



Tuesday, May 24, 2022
PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

9:15 a.m.
111 East Loop North
Houston, TX 77029
Fourth Floor Boardroom
And Via WebEx

A. CALL TO ORDER

B. OPENING REMARKS BY CHAIRMAN AND COMMISSIONERS

1. Governance, legislative, policy, operational, and community matters

C. APPROVAL OF MINUTES

1. Port Commission Public Meeting - April 26, 2022

D. STAFF REPORTS

1. Summary of selected financial and operational matters

E. APPEARANCES

1. Public Comment

F. EXECUTIVE

Staff Report – Selected agenda item – Tom Heidt, Chief Operating Officer

General

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

G. BUSINESS EQUITY

1. No items.

H. COMMERCIAL

Staff Report – Selected agenda items – John Moseley, Chief Commercial Officer

Leases

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

2. Approve an amendment to the lease with Gulf Winds International, Inc. to add approximately 0.838 acres adjacent to the southwest corner of its 10.435-acre leased premises on the south side of Port Road near the Bayport Container Terminal, effective no earlier than May 25, 2022, at an annual base rent of approximately \$456,227, subject to annual rent escalation of the greater of 3% or the increase in the Consumer Price Index.
3. Approve an amendment to the lease with Conestoga Supply, LLC for approximately 0.87 acres out of Block 24 at Industrial Park East, to extend the term for one year, effective no earlier than July 1, 2022, at an annual base rent of approximately \$19,921.
4. Approve an amendment to the lease with INEOS USA LLC for approximately 1.95 acres near Independence Parkway, to extend the term for five years, effective no earlier than September 1, 2022, at an annual base rent of approximately \$48,961, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index.
5. Ratify the extended terms of three month-to-month leases with Cooper/Ports America, LLC, each commencing July 1, 2022, for approximately 10 acres, 10.08 acres, and 3.57 acres, out of Blocks 4A, 3A, and 4B at the Northside Turning Basin, at an annual base rent of approximately \$442,440 for the 10-acre lease, \$445,979 for the 10.08-acre lease, and \$149,640 for the 3.57-acre lease.

I. FINANCE

Staff Report – Selected agenda item – Tim Finley, Chief Financial Officer

General

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

J. INFRASTRUCTURE

Staff Report – Selected agenda items – Rich Byrnes, Chief Infrastructure Officer

Awards, Amendments & Change Orders

1. Approve staff's ranking of vendors and award an agreement in an amount not to exceed \$225,000 for non-hazardous and hazardous waste recycling, disposal, and management to the top-ranked proposer: staff ranking- first, Heritage Crystal- Clean, LLC; second, Oil Mop dba OMI Environmental Solutions, LLC; and third, Tradebe Environmental Services, LLC.
2. Approve staff's ranking of vendors and award a construction contract in an amount not to exceed \$1,649,760 for the repair of the Spilman Island bridge to the top-ranked proposer: staff ranking - first, Forde Construction Company, Inc.; and second, NGB Constructors, Inc.
3. Award a construction contract to Jerdon Enterprise, L.P. for restroom renovations at Wharf 8, Wharf 32, and various sheds at Turning Basin Terminal in an amount not to exceed \$3,875,889.

4. Approve staff's ranking of vendors and award a construction contract in an amount not to exceed \$338,469 to construct Container Yard 6 refrigerated storage infrastructure at Barbours Cut Terminal to the top-ranked proposer: staff ranking - first, C.F. McDonald Electric, Inc.; and second, Pfeiffer & Son, Ltd.
5. Approve staff's ranking of vendors and award a construction contract in an amount not to exceed \$815,774 for electrical preventative maintenance services at Barbours Cut Terminal and Bayport Container Terminal in 2022 through 2024 to the top-ranked proposer: staff ranking - first, Shermco Industries, Inc.; second, Saber Engineering Services, LLC; and third, Power Engineering Services.
6. Award a professional services contract to Jacobs Engineering Group, Inc. for engineering evaluation of Wharves 9, 16, 17, 23, 24, 25, 26, 29, 30, 31, and 32 at Turning Basin Terminal in an amount not to exceed \$342,825.
7. Amend the professional services contract with AECOM Technical Services, Inc. to perform services for rehabilitation and repair design of Wharfs 20 and 21 at Turning Basin Terminal in an amount not to exceed \$88,778.
8. Amend the professional services contract with DE Corp. to perform additional services for the rehabilitation and repair of Wharf 2 at Manchester Terminal in an amount not to exceed \$143,285.
9. Amend a professional services contract to GHD, Inc. to further develop Asset Management and Geographic Information System programs, in an amount not to exceed \$720,393.
10. Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the construction of Wharf 6 at Bayport Container Terminal in an amount not to exceed \$4,885,000.
11. Enter into an Interlocal Agreement with Harris County to provide wage rate compliance services for a nineteen-month period in an amount not to exceed \$113,346.08.

General

12. Increase funding under the Memorandum of Agreement with the U.S. Army Corps of Engineers for maintenance dredging of berths at the Bayport Container Terminal, Bayport Auto Terminal, and Barbours Cut Terminal by \$4,000,000 for a new total amount not to exceed \$9,000,000.

Project 11

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

Permits/Licenses/Pipeline Easements

14. Issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one 138kV transmission line over and across Greens Bayou, approximately 0.63 miles upstream of the Crosby Freeway bridge.

15. Amend a pipeline license contract with INEOS Chocolate Bayou Pipeline, LLC to relocate an existing pipeline under the Houston Ship Channel near the Bulk Materials Handling Plant.

K. OPERATIONS

Staff Report – Selected agenda items – Jeff Davis, Chief Port Operations Officer

Awards, Amendments & Change Orders

1. Approve staff's ranking of vendors and award a three-year contract in an amount not to exceed \$1,200,000 for the purchase of janitorial services at Barbours Cut Terminal and Bayport Container Terminal to the top-ranked proposer: staff ranking – first, Ambassador Services, LLC; second, Unicare Building Maintenance, Inc.; and third, Office Pride Commercial Cleaning of Bayport-Mont Belvieu.

2. Award a two-year contract to Rush Truck Centers of Texas, LP dba Rush Truck Center, Houston for the purchase of Cummins diesel engine parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$1,100,000.

3. Award a two-year contract to Monument Chevrolet for the purchase of General Motors parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using a Sourcewell cooperative purchase program contract, in an amount not to exceed \$300,000.

4. Authorize payment to Navis LLC for annual maintenance services for the Marine Terminal Management Software System for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$764,480.

5. Authorize payment to Smart Tecs LLC for annual maintenance services for the Marine Terminal Gate Operating Software System for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$372,214.

6. Authorize an amendment to a previous award to Yard Mule Specialists Texas, Inc. for the purchase of sixteen yard tractors for Barbours Cut Terminal and Bayport Container Terminal for a revised contract amount not to exceed \$2,251,045.

L. PEOPLE

1. No items.

M. SECURITY AND EMERGENCY OPERATIONS

Staff Report – Selected agenda item – Marcus Woodring, Chief Port Security and Emergency Operations Officer

Awards, Amendments & Change Orders

1. Approve two-year extensions to the current professional services contracts with Garner Environmental Services and T&T Salvage for emergency standby products and services.

N. TECHNOLOGY

1. No items.

O. RECESS OPEN MEETING AND CONVENE EXECUTIVE SESSION

1. Consultation with Attorneys (Section 551.071, Texas Open Meetings Act), including consultation regarding claims of the Port Authority against Celanese Ltd.
2. Real Estate (Section 551.072, Texas Open Meeting Act), including deliberation regarding licensing of miscellaneous Houston Ship Channel and upland properties
3. Economic Development Negotiations or Incentives (Section 551.087, Texas Open Meetings Act)
4. Employment and Evaluation of Public Employees (Section 551.074, Texas Open Meetings Act)
5. Security-Related Matters (Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act)
6. Adjourn Executive Session

P. RECONVENE OPEN MEETING

1. Announce any items from Executive Session requiring Port Commission action

Q. INFRASTRUCTURE

Staff Report – Selected agenda item – Rich Byrnes, Chief Infrastructure Officer

Permits/Licenses/Pipeline Easements

1. Approve revised license fees for petroleum and chemical pipeline licenses according to the attached rate schedule, effective June 1, 2022.

R. CLOSING REMARKS BY CHAIRMAN AND COMMISSIONERS

1. Governance, legislative, policy, operational, and community matters

S. ADJOURN MEETING

1. Next Meeting Requested - June 28, 2022
2. Adjourn Port Commission Meeting

F. EXECUTIVE

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

Category:
General

Department:
Executive

Staff Contact:
Erik Eriksson

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

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

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

Evaluation/Justification:
Port Authority staff recommends that the Port Commission authorize the Port Authority to do so.

H. COMMERCIAL

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

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

Access Public

Type Action

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

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

Category:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

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

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

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

H. COMMERCIAL

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

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

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

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

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

Staff Evaluation/Justification:

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

H. COMMERCIAL

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

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

Access Public

Type Action

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

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

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

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

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

Staff Evaluation/Justification:

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

H. COMMERCIAL

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

Category:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

Background:

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

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

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

Staff Evaluation/Justification:

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

H. COMMERCIAL

Subject 5. Ratify the extended terms of three month-to-month leases with Cooper/Ports America, LLC, each commencing July 1, 2022, for approximately 10 acres, 10.08 acres, and 3.57 acres, out of Blocks 4A, 3A, and 4B at the Northside Turning Basin, at an annual base rent of approximately \$442,440 for the 10-acre lease, \$445,979 for the 10.08-acre lease, and \$149,640 for the 3.57-acre lease.

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

Access Public

Type Action

Recommended Action The Port Commission, at its May 24, 2022 meeting, ratify the extended terms of three month-to-month leases with Cooper/Ports America, LLC, each commencing July 1, 2022, for approximately 10 acres, 10.08 acres, and 3.57 acres, out of Blocks 4A, 3A, and 4B at the Northside Turning Basin, at an annual base rent of approximately \$442,440 for the 10-acre lease, \$445,979 for the 10.08-acre lease, and \$149,640 for the 3.57-acre lease, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

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

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

Staff Evaluation/Justification:

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

I. FINANCE

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

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

Access Public

Type Action

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

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

Category:
General

Department:
Treasury

Staff Contact:
Roland Gonzalez/Tim Finley

Background:

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

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

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

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

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

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

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

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

Staff Evaluation/Justification:

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

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

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

J. INFRASTRUCTURE

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

Category:

Awards, Amendments & Change Orders

Department:

Environmental Affairs

Staff Contact:

Trae Camble

Background:

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

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

Staff Evaluation/Justification:

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

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

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

J. INFRASTRUCTURE

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

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

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

Staff Evaluation/Justification:

On April 13, 2022, two CSPs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as providing the best value for the required services:

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

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

J. INFRASTRUCTURE

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

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

Access Public

Type Action

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

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

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

Staff Evaluation/Justification:

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

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

J. INFRASTRUCTURE

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

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

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

Staff Evaluation/Justification:

On April 13, 2022, two CSPs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as providing the best value for the required services:

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

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

J. INFRASTRUCTURE

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

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

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

Staff Evaluation/Justification:

On April 13, 2022, three CSPs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as providing the best value for the required services:

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

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

J. INFRASTRUCTURE

Subject **6. Award a professional services contract to Jacobs Engineering Group, Inc. for engineering evaluation of Wharves 9, 16, 17, 23, 24, 25, 26, 29, 30, 31, and 32 at Turning Basin Terminal in an amount not to exceed \$342,825.**

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

Access Public

Type Action

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

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

Staff Evaluation/Justification:

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

J. INFRASTRUCTURE

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

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

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

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

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

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

Staff Evaluation/Justification:

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

J. INFRASTRUCTURE

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

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

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

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

Staff Evaluation/Justification:

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

J. INFRASTRUCTURE

Subject	9. Amend a professional services contract to GHD, Inc. to further develop Asset Management and Geographic Information System programs, in an amount not to exceed \$720,393.
Meeting	May 24, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 24, 2022 meeting, approve an amendment to the professional services contract with GHD, Inc. to further develop Asset Management and Geographic Information System programs in an amount not to exceed \$720,393, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Asset Management

Staff Contact:

Charlie Jenkins

Background:

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

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

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

Staff Evaluation/Justification:

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

J. INFRASTRUCTURE

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

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

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

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

Staff Evaluation/Justification:

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

J. INFRASTRUCTURE

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

Category:

Awards, Amendments & Change Orders

Department:

Project & Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

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

Staff Evaluation/Justification:

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

Staff recommends that the Port Commission approve the agreement.

J. INFRASTRUCTURE

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

Category:
General

Department:
Channel Operations

Staff Contact:
Garry McMahan

Background:

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

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

Staff Evaluation/Justification:

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

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

J. INFRASTRUCTURE

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

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

Access Public

Type Action

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

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

Category:

Project 11

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

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

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

Staff Evaluation/Justification:

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

J. INFRASTRUCTURE

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

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

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

Staff Evaluation/Justification:

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

Staff recommends approval.

J. INFRASTRUCTURE

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

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

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

Staff Evaluation/Justification:

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

Staff recommends approval.

K. OPERATIONS

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

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

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

Staff Evaluation/Justification:

On April 13, 2022, eight RFP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required product:

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

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

K. OPERATIONS

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2019-0729-48, the Port Commission awarded a two-year contract to Rush Truck Center of Texas, LP dba Rush Truck Center, Houston for the purchase of Cummins diesel engine parts and related services for Barbours Cut Terminal and Bayport Container Terminal in the amount of \$1,200,000. This contract is set to expire on May 31, 2022.

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

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

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

Staff Evaluation/Justification:

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

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

K. OPERATIONS

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

Category:

Award, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

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

Staff Evaluation/Justification:

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

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

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

K. OPERATIONS

Subject 4. Authorize payment to Navis LLC for annual maintenance services for the Marine Terminal Management Software System for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$764,480.

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

Access Public

Type Action

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

Category:

Awards, Amendments & Change Orders

Department:

Operations

Staff Contact:

Jeff Davis

Background:

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

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

Staff Evaluation/Justification:

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

K. OPERATIONS

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

Category:

Awards, Amendments & Change Orders

Department:

Operations

Staff Contact:

Jeff Davis

Background:

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

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

Staff Evaluation/Justification:

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

K. OPERATIONS

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

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

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

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

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

Staff Evaluation/Justification:

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

M. SECURITY AND EMERGENCY OPERATIONS

Subject 1. Approve two-year extensions to the current professional services contracts with Garner Environmental Services and T&T Salvage for emergency standby products and services.

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

Access Public

Type Action

Recommended Action The Port Commission, at its May 24, 2022 meeting, approve two-year extensions to the professional services contracts with Garner Environmental Services and T&T Salvage for emergency standby products and services for an additional two years, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact
STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:

Awards, Amendments & Change Orders

Department:

Emergency Management

Staff Contact:

Colin Rizzo

Background:

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

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

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

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

Staff Evaluation/Justification:

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

Q. INFRASTRUCTURE

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

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

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

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

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

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

Staff Evaluation/Justification:

The updated schedule provides the following:

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

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

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

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

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

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

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

