

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
October 27, 2020

<u>Minute No.</u>	<u>Event/Action</u>
	General
	Chairman Campo convened the virtual Port Commission meeting and provided opening remarks
	Minutes
2020-1027-01	Approve the minutes of the September 29, 2020 Port Commission meeting
	Staff Reports
2020-1027-02	Roger Guenther, Executive Director, presented a summary of selected operational matters
	Appearances
2020-1027-03	Chairman Campo asked if anyone would like to address the Port Commission; there was no response
	F. Executive (no items)
	G. Commercial
2020-1027-04	Chairman Campo recognized Mr. Heidt to provide a report of selected Commercial Division agenda items
2020-1027-05	Approve a second amendment to the Lease Agreement with Cooper/Ports America, LLC for approximately 1,418 net rentable square feet of office space at the Barbours Cut Terminal C-6 Waterside Building, to extend the lease for an additional four-year term, effective no earlier than January 1, 2021, at an annual rent of \$35,901.72 subject to annual base rent escalation of 3%
2020-1027-06	Authorize the extended term of a month-to-month lease with Container Maintenance of Houston, LLC for approximately 1.17 acres out of the Bayport Container Terminal effective no earlier than January 1, 2021 with

<u>Minute No.</u>	<u>Event/Action</u>
	a 3% annual increase on the existing month-to-month premium rate, for an annual rent of \$114,886
2020-1027-07	Approve (i) a first lien in favor of Community Bank of Texas, N.A. on the leasehold interest of Dixie Cullen Interests, Inc., tenant of 10.42-acres premises located at 9100 Mississippi St. and 1100 Teal St. and a second lien in favor of Community Bank of Texas, N.A. to be assigned to Capital Certified Development Corporation on such leasehold estate and (ii) pre-approval of the both lender(s) as successor tenant(s) in the event of foreclosure
2020-1027-08	Approve a waiver of the 10% premium increase for month-to-month leases effective January 1, 2020 for month-to-month leases negotiated with certain new tenants between November 1, 2020 and March 31, 2021
	H. Finance
2020-1027-09	Chairman Campo recognized Mr. Heidt to provide a report of selected Finance Division agenda items
2020-1027-10	Approve the change of control of two investment management agreements with Barrow, Hanley, Mewhinney & Strauss, LLC, relating to management of small capitalization value assets of the Pension Plan and OPEB Plan
2020-1027-11	Authorize the reduction of the investment rate of return assumption for the Restated Retirement Plan and the other post-employment benefits (OPEB) plan from 6.50% to 6.25%
	I. Infrastructure
2020-1027-12	Chairman Campo recognized Mr. Heidt to provide a report of selected Infrastructure Division agenda items
2020-1027-13	Award a construction contract to Four Seasons Development Company for annual perimeter security fence replacement at Turning Basin Terminal
2020-1027-14	Amend the professional services contract with Wiss, Janney, Elstner Associates, Inc. for engineering services associated with the Port Authority Facility Inspection and Condition Assessment Program for corrosion on marine assets portwide
2020-1027-15	Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Wharves 4 and 5 at Bayport Container Terminal

<u>Minute No.</u>	<u>Event/Action</u>
2020-1027-16	Approve a change order with Archer Western Construction, LLC to perform additional work associated with the expansion of gate facilities at Barbours Cut Terminal
2020-1027-17	Approve a change order with Forde Construction Company, Inc. to perform additional work associated with the rehabilitation and repair of Wharf 9 at Turning Basin Terminal
2020-1027-18	Amend the professional engineering and auditing services contract supporting the Houston Ship Channel Expansion Channel Improvement Project with Atkins North America, Inc.
2020-1027-19	Enter into a reimbursement agreement for design and permitting with Southtex 66 Pipeline Company, Ltd related to segment 4 of the Houston Ship Channel Expansion Channel Improvement Project at a cost not to exceed \$2,000,000, for which the Port Authority would be responsible for one half the cost, for a total amount not to exceed \$1,000,000
2020-1027-20	Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: Air Liquide Large Industries U.S. LP, Houston Pipe Line Company LP, and Monument Chemical Houston, LLC
2020-1027-21	Issue a pipeline license to Odfjell Terminals (Houston) Inc. for one 4-inch acrylonitrile pipeline, one 4-inch butylacrylate pipeline, and one 2-inch fiber optic under and across the southwest corner of the Bayport Container Terminal
2020-1027-22	Transfer two and renew one of the pipeline licenses from Cowboy Pipeline Service Company to Equistar Chemicals, LP for crossing the Houston Ship Channel and the Port Terminal Railroad Association Northside Mainline Railroad right-of-way
2020-1027-23	Issue a transmission line license to Comcast of Houston, LLC for one fiber optic cable line over and across the Port Authority's Port Terminal Railroad Association Southside Mainline Railroad right-of-way
2020-1027-24	Issue a transmission line license to Southwestern Bell Telephone Company for one fiber optic cable line under and along the Port Authority's Port Terminal Railroad Association Northside Mainline Railroad right-of-way
2020-1027-25	Amend a marine construction permit issued to TDWP Terminals 1, LLC to reconfigure the previously authorized ship docks to accommodate an additional ship dock and barge dock, reconfigure the bulkhead totaling 5,225 linear-feet, and reduce the dredge footprint to 60 acres in Buffalo Bayou/Houston Ship Channel

Minute No.

Event/Action

J. Operations

- 2020-1027-26 Chairman Campo recognized Mr. Heidt to provide a report of selected Operations Division agenda items
- 2020-1027-27 Award a two-year contract to Interamerican Motor, LLC for purchase of batteries for terminal equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
- 2020-1027-28 Award an annual contract to AssetWorks, LLC, the sole source provider, for software maintenance, support, and extended hardware warranty of Fleet Focus™ M5, Enterprise Asset Management System, and Fuel Focus software, the Port of Houston Authority's Fueling and Fleet management system

K. People

- 2020-1027-29 Chairman Campo recognized Mr. Heidt to provide a report of selected People Division agenda items
- 2020-1027-30 Authorize renewal of the contract with PlanSource Benefits Administration, Inc. for employee and retiree benefits and payroll integration services for an additional one-year period
- 2020-1027-31 Authorize renewal of a contract with Lockton Companies, LLC for employee and retiree benefits consulting services for a two-year period, at a cost of \$115,000 per year and in a total amount not to exceed \$230,000

L. Port Security and Emergency Operation

- 2020-1027-32 Chairman Campo recognized Mr. Heidt to provide a report of selected Port Security and Emergency Operations Division agenda items
- 2020-1027-33 Authorize an agreement with the Houston Ship Channel Security District for payment of the current year (2020-2021) contribution

M. Technology

- 2020-1027-34 Chairman Campo recognized Mr. Heidt to provide a report of selected Technology Division agenda items
- 2020-1027-35 Approve a purchase order to Red River Technology LLC for purchase of server and server hardware needed to utilize N4's XPS in a published app environment, using Texas Department of Information Resources' cooperative purchase program

Minute No.

Event/Action

2020-1027-36

Approve a purchase order to Netsync Network Solutions for purchase of VMWare Horizon licensing needed to utilize N4's XPS in a published app environment, using Texas Department of Information Resources' cooperative purchase program

Recess Open Meeting and Convene Executive Session

Reconvene Open Meeting

2020-1027-37

Authorize the Executive Director to negotiate on behalf of the Port Authority regarding disposition of property located on Pelican Island on the terms discussed in Executive Session

2020-1027-38

Authorize the Port Authority to amend the agreement for legal services with BoyarMiller on the terms discussed in Executive Session, and to authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing

Adjourn Meeting

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

**Houston, Texas
October 27, 2020**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on October 27, 2020 at 9:15 a.m., via Cisco WebEx. The following commissioners, staff, and counsel were present:

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

Chairman Campo began the meeting by providing a brief update on Houston Ship Channel Expansion Channel Improvement Project (Project 11), noting there was little change from the previous month. The Water Resources Development Act (WRDA) bill was still awaiting passage in Congress with the hope that it would be acted on after the election and before the end of the year. Staff was meeting regularly with industry partners to present a united front in their advocacy to push the project forward, and continued to complete critical path items needed to allow for the earliest possible commencement of construction. It was expected that the 100% design stage of the project would be completed in January or February of the coming year.

Chairman Campo added that as a result of the approval of the Port Commission to fund the design, progress of the project had been advanced by two to three years. There were still critical hurdles to clear, but strategies were in place to achieve the success of the project, which was critical to the region and nation.

Chairman Campo shared that a water current meter had recently been installed at the I-610 Bridge. The project was approved by the Port Commission last year during the renegotiation of the PORTS agreement. The project was a regional effort in conjunction with the Lone Star Harbor Safety Committee working group to add current meters as a result of Hurricane Harvey after-action reports and a Pilot Board Investigation and Recommendation Committee matter, which suggested currents were increasing due to drainage initiatives by the City of Houston. The meter would help the Houston Pilots better understand impacts and make decisions for safe navigation of the channel during heavy flood conditions.

Chairman Campo notified the Port Commission that vacant committee positions needed to be filled in the Audit and Governance Committees, and the Procurement and Small Business Development Task Force.

Chairman Campo finished his remarks with an update on the disparity study, which was nearing completion. A presentation from Griffin & Strong at a future Port Commission meeting would follow submission of the final report for review. Separately, second quarter Small Business results would be sent to the Port Commission shortly. Chairman Campo was pleased to report that since the inception of the program, the average small business participation rate was 37%, which was above the target goal of 35%, and there had been more than \$600 million in contract awards to enrolled small businesses.

(2020-1027-01) Chairman Campo called for a motion to approve the minutes of the September 29, 2020 Port Commission meeting. Commissioner Fitzgerald moved for approval, seconded by Commissioner DonCarlos. The minutes were approved as written.

(2020-1027-02) Roger Guenther, Executive Director, presented a summary of selected operational matters as follows.

Mr. Guenther highlighted September 2020 operating results:

- Total tonnage across the Port Authority's public docks remained 5% below 2019 year-to-date numbers.
- General cargo continued to lag the prior year, with tonnage down 39%, mainly due to import steel continuing to be off, by 45%.
- Single month container volume had exceeded the prior year for the first time since February.
- September total twenty-foot equivalent units (TEUs) were up 1% vs. same month 2019 and was down 3% for the year.
- There were no new blank sailings. In fact, 26 additional extra loaders had been added to the schedule.
- Import loads were driving a solid return in business. Retailers were catching up and replenishing inventory following the pandemic, and the Port Authority was simultaneously in the midst of a robust peak season in preparation for the holidays.
- October activities indicated that growth remained strong as well, which signaled a sustained upward trend and resurgence of commerce.
- Staff was consistently seeing more than 10,000 transactions through the gates on a daily basis.

Mr. Guenther thought it was truly incredible that the Port Authority entered the final quarter with the opportunity to very nearly match the record 2019 year in commerce,

despite the unthinkable hurdles that had arisen during the year. The success had been possible as Port Authority staff, International Longshoremen's Association (ILA) labor, truckers, stevedores, and partners continued to deliver efficient and competitive service to customers.

Mr. Guenther noted that the financial results of third quarter activities would be reported at the Audit Committee later in the day.

Mr. Guenther reviewed the status of Project 11. The Project Partnership Agreement – the legally binding contract between the Army Corps of Engineers and the Port Authority as the non-federal sponsor – still needed to be worked out. This agreement would define responsibilities and the cost share for the project. The Port Authority continued to push for federal assumption of maintenance for the sections that the Port Authority was obligated to fund through the Locally Preferred Plan.

Mr. Guenther explained that there was a lot going on related to Project 11 including a comprehensive procurement strategy being worked on diligently by staff and consultant partners. Staff was proactively engaging the dredging industry to increase its awareness of Project 11, was working with PWC and EcoLogix to evaluate the supplier market and competing projects, and was working to understand dredge demand and availability for the project. All these things were aimed at understanding the risks and opportunities for the best strategy to contract for the improvement project.

Mr. Guenther concluded by mentioning that a request was made by Commissioner DonCarlos for more detail regarding the international trade representatives. Mr. Guenther provided the commissioners with a detailed summary describing the trade representatives' engagement and their successes with carriers and beneficial cargo owners.

Commissioner DonCarlos thanked Mr. Guenther for his report. He felt it was helpful in understanding what the trade representatives did for the Port Authority. He hoped that when the time came to choose dredging companies for Project 11, issues with previous dredge companies would be factored in.

Mr. Guenther agreed with Commissioner DonCarlos and noted that there were several different packages for the project. Staff was looking at several different ways the work could be done in the most efficient way possible.

Commissioner Corgey commented that he liked the new financial format provided to the commissioners.

(2020-1027-03) Chairman Campo asked if anyone would like to address the Port Commission; there was no response.

(2020-1027-04) Chairman Campo recognized Mr. Heidt to provide a report of selected Commercial agenda items.

Mr. Heidt addressed agenda Item G3, an approval of a first lien in favor of Community Bank of Texas and a second lien in favor of the same institution, to be assigned to Capital Certified Development Corporation. This was to permit Dixie Cullen – a tenant of the Port Authority – to obtain loans to build a warehouse on its leased property.

Mr. Heidt also spoke about agenda Item G4. In 2019 the Port Commission approved a 10% premium on all month-to-month leases. Due to the current downturn in the Turning Basin area staff asked that the 10% premium be waived starting January 1, 2021 through March 31, 2021 for new customers. The waiver of the 10% premium would be re-evaluated at the start of the new year.

Mr. Heidt noted that in January 2020, the vacancy rate at the Turning Basin Terminal was 12%. In October 2020, the vacancy rate had risen to 26%. Staff was trying to get new customers into the terminal to lease land. Staff also waived 2020 minimum annual guaranty requirements for all customers in the Turning Basin Terminal.

Commissioner Fitzgerald was glad that the minimum annual guaranty was being waived, and Mr. Heidt noted that the tenants were appreciative for the help. Some of the tenants had met the minimum annual guaranty requirements already while others had not.

Commissioner DonCarlos asked if there would be refunds for the tenants who had met the minimum annual guaranty requirements. Mr. Heidt clarified that tenants did not pay unless the minimum annual guaranty had not been met; the measure tracked tonnage.

(2020-1027-05) RCA G1 was presented, moved by Commissioner Mease, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2020-1027-06) RCA G2 was presented, moved by Commissioner Mease, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G2 PASSED.

(2020-1027-07) RCA G3 was presented, moved by Commissioner Mease, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G3 PASSED.

(2020-1027-08) RCA G4 was presented, moved by Commissioner Mease, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G4 PASSED.

(2020-1027-09) Chairman Campo recognized Mr. Heidt to provide a report of selected Finance agenda items.

Mr. Heidt addressed agenda Item H2, a reduction of the investment rate of return assumption for the Restated Retirement Plan and other post-employment benefits (OPEB) plan from 6.50% to 6.25%.

The plan rates were previously reduced by a quarter percent in 2019; an extra \$5 million was needed to fund them following that decision. Because a recent actuarial experience study resulted in favorable results compared to the actuarial projections, the current request for a decrease would not require any additional funding.

Mr. Heidt continued: the funded ratio of the retirement plan would only drop from 92.94% to 92.79% and the OPEB funded ratio would drop from 116% to 113%. He added that this adjustment was all part of a long range plan to bring the assumption rate down to between 5.5% and 6%. For comparison, the average for the State of Texas was 7.29% and the national average was 7.22%.

Commissioner Corgy commented that the reduction in interest rate would make the retirement fund stronger. It was good work and he hoped it could further be reduced in the future.

Chairman Campo agreed with everything said and felt the key was that the Port Authority had the funds to be able to fund the plans, which was a function of the great stewardship and management by staff. Most pension funds in the United States did not have the cash to fund, which was a big difference.

(2020-1027-10) RCA H1 was presented, moved by Commissioner Corgy, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2020-1027-11) RCA H2 was presented, moved by Commissioner Corgy, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H2 PASSED.

(2020-1027-12) Chairman Campo recognized Mr. Heidt to provide a report of selected Infrastructure agenda items.

Mr. Heidt remarked that agenda Item I2, an amendment with Wiss, Janney, Elster Associates, was for additional corrosion inspection of eight wharves and was part of the Facility Inspection and Condition Assessment Program evaluating all Port Authority facilities. A baseline of eleven wharves would be established for corrosion both above and below the waterline.

Mr. Heidt stated that agenda Item I6 was part of Project 11. The Port Authority hired Atkins North America to be the Port Authority's eyes and ears reviewing the design for Project 11; the 65% review phase had been completed with a lot of positive review notes. Agenda Item I6 was a request for an additional \$600,000 for review to 100% completion.

Mr. Heidt explained that agenda Item I7 was also related to Project 11. In July of 2020, the Port Commission approved expenses for the relocation of seven pipelines in Segment 4, as federal law required the local sponsor to pay for half of the relocation costs. Staff had found an eighth pipeline that needed to be moved and requested approval for the funding to do so.

Commissioner Mease questioned agenda Item I1. He wanted to know why the approval amount was higher than the contract amount of the bidder. Mr. Heidt explained that staff wanted a per-foot cost to replace fencing; the budget for the item was \$150,000 and staff would replace as much fencing as possible for that amount.

Commissioner Mease felt that staff was building in a change order to the contract. Mr. Heidt reiterated his previous remark and Mr. Guenther added that staff estimated a number of units for the vendors to bid on and all the vendors had then bid on a unit price. The contract itself would be a not-to-exceed amount based on the unit price bid by the vendor. Commissioner Mease acknowledged that he understood.

(2020-1027-13) RCA I1 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 I1 PASSED.

(2020-1027-14) RCA I2 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 I2 PASSED.

(2020-1027-15) RCA I3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cruzot. Chairman Campo, and Commissioners Cloonan, Corgy, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2020-1027-16) RCA I4 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cruzot. Chairman Campo, and Commissioners Cloonan, Corgy, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2020-1027-17) RCA I5 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cruzot. Chairman Campo, and Commissioners Cloonan, Corgy, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I5 PASSED.

(2020-1027-18) RCA I6 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cruzot. Chairman Campo, and Commissioners Cloonan, Corgy, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I6 PASSED.

(2020-1027-19) RCA I7 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cruzot. Chairman Campo, and Commissioners Cloonan, Corgy, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I7 PASSED.

(2020-1027-20) RCA I8 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cruzot. Chairman Campo, and Commissioners Cloonan, Corgy, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I8 PASSED.

(2020-1027-21) RCA I9 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cruzot. Chairman Campo, and Commissioners Cloonan, Corgy, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I9 PASSED.

(2020-1027-22) RCA I10 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cruzot. Chairman Campo, and Commissioners Cloonan, Corgy, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I10 PASSED.

(2020-1027-23) RCA I11 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cruzot. Chairman Campo, and Commissioners

Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I11 PASSED.

(2020-1027-24) RCA I12 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 I12 PASSED.

(2020-1027-25) RCA I13 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 I13 PASSED.

(2020-1027-26) Chairman Campo recognized Mr. Heidt to provide a report of selected Port Operations agenda items.

Mr. Heidt noted that agenda Item J2 was for the annual software, maintenance support, and extended hardware warranty for the AssetWorks software which ran the fueling/fleet management systems that the Port Authority had been using for 22 years.

(2020-1027-27) RCA J1 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 J1 PASSED.

(2020-1027-28) RCA J2 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 J2 PASSED.

(2020-1027-29) Chairman Campo recognized Mr. Heidt to provide a report of selected People agenda items.

Mr. Heidt highlighted agenda Item K2, authorization to exercise the option years of a contract with Lockton Companies for employee and retiree benefits consulting services. The original contract was for a three-year term with a two-year option, and there was no price increase associated with the request. Lockton was instrumental in the conversion from a fully insured to self-funded employee benefit packages.

(2020-1027-30) RCA K1 was presented, moved by Commissioner Mease, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2020-1027-31) RCA K2 was presented, moved by Commissioner Mease, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2020-1027-32) Chairman Campo recognized Mr. Heidt to provide a report of selected Port Security and Emergency Operations agenda items.

Mr. Heidt noted that the single agenda item pertained to the annual agreement with the Houston Ship Channel Security District. One new area of the agreement was for membership in the Cybersecurity Information Sharing and Analysis Organization. The Port Authority was given a board seat in the organization.

(2020-1027-33) RCA L1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Corgy. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2020-1027-34) Chairman Campo recognized Mr. Heidt to provide a report of selected Technology agenda items.

Mr. Heidt noted that agenda Items M1 and M2 were connected to one another. They were for the purchase of hardware and licensing needed to utilize N4's XPS in a published "app" environment, using the Texas Department of Information Resources cooperative purchase program. The Port Authority had over 200 users who could access its Navis system through their own computers. There had been delays and shutdowns at the terminals in the past when updates were not performed correctly on individuals' computers; with this change, staff would set up a server that each individual would access in order to run the Navis system.

(2020-1027-35) RCA M1 was presented, moved by Commissioner Corgy, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2020-1027-36) RCA M2 was presented, moved by Commissioner Corgy, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M2 PASSED.

At 9:53 a.m., Chairman Campo called for an Executive Session. Mr. Eriksson made the following announcement:

It is now 9:53 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code (1) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultation regarding a proposed amendment to the agreement for legal services with Boyar Miller; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including disposition of Barbours Cut Terminal and Turning Basin Terminal vicinity properties and Pelican Island property; (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Officers and Employees (*Section 551.074, Texas Open Meetings Act*); and 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.

Immediately thereafter the Port Commission retired into closed session.

At 10:33 a.m., Chairman Campo reconvened the open meeting via Cisco WebEx with the following Commissioners, staff, and counsel in attendance:

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

(2020-1027-37) Commissioner Corgey moved to authorize the Executive Director to negotiate on behalf of the Port Authority regarding disposition of property located on Pelican Island on the terms discussed in Executive Session, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

(2020-1027-38) Commissioner Cloonan moved to authorize the Port Authority to amend the agreement for legal services with BoyarMiller on the terms discussed

in Executive Session, and to authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgey, Cruzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

At 10:35 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the October 27, 2020 meeting of the Port Commission of the Port of Houston Authority.



Ric Campo, Chairman



Erik A. Eriksson, Secretary

G. COMMERCIAL

Subject	1. Approve a second amendment to the Lease Agreement with Cooper/Ports America, LLC for approximately 1,418 net rentable square feet of office space at the Barbours Cut Terminal C-6 Waterside Building, to extend the lease for an additional four-year term, effective no earlier than January 1, 2021, at an annual rent of \$35,901.72 subject to annual base rent escalation of 3%.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2020 meeting, approve a second amendment to the Lease Agreement with Cooper/Ports America, LLC for approximately 1,418 net rentable square feet of office space at the Barbours Cut Terminal C-6 Waterside Building, to extend the lease for an additional four-year term, effective no earlier than January 1, 2021, at an annual rent of \$35,901.72 subject to annual base rent escalation of 3%, 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 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. 2015-1215-14, the Port Commission approved a two-year lease agreement with Shippers Stevedoring Co. Subsequently by Minute No. 2016-0297-57, a change of control occurred from Shippers Stevedoring Co. to Cooper/Ports America, LLC.

Cooper/Ports America, LLC (formerly Shippers Stevedoring Co.) was previously in the Barbours Cut Administration Building until 2015 when it expanded and relocated to the Barbours Cut Terminal C-6 Waterside Building, where it now occupies 1,418 net rentable square feet.

By Minute No. 2017-1212-18, the Port Commission approved a lease amendment to extend the lease with Cooper/Ports America, LLC for an additional three-years effective January 1, 2018.

Cooper/Ports America, LLC desires to amend their existing Lease Agreement to extend the term by an additional four-years. The intended use is for general office.

Staff Evaluation/Justification:

Staff recommends approval of a Second Amendment to the lease to extend the term for an additional four-years effective no earlier than January 1, 2021.

G. COMMERCIAL

Subject	2. Authorize the extended term of a month-to-month lease with Container Maintenance of Houston, LLC for approximately 1.17 acres out of the Bayport Container Terminal effective no earlier than January 1, 2021 with a 3% annual increase on the existing month-to-month premium rate, for an annual rent of \$114,886.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2020 meeting, authorize the extended term of a month-to-month lease with Container Maintenance of Houston LLC for approximately 1.17 acres out of the Bayport Container Terminal effective no earlier than January 1, 2021 with a 3% annual increase on the existing month-to-month premium rate, for an annual rent of \$114,886, 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)

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

The Port Authority currently has a month-to-month lease with Container Maintenance of Houston LLC at the Port Authority's Bayport Container Terminal property that will have been in effect for a year as of December 31, 2020. Container Maintenance of Houston LLC's annual rental is currently \$111,540 and is based upon the premium rate for a month-to-month lease. The leased premises is utilized for container storage.

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

Staff Evaluation/Justification:

Staff recommends the extended term of a month-to-month lease with Container Maintenance of Houston LLC.

G. COMMERCIAL

Subject	3. Approve (i) a first lien in favor of Community Bank of Texas, N.A. on the leasehold interest of Dixie Cullen Interests, Inc., tenant of 10.42-acres premises located at 9100 Mississippi St. and 1100 Teal St. and a second lien in favor of Community Bank of Texas, N.A. to be assigned to Capital Certified Development Corporation on such leasehold estate and (ii) pre-approval of the both lender(s) as successor tenant(s) in the event of foreclosure.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2020 meeting, authorize the Port Authority to approve (i) a first lien in favor of Community Bank of Texas, N.A. on the leasehold interest of Dixie Cullen Interests, Inc., tenant of 10.42-acres premises located at 9100 Mississippi St. and 1100 Teal St. and a second lien in favor of Community Bank of Texas, N.A. to be assigned to Capital Certified Development Corporation on such leasehold estate and (ii) pre-approval of the both lender(s) as successor tenant(s) in the event of foreclosure, 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 Objective 4d. - Support sustainable growth of Port Houston and the greater Port

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

On January 1, 2019, Dixie Cullen Interests, Inc. (Dixie Cullen) entered into a lease for 10.42-acres at 9100 Mississippi St. and 1100 Teal St. with the Port Authority for a 25-year term with 2 five-year options. The lease agreement requires Dixie Cullen to construct a new heavy lift warehouse of approximately 104,000 sq. ft. in the Phase II of the Construction Period. The approximate square footage of the new warehouse was originally anticipated to be 190,000 and has now been reduced to 104,000 sq. ft. due to City of Houston guidelines and setback boundaries.

Dixie Cullen has secured a Small Business Administration (SBA) loan, which includes two loan facilities: Community Bank of Texas, N.A. first lien holder and a second loan to be arranged by a Capital Certified Development Corporation to finance the construction of the 104,000 square-foot warehouse.

Staff Evaluation/Justification:

Staff reviewed the request by Dixie Cullen and recommends approval of (i) a first lien in favor of Community Bank of Texas, N.A. on Dixie Cullen's leasehold interest and a second lien in favor of Community Bank of Texas, N.A. to be assigned to a Capital Certified Development Corporation and (ii) the pre-approval of the both lender(s) as successor tenant(s) in the event of foreclosure.

G. COMMERCIAL

Subject	4. Approve a waiver of the 10% premium increase for month-to-month leases effective January 1, 2020 for month-to-month leases negotiated with certain new tenants between November 1, 2020 and March 31, 2021.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2020 meeting, authorize the Port Authority to waive the 10% premium increase for month-to-month leases approved by Port Commission Minute No. 2019-1022-06, effective January 1, 2020 for month-to-month leases negotiated with certain new tenants between November 1, 2020 and March 31, 2021, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

The rental rates for the Port Authority's month-to-month leases, as well as certain other term leases, are based on rates adopted by the Port Commission from time-to-time. By Minute No. 2019-1022-06, the Port Commission authorized a 10% premium to the 2020 adopted term lease rates for month-to-month leases effective January 1, 2020.

Staff has concluded that waiver of this 10% premium applicable to certain new tenants executing month-to-month leases would help reduce vacancy rates within the multi-tenant general cargo terminals (Turning Basin and Industrial Park East) in this challenging economic time, which has included downturns in oil and oil field services equipment, continued trade rules negotiations, and the COVID-19 pandemic, by providing a rate incentive to potential new tenants.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve an exception to the 10% premium increase for month-to-month leases for new tenants entered into between the period of November 1, 2020 and March 31, 2021.

H. FINANCE

Subject	1. Approve the change of control of two investment management agreements with Barrow, Hanley, Mewhinney & Strauss, LLC, relating to management of small capitalization value assets of the Pension Plan and OPEB Plan.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2020 meeting, approve the change of control of two investment management agreements with Barrow, Hanley, Mewhinney & Strauss, LLC, from BrightSphere to Perpetual Limited, relating to management of small capitalization value assets of the Port Authority Restated Retirement Plan (Pension Plan) and the irrevocable trust established for other post-employment benefits (OPEB Plan), and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Treasury

Staff Contact:

Roland Gonzalez

Background:

By Minute No. 2004-1025-24, the Port Commission authorized an investment management agreement with Barrow, Hanley, Mewhinney & Strauss, LLC (Manager) for management of small capitalization value assets in the Pension Plan, and by Minute No. 2012-0124-33, the Port Commission authorized an investment management agreement with Manager for these assets in the OPEB Plan.

Staff Evaluation/Justification:

By notice dated August 7, 2020, Manager notified the Port Authority that Perpetual Limited ("Perpetual"), an Australian financial services firm, would acquire BrightSphere Investment Group Inc.'s equity interest in Manager in a transaction expected to close later this year, and requested Port Authority consent to the concomitant change of control.

- The Port Authority's agreements with the Manager requires Port Authority's consent to Manager's assignment of the agreement in accordance with the Investment Advisers Act of 1940 (the "Act").
- The Act in turn provides that "assignment" includes an indirect transfer of an investment advisory contract by transfer of "a controlling block of the assignor's outstanding voting securities by a security holder of the assignor" (Section 202(a)(1)).

Staff and the Port Authority's external pension consultants at AndCo Consulting have reviewed the matter, have determined that Manager is expected to continue to operate autonomously, and in any event the acquiror's management style would be consistent and complimentary to that of the Manager, and accordingly recommend that the Port Commission approve the change of control of the two investment management contracts with Manager.

H. FINANCE

Subject **2. Authorize the reduction of the investment rate of return assumption for the Restated Retirement Plan and the other post-employment benefits (OPEB) plan from 6.50% to 6.25%.**

Meeting Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 27, 2020 meeting, authorize the reduction of the actuarial investment rate of return assumption for both the Restated Retirement Plan and other post-employment benefits (OPEB) Plan from 6.50% to 6.25%, 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:

Controller / Treasury

Staff Contact:

Curtis Duncan / Roland Gonzalez

Background:

An Actuarial Experience Study for the Port Authority Restated Retirement Plan (Pension Plan) is prepared every five years by Milliman, the Port Authority's actuary, and considers actual results for the assumption factors of mortality, withdrawal, service dates, etc. The results of the experience study also apply to the Port Authority's OPEB Plan. The study resulted in favorable results compared to the actuarial projections.

As a result of the favorable projections stemming from the Actuarial Experience Study, staff, and Milliman have evaluated a reduction in the rate of return assumption for both plans.

By Minute No. 2016-1213-20, the Port Commission approved a change in the actuarial assumption for the investment rate of return from 7.00% to 6.75%, for both the Pension Plan and the OPEB Plan.

By Minute No. 2019-0924-24, the Port Commission last approved a change in the rates from 6.75% to 6.50%, for both the Pension Plan and the OPEB Plan.

Staff Evaluation/Justification:

Based on the favorable outcome of the Actuarial Experience Study and projected liabilities of both plans, staff has concluded that it is an opportune time to reduce the investment rate of return assumption from 6.50% to 6.25%.

As a result of this rate reduction and other assumption changes provided by the Actuarial Experience Study for the Pension Plan as of August 1, 2019, Milliman estimated the 2019 Actuarial Accrued Liability would increase by approximately \$330,000 and the Actuarial Determine Contribution (ADC) amount would decrease by approximately \$100,000. Additionally, Milliman estimated the funded status would reduce by approximately 0.15% from 92.94% to 92.79%.

For the OPEB Plan, as a result of this rate reduction, Milliman estimated the December 31, 2019 Total OPEB liability would increase approximately \$2.1 million and the funded status would decline from 116% to 113% (i.e. it would continue in an over-funded position).

Staff recommends the Port Commission reduce the investment return assumption rate to 6.25% for these plans. At its meeting of September 23, 2023, the Pension and Benefits Committee concurred with staff's recommendations.

I. INFRASTRUCTURE

Subject **1. Award a construction contract to Four Seasons Development Company for annual perimeter security fence replacement at Turning Basin Terminal in an amount not to exceed \$150,000.**

Meeting Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 27, 2020 meeting, award a construction contract to Four Seasons Development Company for annual perimeter security fence replacement at Turning Basin Terminal in an amount not to exceed \$150,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Awards, Amendments & Change Orders

Department:
Project and Construction Management

Staff Contact:
Roger H. Hoh, P.E.

Background:
This project would provide for the removal and replacement of deteriorated or damaged perimeter security fencing at the Turning Basin Terminal. The existing 6-foot perimeter fencing would be replaced with 8-foot fencing and three stands of barbed wire. The project to replace 5400 linear-feet of perimeter fencing would include the following:

- Remove 6-foot fencing and barbed wire
- Remove existing footings
- Install new concrete footings
- Place 8-foot fencing with three strands of barbed wire

The Port Authority notified vendors regarding its request for competitive sealed bids (CSBs) for the annual perimeter security fence replacement at Turning Basin 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. Fifty-one vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:
On September 30, 2020, five CSBs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Authority award a contract to Four Seasons Development, the responsible bidder submitting the lowest and best bid, for the annual perimeter security fence replacement at Turning Basin Terminal.

I. INFRASTRUCTURE

Subject	2. Amend the professional services contract with Wiss, Janney, Elstner Associates, Inc. for engineering services associated with the Port Authority Facility Inspection and Condition Assessment Program for corrosion on marine assets portwide in an amount not to exceed \$300,000.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2020 meeting, approve an amendment to the professional services contract with Wiss, Janney, Elstner Associates, Inc. for engineering services associated with the Port Authority Facility Inspection and Condition Assessment Program (FICAP) for corrosion on marine assets portwide in an amount not to exceed \$300,000, and 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. 2018-1212-17, the Port Commission awarded a professional services contract to Wiss, Janney, Elstner Associates, Inc. for engineering services associated with the Port Authority FICAP for corrosion on marine assets portwide.

The 2020 phase of inspections will be Turning Basin Wharves 23 through 26, and 28 through 31, with a total of eight wharf facilities. The 2020 work to be performed consists of the following:

- Perform baseline inspections above and below the water line for eight Port Authority wharf facilities
- Develop corrosion inspection plan for continuing routine inspections
- Development of engineering drawings with corrosion elements
- Convert engineering drawings into GIS database information
- Deliver reports and final data for inspected assets
- Perform functionality checks of corrosion protection systems

Staff Evaluation/Justification:

Staff has reviewed Wiss, Janney, Elstner Associates, Inc.'s proposal and found it to be fair and reasonable.

Staff recommends the Port Commission approve the amendment of the professional services contract with Wiss, Janney, Elstner Associates, Inc.

I. INFRASTRUCTURE

Subject	3. Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Wharves 4 and 5 at Bayport Container Terminal in an amount not to exceed \$84,614.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2020 meeting, approve a change order McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Wharves 4 and 5 at Bayport Container Terminal in an amount not to exceed \$84,614, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2020-0520-21, the Port Commission awarded a construction contract to McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Wharves 4 and 5 at Bayport Container Terminal.

This project consists of installing thirty-six concrete piles through the existing Wharf 5 deck, each 42-inches in diameter, by removing sections of the existing wharf deck. The initial plan to remove the required portions of the wharf deck utilized concrete saw cutting. Saw cutting was found to be limited around the edges and corners of each hole and instead, hydro-demolition was identified as the only alternative.

This change order would provide for the labor and material differential between hydro-demolition and saw cutting costs.

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.

I. INFRASTRUCTURE

Subject	4. 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 \$63,224.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2020 meeting, approve a change order to 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 \$63,224, 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. 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 would provide for the costs of following items:

- Furnishing and installing new access control door frames and hardware at the TWIC IDF Room 105
- Structural steel modifications to kiosk, optical character recognition, and rear camera poles and pedestals
- Purchase of one National Electrical Manufacturing Association (NEMA) enclosure cabinet with internal air conditioning unit

Staff Evaluation/Justification:

Port Authority staff has reviewed the proposal submitted by Archer Western Construction, LLC and found it to be fair and reasonable. Therefore, staff recommends that the Port Commission authorize this change order.

I. INFRASTRUCTURE

Subject	5. Approve a change order with Forde Construction Company, Inc. to perform additional work associated with the rehabilitation and repair of Wharf 9 at Turning Basin Terminal in an amount not to exceed \$209,009.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2020 meeting, approve a change order with Forde Construction Company, Inc. to perform additional work associated with the rehabilitation and repair of Wharf 9 at Turning Basin Terminal in an amount not to exceed \$209,009, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2020-0428-19, the Port Commission awarded a construction contract to Forde Construction Company, Inc. for the rehabilitation and repair of Wharf 9 at Turning Basin Terminal.

This change order would include the following items:

- Provide an entirely new deck with a double mat of reinforcing steel for uniform strength to meet the design criteria of the project
- Remove and replace eight cleat supports that have been compromised through multiple drilled holes
- Fix cracks in the buttress wall and replace with reinforced steel and concrete
- Complete replacement of the frontal beam, which would mitigate connection issues for the new fender, i.e. the existing frontal beam is not straight

Staff Evaluation/Justification:

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

I. INFRASTRUCTURE

Subject **6. Amend the professional engineering and auditing services contract supporting the Houston Ship Channel Expansion Channel Improvement Project with Atkins North America, Inc. to add an amount not to exceed \$596,600.**

Meeting Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 27, 2020 meeting, authorize the Port Authority to amend the professional engineering and auditing services contract supporting the Houston Ship Channel Expansion Channel Improvement Project with Atkins North America, Inc. to add an amount not to exceed \$596,600 and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Project 11

Department:

Channel Improvement

Staff Contact:

Lori S Brownell, P.E.

Background:

By Minute Nos. 2020-0428-39 and 2020-0730-27, the Port Commission approved contracts totaling \$1,300,000 with Atkins North America, Inc. and \$200,000 with Freese and Nichols, Inc., for both firms to provide professional engineering and auditing services to support the Houston Ship Channel Expansion Channel Improvement Project 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 completed in 2005) and Project 11 (the Houston Ship Channel Expansion Channel Improvement Project, HSC ECIP) and perform a peer review for the 65% design package submittal. Additionally, Freese and Nichols, Inc. has participated in an environmental focused review of the 65% design package submittal.

Staff Evaluation/Justification:

An additional total not to exceed amount of \$596,600 is requested for engineering and auditing services to be performed by Atkins North America, Inc for the HSC ECIP. Federal policy requires that planning, engineering, and designs (PED) provided by the local sponsor be reviewed and approved by the U.S. Army Corps of Engineers (USACE). The additional funding would allow the firm to complete the original intent for obtaining these professional engineering and auditing services, such as accounting related services, value engineering, and peer review, for the 95% and 100% deliverables. These final peer design reviews are expected to help the Port Authority to meet or exceed the applicable USACE regulations and guidance criteria.

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

I. INFRASTRUCTURE

Subject **7. Enter into a reimbursement agreement for design and permitting with Southtex 66 Pipeline Company, Ltd related to segment 4 of the Houston Ship Channel Expansion Channel Improvement Project at a cost not to exceed \$2,000,000, for which the Port Authority would be responsible for one half the cost, for a total amount not to exceed \$1,000,000.**

Meeting Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 27, 2020 meeting, authorize the Port Authority to enter into a reimbursement agreement for design and permitting with Southtex 66 Pipeline Company, Ltd related to segment 4 of the Houston Ship Channel Expansion Channel Improvement Project at a cost not to exceed \$2,000,000, for which the Port Authority would be responsible for one half the cost, for a total amount not to exceed \$1,000,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Project 11

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

As part of the Houston Ship Channel Expansion Channel Improvement Project (HSC ECIP), several pipelines would have to be removed and relocated in order to meet U.S. Army Corps of Engineers safety requirements. The companies previously identified as pipeline owners include: Kinder Morgan Texas Pipeline LP (two pipelines); HSC Pipeline Partnership, LLC; Seminole Pipeline Company LLC; Explorer Pipeline Company; Colonial Pipeline Company; Praxair Inc, (two pipelines); Equistar Chemicals, LP; and INEOS USA LLC. Agreements with these companies were approved at the July Port Commission meeting.

Port Authority staff has identified one additional pipeline owned by Southtex 66 Pipeline Company, Ltd, that would have to be relocated in Segment 4.

Costs for relocation for all these pipelines are estimated to range of \$4.2 million to \$20 million per pipeline. The design phase is expected to help narrow down those costs, and the Port Authority would also be responsible for half of those costs.

Staff Evaluation/Justification:

Channel Operations Department staff recommends approval of this additional contract to facilitate continued accelerated progress on the HSC ECIP project.

I. INFRASTRUCTURE

Subject **8. Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: Air Liquide Large Industries U.S. LP, Houston Pipe Line Company LP, and Monument Chemical Houston, LLC.**

Meeting Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 27, 2020 meeting, authorize the Port Authority to approve the renewal of the following expiring licenses for new ten-year terms: Air Liquide Large Industries U.S. LP, Houston Pipe Line Company LP, and Monument Chemical Houston, 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
Air Liquide Large Industries U.S. LP	2000-0266	\$554,713
Houston Pipe Line Company LP	2000-0299	\$17,672
Houston Pipe Line Company LP	2000-0300	\$6,363
Monument Chemical Houston, LLC	2007-0162	55,360
Total		\$634,108

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

Staff recommends approval.

I. INFRASTRUCTURE

Subject	9. Issue a pipeline license to Odfjell Terminals (Houston) Inc. for one 4-inch acrylonitrile pipeline, one 4-inch butylacrylate pipeline, and one 2-inch fiber optic under and across the southwest corner of the Bayport Container Terminal.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, authorize the Port Authority to issue a pipeline license to Odfjell Terminals (Houston) Inc. for one 4-inch acrylonitrile pipeline, one 4-inch butylacrylate pipeline, and one 2-inch fiber optic under and across the southwest corner of the Bayport Container Terminal, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Channel Operations

Background:

Odfjell Terminals (Houston) Inc., Port Authority File No. 2020-0233, has applied for a pipeline license for one 4-inch acrylonitrile pipeline, one 4-inch butylacrylate pipeline, and one 2-inch fiber optic under and across the southwest corner of the Bayport Container Terminal, in the William P Harris Survey, A-30.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department with input from the Port Operations department and others. Since the pipelines cross a Port Authority terminal, the license fee was negotiated: licensee would pay \$0.12 per barrel of product transmitted through the pipelines (pipelines crossing terminals would not fall under the normal fee schedule). The negotiated fee is \$52,551.84 for a 10-year license.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	10. Transfer two and renew one of the pipeline licenses from Cowboy Pipeline Service Company to Equistar Chemicals, LP for crossing the Houston Ship Channel and the Port Terminal Railroad Association Northside Mainline Railroad right-of-way.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action, Information
Recommended Action	The Port Commission, at its October 27, 2020 meeting, authorize the Port Authority to transfer two and renew one of the pipeline licenses from Cowboy Pipeline Service Company to Equistar Chemicals, LP for crossings in the Houston Ship Channel and Port Terminal Railroad Association Northside Mainline Railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
Channel Operations

Department:
Permits/Licenses/Pipeline Easements

Staff Contact:
Garry McMahan

Background:
Cowboy Pipeline Service Company has applied to transfer two and renew one of its pipeline licenses to Equistar Chemicals, LP for pipelines crossing the Houston Ship Channel and the Port Terminal Railroad Association Northside Mainline Railroad right-of-way, in the Ezekiel Thomas Survey, A-73, and the William Vince Survey, A-78: Port Authority File No. 1995-0065 for one 10-inch pipeline (transfer and renew) and 2005-0107 for one 10-inch pipeline (transfer).

Cowboy Pipeline Service Company expects to convey the licensed pipeline assets to Equistar Chemicals, LP as of November 30, 2020 and seeks to transfer the licenses to the new owner.

Staff Evaluation/Justification:
The applications were reviewed and approved by the Port Authority's Channel Operations department. The licenses are subject to the Port Authority's usual terms and conditions, and the renewal license is a fee of \$63,042. The \$675 application fee for both licenses have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	11. Issue a transmission line license to Comcast of Houston, LLC for one fiber optic cable line over and across the Port Authority's Port Terminal Railroad Association Southside Mainline Railroad right-of-way
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2020 meeting, authorize the Port Authority to issue a transmission line license to Comcast of Houston, LLC for one fiber optic cable line over and across the Port Authority's Port Terminal Railroad Association Southside Mainline Railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Channel Operations

Background:

Comcast of Houston, LLC, Port Authority File No. 2020-0275, has applied for a transmission line license for one fiber optic cable line over and across the Port Authority's Port Terminal Railroad Association Southside Mainline Railroad right-of-way, in the Arthur McCormick Survey,

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 \$1,688. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	12. Issue a transmission line license to Southwestern Bell Telephone Company for one fiber optic cable line under and along the Port Authority's Port Terminal Railroad Association Northside Mainline Railroad right-of-way.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2020 meeting, authorize the Port Authority to issue a transmission line license to Southwestern Bell Telephone Company for one fiber optic cable line under and along the Port Authority's Port Terminal Railroad Association Northside Mainline Railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
Channel Operations

Department:
Permits/Licenses/Pipeline Easements

Staff Contact:
Garry McMahan

Background:
Southwestern Bell Telephone Company, Port Authority File No. 2020-0268, has applied for a transmission line license for one fiber optic cable line under and along the Port Authority's Port Terminal Railroad Association Northside Mainline Railroad right-of-way, in the William P Harris & Robert Wilson Survey, A-31, and Ezekiel Thomas Survey, A-73. The line provides service to the Port of Houston Authority.

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. Staff recommends the application fee, license fee, and as-built deposit fee be waived since this project will provide service to the Port Authority.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **13. Amend a marine construction permit issued to TDWP Terminals 1, LLC to reconfigure the previously authorized ship docks to accommodate an additional ship dock and barge dock, reconfigure the bulkhead totaling 5,225 linear-feet, and reduce the dredge footprint to 60 acres in Buffalo Bayou/Houston Ship Channel.**

Meeting Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 29, 2020 meeting, authorize the Port Authority to amend a marine construction permit issued to TDWP Terminals 1, LLC to reconfigure the previously authorized ship docks to accommodate an additional ship dock and barge dock, reconfigure the bulkhead totaling 5,225 linear-feet, and reduce the dredge footprint to 60 acres in Buffalo Bayou/Houston Ship Channel, 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:

TDWP Terminals 1, LLC, Port Authority File No. 2013-0123, has applied to amend a marine construction permit to reconfigure the previously authorized ship docks to accommodate an additional ship dock and barge dock, reconfigure the bulkhead totaling 5,225 linear-feet, and reduce the dredge footprint to 60 acres in Buffalo Bayou/Houston Ship Channel, in the Richard & Robert Vince Survey, A-76.

The dredge depth is -46.5 feet plus a 2-foot overdredge below Mean Lower Low Water, to remove approximately 5.62 million cubic yards of dredged material. As a component of the dock reconfiguration, the permittee would add a 977-foot-long trestle with product piping rack terminating in a 1,000 square-foot T-head Dock (accommodating two ships), construct a 160-foot by 50-foot barge dock, and construct three docks capable of berthing ships along the reconfigured bulkhead. The permittee would install 20 breasting dolphins, 20 mooring dolphins, 3 tire guide piles, and 1 barge stop pile.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department, Project 11 team, and the Houston Pilots. The permit is to be issued subject to the Port Authority's usual terms and conditions. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

J. OPERATIONS

Subject **1. Award a two-year contract to Interamerican Motor, LLC for purchase of batteries for terminal equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$250,000.**

Meeting Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 27, 2020 meeting, authorize the Port Authority to enter into a two-year contract to Interamerican Motor, LLC for purchase of batteries for terminal equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$250,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2017-0926-38, the Port Commission awarded a two-year contract to XL Parts, LLC in the amount not to exceed \$300,000 for the purchase of batteries for terminal equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. This contract has been extended to September 30, 2021 however; staff wishes to terminate it for convenience.

The Port Authority currently owns ninety-eight rubber tired gantry cranes and over 700 vehicles and equipment that require one or more batteries for daily operation. In addition, some Information Technology and security hardware operate with batteries as well.

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. Thirty-two vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On September 30, 2020, four CSBs were received and opened. The responses were 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 two-year contract to Interamerican Motor, LLC, the responsible bidder submitting the lowest and best bid, for purchase of batteries for terminal equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

J. OPERATIONS

Subject **2. Award an annual contract to AssetWorks, LLC, the sole source provider, for software maintenance, support, and extended hardware warranty of Fleet Focus™ M5, Enterprise Asset Management System, and Fuel Focus software, the Port of Houston Authority's Fueling and Fleet management system in an amount not to exceed \$80,000.**

Meeting Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 27, 2020 meeting, authorize the Port Authority to enter into an annual contract to AssetWorks, LLC, the sole source provider, for software maintenance, support, and extended hardware warranty of Fleet Focus™ M5, Enterprise Asset Management System and Fuel Focus software, the Port of Houston Authority's Fueling and Fleet management system in an amount not to exceed \$80,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No.2019-0924-53, the Port Authority awarded a one-year contract to AssetWorks, LLC for its Fueling/Fleet management system. This contract expired October 1, 2020. AssetWorks, LLC holds all rights to sales, distribution, implementation, and development services to Fleet Focus™ M5 and Fuel Focus, which include, but are not limited to, software licenses, maintenance, and support of the latter intellectual property.

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 AssetWorks, LLC confirming that AssetWorks, LLC is the sole authorized sole provider of Fleet Focus™ M5, Enterprise Asset Management System and Fuel Focus.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve entering into an annual contract with AssetWorks, LLC, for software maintenance, support, and extended hardware warranty of Fleet Focus™ M5, Enterprise Asset Management System, and Fuel Focus software, the Port Authority's Fueling and Fleet management system.

K. PEOPLE

Subject **1. Authorize renewal of the contract with PlanSource Benefits Administration, Inc. for employee and retiree benefits and payroll integration services for an additional one-year period in an amount not to exceed \$75,000.**

Meeting Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 27, 2020 meeting, authorize renewal of the contract with PlanSource Benefits Administration, Inc. for employee and retiree benefits and payroll integration services for an additional one-year period in an amount not to exceed \$75,000, 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 #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. 2019-07-29-55, the Port Commission awarded a contract to PlanSource Benefits Administration, Inc. for employee and retiree benefits and payroll integration services. The technology and services provided under this contract assist the Port Authority with benefits enrollments, administration, and reporting (including federal reporting requirements under the Affordable Care Act (ACA), including the Form 1095-C employee documents and electronic Internal Revenue Service reporting).

The initial term of the contract with PlanSource Benefits Administration, Inc. was from August 6, 2019 until December 31, 2020, for an amount not to exceed \$87,460. It provided for two one-year renewals, at the option of the Port Authority, at an estimated amount of \$75,000 per year. This would be the first additional one-year renewal option.

Staff Evaluation/Justification:
PlanSource Benefits Administration, Inc. has continually met its obligations under the agreement and exceeded expectations since the start of the contract.

Staff recommends that the Port Commission authorize renewal of the PlanSource Benefits Administration, Inc. contract under current contractual terms at an amount not to exceed \$75,000.

K. PEOPLE

Subject	2. Authorize renewal of a contract with Lockton Companies, LLC for employee and retiree benefits consulting services for a two-year period, at a cost of \$115,000 per year and in a total amount not to exceed \$230,000.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2020 meeting, authorize renewal of a contract with Lockton Companies, LLC for employee and retiree benefits consulting services for a two-year period, at a cost of \$115,000 per year and in a total amount not to exceed \$230,000, 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 #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 for employee and retiree benefits consulting services for an initial period of three years, renewable for a two-year period at the option of the Port Authority.

Under this contract, Lockton Companies LLC serves as the Port Authority's broker of record in the purchasing process for employee benefits insurance, which includes developing solicitations, marketing, evaluating, ranking, and recommending providers and programs. Other services provided include continued assessment of the Port Authority's employee benefits program, along with design, implementation, and maintenance of the benefits program. Professional consulting services related to Port Authority employee and retiree benefits (including medical and other related insurance) are an important component for further development and optimization of the Port Authority's strategy of standardizing benefits, controlling costs, and managing competitive benefits program designed to attract and retain talent.

The initial term of the contract with Lockton Companies, LLC was for a three-year period, beginning February 1, 2018. The one additional two-year term would be subject to the same terms and conditions. After this extension staff expects to issue a solicitation to the market for proposals from potential future service providers.

Staff Evaluation/Justification:

Lockton Companies, LLC has continually met its obligations under the agreement and exceeded expectations as the broker of record since the inception of this contract.

Staff recommends the Port Commission authorize renewal of the agreement with Lockton Companies, LLC for employee benefits consulting services under current contractual terms with no fee increase for a two-year period.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	1. Authorize an agreement with the Houston Ship Channel Security District for payment of the current year (2020-2021) contribution in an amount not to exceed \$53,625.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2020 meeting, authorize an agreement with the Houston Ship Channel Security District for payment of the current year (2020-2021) contribution in an amount not to exceed \$53,625, and 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 3a. - Cultivate key relationships to accomplish common goals Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact

Category:

Awards, Amendments & Change Orders

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, allow the HSCSD to partner with many law enforcement entities in providing security enhancements in and around the Houston Ship Channel 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, (iv) air patrols over the Houston Ship Channel, and (v) cybersecurity information distribution.

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.

At this time, the HSCSD has preliminarily approved its budget for fiscal year 2021, and has determined the assessment amounts for its members, which are slightly increased over 2020. Accordingly, in line with its budget requirements and consistent with the assessment of its private industry members, the HSCSD has requested a contribution from the Port Authority of \$53,625 for fiscal year 2021 (payable in 2020). The 2021 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 Houston Ship Channel.

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 mutually agreeable terms.

Staff Evaluation/Justification:

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

M. TECHNOLOGY

Subject **1. Approve a purchase order to Red River Technology LLC for purchase of server and server hardware needed to utilize N4's XPS in a published app environment, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$70,000.**

Meeting Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its October 27, 2020 meeting, authorize the Port Authority to issue a purchase order to Red River Technology LLC for purchase of server and server hardware to utilize N4's XPS in a published app environment, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$70,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 1c. - Deliver excellence and continuous improvement in all core functions

Category:
Awards, Amendments & Change Orders

Department:
Information Technology

Staff Contact:
Ron Farrow

Background:
The Port Authority is seeking to obtain approval to purchase server and server hardware needed to utilize N4's XPS in a published app environment, which will help provide a consistent version of this application to be used by all Port Authority staff and stevedores.

The Texas Department of Information Resources (DIR) is a department of the State of Texas, and has cooperative purchasing programs which may be used by the Port Authority, and which may be used for this procurement.

Staff Evaluation/Justification:
The Director of Procurement Services has determined that procuring the server and server hardware needed to utilize N4's XPS in a published app environment through the Texas Department of Information Resources' (DIR) purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Information Technology department has determined that the best availability, price, and contract term for the item needed is provided by Red River Technology LLC under the pricing schedule obtained from that vendor's contract with DIR, and is therefore recommending this purchase.

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

M. TECHNOLOGY

Subject	2. Approve a purchase order to Netsync Network Solutions for purchase of VMWare Horizon licensing needed to utilize N4's XPS in a published app environment, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$70,000.
Meeting	Oct 27, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2020 meeting, authorize the Port Authority to issue a purchase order to Netsync Network Solutions for purchase of VMWare Horizon licensing to utilize N4's XPS in a published app environment, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$70,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 1c. - Deliver excellence and continuous improvement in all core functions

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Ron Farrow

Background:

The Port Authority is seeking to obtain approval to purchase VMWare Horizon licensing needed to utilize N4's XPS in a published app environment, which will help provide a consistent version of this application being used by all Port Authority staff and stevedores.

The Texas Department of Information Resources (DIR) is a department of the State of Texas, and has cooperative purchasing programs which may be used by the Port Authority, and which may be used for this procurement.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring the VMWare Horizon licensing needed to utilize N4's XPS in a published app environment through the Texas Department of Information Resources' (DIR) purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Information Technology department has determined that the best availability, price, and contract term for the item needed is provided by Netsync Network Solutions under the pricing schedule obtained from that vendor's contract with DIR, and is therefore recommending this purchase.

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