCTURE

Subject **7. Issue a transmission line license to Comcast of Houston, LLC for one fiber optic cable line under the Port Terminal Railroad Association's right-of-way on the east side of Independence Parkway South.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, authorize the Port Authority to issue a transmission line license to Comcast of Houston, LLC for one fiber optic cable line under the Port Terminal Railroad Association's right-of-way on the east side of Independence Parkway South, 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:

Comcast of Houston, LLC, Port Authority File No. 2021-0292, has applied for a transmission line license for one fiber optic cable line under the Port Terminal Railroad Association's right-of-way on the east side of Independence Parkway South, in the Arthur McCormick Survey, A-46.

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 \$1,709. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

J. INFRASTRUCTURE

Subject **8. Issue a transmission line license to Southwestern Bell Telephone Company for one fiber optic cable line and four service poles inside Gate 18 near the Southside Wharves.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, authorize the Port Authority to issue a transmission line license to Southwestern Bell Telephone Company for one fiber optic cable line and four service poles inside Gate 18 near the Southside Wharves, 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:

Southwestern Bell Telephone Company, Port Authority File No. 2021-0283, has applied for a transmission line license for one fiber optic cable line under and four service poles inside Gate 18 near the Southside Wharves, in the John R. Harris Survey, A-27.

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 \$2,709. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

K. OPERATIONS

Subject	1. Award a contract to All-Tech Fuel Systems, LLC for the purchase and installation of two 10,000-gallon diesel tanks for Bayport Container Terminal in an amount not to exceed \$357,710.
Meeting	Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 26, 2021 meeting, award a contract to All-Tech Fuel Systems, LLC for the purchase and installation of two 10,000-gallon diesel tanks for Bayport Container Terminal in an amount not to exceed \$357,710, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns two 10,000-gallon fuel tanks at Bayport Container Terminal; one is used for unleaded gasoline and the other for diesel. A total of twenty-four yard tractors, sixty-six rubber-tyred gantry cranes, and other terminal equipment operate daily in this facility, and their fuel consumption totals over 2,500 gallons of diesel per day, requiring frequent deliveries. The new diesel fuel tanks would be 10,000 gallons each, resulting in a total storage capacity of 30,000 gallons of diesel. This would provide adequate buffer in the event of late deliveries.

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

Staff Evaluation/Justification:

On September 22, 2021, one response was received and opened. 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 Authority award a contract to All-Tech Fuel Systems, LLC and act as otherwise described above.

K. OPERATIONS

Subject **2. Award a contract to Yard Mule Specialists Texas, Inc. for the purchase of sixteen yard tractors for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$2,045,035.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, award a contract to Yard Mule Specialists Texas, Inc. for the purchase of sixteen yard tractors for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$2,045,035, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns 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.

For this purchase, the Port Authority secured funding from the Seaport and Rail Yard Areas Emission Reduction Program (SPRY) in the amounts of \$644,310 for ten units for Barbours Cut Terminal and \$362,868 for six units for Bayport Container Terminal. This grant requires that replacement units be diesel powered.

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

Staff Evaluation/Justification:

On September 22, 2021, six RFP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Five responses were deemed non-responsive.

Following staff Executive Committee review, staff recommends that the Port Authority award a contract to Yard Mule Specialists Texas, Inc. and act as otherwise described above.

K. OPERATIONS

Subject	3. Approve staff's ranking of vendors and award a two-year contract in an amount not to exceed \$1,500,000 for the purchase of wire ropes and related components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal to the top-ranked proposer: staff ranking – first, Bishop Lifting Products, Inc.; and second, Kennedy Wire Rope and Sling.
Meeting	Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 26, 2021 meeting: <ul style="list-style-type: none"> (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Bishop Lifting Products, Inc.; and second, Kennedy Wire Rope and Sling; (b) award a two-year contract to the top-ranked proposer for the purchase of wire rope and related components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$1,500,000; (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. 2019-0924-47, the Port Commission awarded a two-year contract to Bishop Lifting Products, Inc. in the amount not to exceed \$1,600,000 for the purchase of wire rope and related components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. This contract expired on September 30, 2021. Wire rope is primarily used for hoist, trolley, and boom functions on the Port Authority's twenty-five wharf cranes and one hundred and sixteen rubber-tyred gantry (RTG) cranes as well as other lifting equipment. Additionally, six wharf cranes are expected to arrive at Bayport Container Terminal during this contract term.

An adequate inventory of different sizes of wire rope is necessary to service equipment efficiently, minimize equipment downtime, and ensure efficient terminal operations.

The Port Authority notified vendors regarding its request for competitive sealed proposals (CSP) for the purchase of wire ropes and related components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basing Terminal using the Port Authority's BuySpeed Eprocurement System, and the project was advertised on the Port Authority's website and in a local newspaper. Twenty-six vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On September 22, 2021, four CSP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Two responses were deemed non-responsive. Staff identified the following vendors, listed in order of ranking, as providing the best value for the required services:

- Bishop Lifting Products, Inc.
- Kennedy Wire Rope and Sling

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

K. OPERATIONS

Subject 4. Award a three-year contract to Waste Corporation of Texas LP d/b/a GFL Environmental for trash disposal and recycling services for the Turning Basin Terminal, Barbours Cut Terminal, Bayport Container Terminal, Turning Basin Terminal South, and fireboat barracks in an amount not to exceed \$3,000,000.

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, award a three-year contract to Waste Corporation of Texas LP d/b/a GFL Environmental for trash disposal and recycling services for the Turning Basin Terminal, Barbours Cut Terminal, Bayport Container Terminal, Turning Basin Terminal South, and fireboat barracks in an amount not to exceed \$3,000,000, 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:

Awards, Amendments & Change Orders

Department:

Operations

Staff Contact:

Jeff Davis

Background:

By Minute No. 2018-1030-42, Waste Corporation of Texas Inc. was awarded a contract to provide trash disposal and recycling services for a three-year term for the Turning Basin Terminal, Barbours Cut Terminal, Bayport Container Terminal, Woodhouse Terminal, and fireboat barracks. The term of this contract will expire November 30, 2021. Continuing trash disposal services is necessary to maintain efficient, clean, and safe facilities, and the recycling program furthers the Port Authority's environmental stewardship efforts.

The goal of the recycling program component is to recycle dunnage and other materials collected from wharves that may be economically and efficiently segregated off-site and recycled.

The Port Authority notified vendors regarding its request for competitive sealed bids (CSB) to provide trash disposal and recycling services for the Turning Basin Terminal, Barbours Cut Terminal, Bayport Container Terminal, Turning Basin Terminal South, and fireboat barracks using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Eight vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On September 15, 2021, two CSB responses were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published criteria.

Following staff Executive Committee review, staff recommends that the Port Authority award a three-year contract to Waste Corporation of Texas, LP d/b/a GFL Environmental, the responsible bidder submitting the lowest and best bid, to provide trash disposal and recycling services for the Turning Basin Terminal, Barbours Cut Terminal, Bayport Container Terminal, Turning Basin Terminal South, and fireboat barracks.

K. OPERATIONS

Subject **5. Award a contract to SAFT America, Inc., the sole source provider, for the purchase of battery modules and accessories for four hybrid rubber-tyred gantry (RTG) cranes at Barbours Cut Terminal in an amount not to exceed \$632,440.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, award a contract to SAFT America, Inc. for the purchase of battery modules and accessories for four hybrid rubber-tyred gantry (RTG) cranes at Barbours Cut Terminal in an amount not to exceed \$632,440, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns four hybrid RTG cranes powered by SAFT batteries in operation at Barbours Cut Terminal. The battery modules and management system have reached the end of their useful life and need to be upgraded for uninterrupted operation. SAFT brand batteries are custom designed and need to be replaced, as some components are no longer supported. The parts requested are proprietary. In addition, new battery modules would assist maintenance technicians in troubleshooting this system more efficiently.

Staff Evaluation/Justification:

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that SAFT America, Inc. is the sole source for the purchase of battery modules and accessories.

Staff recommends that the Port Commission award a contract to SAFT America, Inc. for the purchase battery modules and accessories for four hybrid RTG cranes at Barbours Cut Terminal.

K. OPERATIONS

Subject	6. Approve a change order with A.J. Hurt, Jr., Inc. dba Reladyne for the purchase of unleaded gasoline and ultra-low sulfur diesel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$450,000.
Meeting	Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 26, 2021 meeting, approve a change order with A.J. Hurt, Jr., Inc. dba Reladyne for the purchase of unleaded gasoline and ultra-low sulfur diesel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$450,000, 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:

Award, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2018-1218-28, the Port Commission awarded a two-year contract to A.J. Hurt, Jr. Inc. dba Reladyne for the purchase of unleaded gasoline and ultra-low sulfur diesel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in the amount not to exceed \$11,500,000. This contract expired on January 31, 2021. Because funds were still available at that time, it was extended to December 31, 2021. However, since it was extended, higher than expected fuel consumption in recent months, as well as significant increase in diesel prices (approximately 30% in 2021), have significantly depleted the remaining contract balance.

Staff Evaluation/Justification:

Port Authority staff believes that issuing a change order to A.J. Hurt, Jr., Inc. dba Reladyne, to ensure continued operation of diesel-powered equipment such as RTG cranes, yard tractors and forklifts in the meantime, is the appropriate way to avoid disruption to operations until the contract ends. Accordingly, staff recommends that a change order in the amount not to exceed \$450,000 be issued to A.J. Hurt, Jr., Inc. dba Reladyne.

L. PEOPLE

Subject **1. Authorize renewal of the agreement with Aetna Life Insurance Company to provide stop-loss insurance coverage for the calendar year 2022 for the Port Authority's self-funded group medical benefits program for active employees, retirees who are not Medicare-eligible, and dependents, in an amount not to exceed \$1,864,800.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting:
 (a) authorize renewal of the agreement with Aetna Life Insurance Company to provide stop-loss insurance coverage for the Port Authority's self-funded group medical benefits program for active employees, retirees who are not Medicare-eligible, and dependents for calendar year 2022, in an amount not to exceed \$1,864,800;
 (b) authorize renewal negotiations with the Aetna Life Insurance Company prior to contract expiration; and
 (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Be the Best Place to Work)

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

By Minute No. 2018-0130-43, the Port Commission awarded a five-year contract to Lockton Companies LLC, (Lockton) to serve as the Port Authority's broker of record for health and welfare benefits and provide employee benefits consulting services, including assisting in: development of requests for proposals for group insurance coverages; evaluation of proposals; negotiation of renewal rates; and recommendations on provider selections.

In September 2018, after having reviewed proposals and analyzed the costs of a self-funded program compared to a fully-insured program, the Port Authority proceeded with the implementation of a self-funded group medical benefit program.

By Minute Nos. 2018-1030-44, 2019-1022-39, and 2020-1208-44, the Port Commission approved the purchase of insurance from Aetna to provide stop-loss coverage for calendar years 2019, 2020, and 2021 for the self-funded medical plan, and also authorized contract renewal negotiations with Aetna Life Insurance Company prior to contract expiration.

On April 7, 2021, the Port Authority, through its broker of record, Lockton, issued a request for proposals for stop-loss insurance coverage for 2022. In addition to reviewing the responses, Lockton and staff began negotiations with Aetna for stop-loss insurance for the 2022 self-funded group medical program.

Staff Evaluation/Justification:

Lockton and Port Authority staff have negotiated a renewal with Aetna Life Insurance Company for stop-loss coverage for the 2022 self-funded group medical benefits program and determined that the negotiated

terms offer the best value to the Port Authority.

Staff recommends that the Port Commission authorize the renewal agreement with Aetna Life Insurance Company for stop-loss insurance for the self-funded group medical plan for 2022. The stop-loss insurance would (i) cover eligible claims in excess of \$175,000 per individual claimant and (ii) cover eligible claims in excess of an aggregate amount of 120% of projected claims.

Staff additionally recommends that the Port Commission authorize renewal negotiations with Aetna prior to contract expiration to better ascertain the need to solicit proposals for the following contract year.

L. PEOPLE

Subject **2. Authorize renewal of the agreement with Aetna Life Insurance Company to provide professional third-party administration services for the Port Authority's self-funded group medical benefits program for active employees, retirees who are not Medicare-eligible, and dependents, for the calendar year 2022, in an amount not to exceed \$46,400.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting:
 (a) authorize renewal of the agreement with Aetna Life Insurance Company to provide professional third-party administration services for the Port Authority's self-funded group medical benefits program for active employees, retirees who are not Medicare-eligible, and dependents, for the calendar year 2022, in an amount not to exceed \$46,400;
 (b) authorize renewal negotiations with the Aetna Life Insurance Company prior to contract expiration; and
 (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Be the Best Place to Work)

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

By Minute No. 2018-0130-43, the Port Commission awarded a contract to Lockton Companies LLC, (Lockton) to provide employee benefits consulting services, including assisting in: development of requests for proposals for group insurance coverages; evaluation of proposals; negotiation of renewal rates; and recommendations on provider selections.

In September 2018, after having reviewed proposals and analyzed the costs of a self-funded program compared to a fully-insured program, the Port Authority proceeded with the implementation of a self-funded group medical plan administered by Aetna beginning January 1, 2019.

By Minute No. 2018-0925-04, the Port Commission awarded a contract to Aetna Life Insurance Company (Aetna) for third-party administration services for a self-funded group medical benefit program for active employees, retirees who are not Medicare-eligible, and their dependents, for the calendar year 2019. By Minute Nos. 2019-1022-40 and 2020-1208-45, the Port Commission authorized an amendment to this contract for services in 2020 and 2021, and also authorized contract renewal negotiations with Aetna Life Insurance Company prior to contract expiration.

On April 7, 2021, the Port Authority, through its broker of record, Lockton, issued a request for proposals for third-party administration services. In addition to reviewing the responses, Lockton and staff began negotiations with Aetna for third-party administrative services for the 2022 self-funded group medical program.

Staff Evaluation/Justification:

Lockton and Port Authority staff have negotiated a renewal with Aetna for professional third-party administration services for the 2022 self-funded group medical benefits program and determined that the negotiated terms offer the best value to the Port Authority.

The proposed agreement would allow the Port Authority to continue to offer access to the same medical plans and network as were offered in 2019, 2020, and 2021, which has included an Open Access Managed Choice \$250 deductible plan and a KelseyCare Health Maintenance Organization (HMO)-style plan, with a \$0 deductible.

Staff recommends that the Port Commission authorize the renewal agreement with Aetna for third-party administration services.

Staff additionally recommends that the Port Commission authorize renewal negotiations with Aetna prior to contract expiration to better ascertain the need to solicit proposals for the following contract year.

M. SECURITY AND EMERGENCY OPERATIONS

Subject **1. Approve the proportional purchase via League City of a Computer Aided Dispatch system, accessories, and support services from Motorola Solutions, Inc., utilizing a U.S. Communities Government Purchasing Alliance contract in an amount not to exceed \$244,682.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve the proportional purchase via League City of a Computer Aided Dispatch system, accessories, and support services from Motorola Solutions, Inc., utilizing a U.S. Communities Government Purchasing Alliance contract in an amount not to exceed \$244,682, 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 Objective 2c. - Enhance efficiency and resilience through innovative technology and other means

Category:

General

Department:

Police

Staff Contact:

Mark Smith

Background:

The Port Authority utilizes a Computer Aided Dispatch (CAD) system within the dispatch center for managing calls for service. The system generates a log of every call that is received and assigns field personnel to respond to those incidents. The CAD system also generates a case file for each incident, and collects and stores critical information gathered during the course of the incident or investigation as required by state law.

The Port Authority is a member of the Gulf Region Information and Dispatch System (GRID) consortium managed by League City. This consortium is comprised of twenty-one other jurisdictions including Galveston, La Porte, Seabrook, Friendswood, Webster, Deer Park, Kemah, League City, Nassau Bay, Alvin, and Sugarland. The GRID consortium provides instant CAD information sharing and interoperability, redundant data management, dedicated offsite server and configuration management staff, and response coordination between local first responders.

The current CAD system, managed by League City on behalf of the GRID participants, is currently being upgraded. Staff requests Port Commission approval to pay the Port Authority's proportional share of the cost of the upgraded system. The new system is expected to streamline communications and improve safety by providing new features such as integrated mapping, real-time Global Positioning System (GPS) location of responders, and multi-agency information sharing.

Staff Evaluation/Justification:

Participating in the GRID consortium is extremely cost-efficient compared to purchasing a Port Authority CAD system, eliminates most of the software and hardware management aspects, and provides data sharing with other agencies.

Staff recommends the Port Commission approve the Port Authority's proportional payment of the upgrade to the CAD system.

M. SECURITY AND EMERGENCY OPERATIONS

Subject **2. Approve an agreement with the Houston Ship Channel Security District for payment of the current year (2021-2022) contribution in an amount not to exceed \$61,675.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve an agreement with the Houston Ship Channel Security District for payment of the current year (2021-2022) contribution in an amount not to exceed \$61,675, 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 4b. - Prepare for disruptive events and mitigate their impact

Category:

General

Department:

Security

Staff Contact:

Jessica Thomas

Background:

In 2008, the Port Commission first authorized payments to the Houston Ship Channel Security District (HSCSD). These annual payments, along with the funds collected each year in assessments from the Security District's private industry members, allowed the HSCSD to partner with many law enforcement entities in providing security enhancements in and around the Houston Ship Channel (HSC) and the Port Authority's facilities. These water, land, and air enhancements include: (i) a security camera network monitored by the Harris County Sheriff's Office and linked to the U.S. Coast Guard and the Port Authority, (ii) additional boat patrols on the ship channel, (iii) additional landside law enforcement, and (iv) air patrols over the HSC.

By Sections 68.151-68.155 of the Water Code, the HSCSD is governed by eleven directors, eight from private industry and three from government agencies, including the Port Authority. Security Director Jessica Thomas is the current Port Authority representative.

At this time, the HSCSD has preliminarily approved its budget for fiscal year 2022 and has determined that the assessment of its members would increase slightly from 2021. In line with its budget requirements and consistent with the assessment of its private industry members, the HSCSD requests a contribution from the Port Authority of \$61,675 for fiscal year 2022 (payable in 2021). The 2022 assessments from the district's private industry members and the Port Authority would enable the continued operation and maintenance of the mutually beneficial security assets for the HSC.

Pursuant to Section 68.315 of the Texas Water Code, the HSCSD and the Port Authority may enter into a contract for payment of assessments under terms mutually agreeable.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the proposed agreement and payment to the HSCSD.

M. SECURITY AND EMERGENCY OPERATIONS

Subject	3. Approve a Memorandum of Agreement with the U.S. Coast Guard Sector Houston-Galveston concerning safe harbor for fishing vessels during storm events.
Meeting	Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 26, 2021 meeting, approve a Memorandum of Agreement with the U.S. Coast Guard Sector Houston-Galveston concerning safe harbor for fishing vessels during storm events, 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 #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)

Category:
General

Department:
Emergency Management

Staff Contact:
Colin Rizzo

Background:

The Galveston Bay region has very limited harbors of safe refuge for vessels during severe weather or storm events. Larger vessels are ordered to sea by the U.S. Coast Guard; only larger vessels with mechanical deficiencies are allowed to remain in port.

However, smaller vessels, such as commercial fishing vessels, often seek safe haven at the Turning Basin facility at the head of the Houston Ship Channel at the last minute, without permission of the Port Authority or U.S. Coast Guard. For example, during the most recent significant hurricane, approximately 100 fishing vessels moored at the Turning Basin docks. This practice has occurred for at least the last fifteen years, and the Emergency Management group has a process in place to record pertinent information for each vessel as part of the Port Authority's Hurricane Response Plan.

This Memorandum of Agreement would formally acknowledge these circumstances, provide some limited liability for the Port Authority should a vessel sink or become disabled, and requires the U.S. Coast Guard to provide personnel to the Port Authority Emergency Operations Center during a storm event, to assist with management of the fishing vessel fleet.

Staff Evaluation/Justification:

Staff has reviewed the Memorandum of Agreement and find it to be in the best interests of the Port Authority to formalize this partnership.

Staff recommends the Port Commission approve the Memorandum of Agreement between the Port Authority and the U.S. Coast Guard.

N. TECHNOLOGY

Subject **1. Issue a purchase order to SHI Government Solutions, Inc. for Microsoft licensing and subscriptions using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$1,875,000 over a three-year period and authorize a three-year renewal of the Microsoft Enterprise Agreement.**

Meeting Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, issue a purchase order to SHI Government Solutions, Inc., for purchase of software, software assurance and subscriptions, offered via a Microsoft Enterprise Agreement, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$1,875,000 over a three-year period, authorize a three-year renewal of the Microsoft Enterprise Agreement, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Be the Best Place to Work)

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

A Microsoft Enterprise Agreement allows organizations with 500 or more users to participate in a volume licensing program that significantly reduces the cost of Microsoft licensing and provides the maximum flexibility for both on-premise and cloud-based Microsoft solutions.

The Port Authority's current Microsoft Enterprise Agreement expires in November 2021. The Port Authority is now seeking approval to enter into a three-year renewal Enterprise Agreement with Microsoft, via its fulfillment partner SHI Government Solutions, Inc., to run through November 2024. Payment for software, software assurance, and subscription services would be annually in a total amount not to exceed \$1,875,000.

Staff Evaluation/Justification:

The software and services provided by Microsoft are critical to running the ongoing business of Port Houston. The Director of Procurement Services, and Information Technology (IT) Department, have determined that renewing the Enterprise Agreement with Microsoft, for software, software assurance and subscriptions provided by fulfillment partner SHI Government Solutions, Inc., using Texas Department of Information Resources cooperative purchase program, is the best value to the Port Authority and is therefore recommending this purchase.

Staff recommends the Port Commission approve this best value determination and a purchase order to SHI Government Solutions, Inc. for Microsoft licensing and subscriptions.