



PORT COMMISSION MEETING

October 26, 2021 – AGENDA



Tuesday, October 26, 2021
PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

9:15 a.m.
111 East Loop North
Houston, TX 77029
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 - September 28, 2021

D. STAFF REPORTS

1. Summary of selected financial and operational matters

E. APPEARANCES

1. Public Comment

F. EXECUTIVE

1. No items.

G. BUSINESS EQUITY

1. No items.

H. COMMERCIAL

Awards, Amendments & Change Orders

1. Approve staff's ranking of vendors and award a fourteen-month professional service contract in an amount not to exceed \$550,000 with an option for a one-year extension for media buy services to the top- ranked proposer: staff ranking – first, Love Advertising Inc.; second, BQR Advertising and Public Relations, Inc.; and third, Strike Marketing.
2. Approve the Port Authority's 2022 membership in the Greater Houston Partnership at the Managing Partner level with associated membership fees in an amount not to exceed \$60,000.

Leases

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

4. Approve an amendment to the lease with Cooper/Ports America, LLC for approximately 3.56 acres and an approximate 15,563 square foot warehouse at Block 8, Northside Turning Basin, to extend the term for one year, effective no earlier than January 1, 2022, at an annual base rent of approximately \$214,944.48, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index.

5. Approve a lease for a thirteen-month term with R. Warehousing & Port Services, Inc. for approximately 0.9 acres, including an approximate 7,700 square feet rail shed, at Block 5C, Northside Turning Basin, effective no earlier than November 1, 2021, at an annual base rent of approximately \$40,471.20, subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index.

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

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

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

9. Authorize the Port Authority to consent to a lease amendment between San Jacinto Community College District and LBC Houston, L.P. (LBC) in connection with the district's lease with LBC dated May 1, 2020.

I. FINANCE

General

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

J. INFRASTRUCTURE

Awards, Amendments & Change Orders

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

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

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

4. Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the construction of Wharf 6 at Bayport Container Terminal in an amount not to exceed \$744,381.

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

Permits/Licenses/Pipeline Easements

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

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

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

K. OPERATIONS

Awards, Amendments & Change Orders

1. Award a contract to All-Tech Fuel Systems, LLC for the purchase and installation of two 10,000-gallon diesel tanks for Bayport Container Terminal in an amount not to exceed \$357,710.

2. Award a contract to Yard Mule Specialists Texas, Inc. for the purchase of sixteen yard tractors for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$2,045,035.
3. Approve staff's ranking of vendors and award a two-year contract in an amount not to exceed \$1,500,000 for the purchase of wire ropes and related components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal to the top-ranked proposer: staff ranking – first, Bishop Lifting Products, Inc.; and second, Kennedy Wire Rope and Sling.
4. Award a three-year contract to Waste Corporation of Texas LP d/b/a GFL Environmental for trash disposal and recycling services for the Turning Basin Terminal, Barbours Cut Terminal, Bayport Container Terminal, Turning Basin Terminal South, and fireboat barracks in an amount not to exceed \$3,000,000.
5. Award a contract to SAFT America, Inc., the sole source provider, for the purchase of battery modules and accessories for four hybrid rubber-tyred gantry (RTG) cranes at Barbours Cut Terminal in an amount not to exceed \$632,440.
6. Approve a change order with A.J. Hurt, Jr., Inc. dba Reladyne for the purchase of unleaded gasoline and ultra-low sulfur diesel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$450,000.

L. PEOPLE

Awards, Amendments & Change Orders

1. Authorize renewal of the agreement with Aetna Life Insurance Company to provide stop-loss insurance coverage for the calendar year 2022 for the Port Authority's self-funded group medical benefits program for active employees, retirees who are not Medicare-eligible, and dependents, in an amount not to exceed \$1,864,800.
2. Authorize renewal of the agreement with Aetna Life Insurance Company to provide professional third- party administration services for the Port Authority's self-funded group medical benefits program for active employees, retirees who are not Medicare-eligible, and dependents, for the calendar year 2022, in an amount not to exceed \$46,400.

M. SECURITY AND EMERGENCY OPERATIONS

General

1. Approve the proportional purchase via League City of a Computer Aided Dispatch system, accessories, and support services from Motorola Solutions, Inc., utilizing a U.S. Communities Government Purchasing Alliance contract in an amount not to exceed \$244,682.
2. Approve an agreement with the Houston Ship Channel Security District for payment of the current year (2021-2022) contribution in an amount not to exceed \$61,675.
3. Approve a Memorandum of Agreement with the U.S. Coast Guard Sector Houston-Galveston concerning safe harbor for fishing vessels during storm events.

N. TECHNOLOGY

Awards, Amendments & Change Orders

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

O. RECESS OPEN MEETING AND CONVENE EXECUTIVE SESSION

1. Consultation with Attorneys (Section 551.071, Texas Open Meetings Act)
2. Real Estate (Section 551.072, Texas Open Meeting Act), including disposition of Bayport Terminal vicinity properties
3. Economic Development Negotiations or Incentives (Section 551.087, Texas Open Meetings Act)
4. Employment and Evaluation of Public Employees (Section 551.074, Texas Open Meetings Act)
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. CLOSING REMARKS BY CHAIRMAN AND COMMISSIONERS

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

R. ADJOURN MEETING

1. Next Meeting Requested - November 18, 2021, Budget Workshop
2. Adjourn Port Commission Meeting

H. COMMERCIAL

Subject	1. Approve staff's ranking of vendors and award a fourteen-month professional service contract in an amount not to exceed \$550,000 with an option for a one-year extension for media buy services to the top-ranked proposer: staff ranking – first, Love Advertising Inc.; second, BQR Advertising and Public Relations, Inc.; and third, Strike Marketing.
Meeting	Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 26, 2021 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Love Advertising Inc.; second, BQR Advertising and Public Relations, Inc.; and third, Strike Marketing; (b) award a fourteen-month professional service contract with an option for a one-year extension to the top-ranked proposer for media buy services in the amount not to exceed \$550,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor, and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships) Strategic Objective 3c. - Engage in proactive two-way communication STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region) Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port

Category:

Awards, Amendments & Change Orders

Department:

Commercial

Staff Contact:

Christine Abbruscato

Background:

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

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

- Advertising strategy services;

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

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

Staff Evaluation/Justification:

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

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

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

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

H. COMMERCIAL

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

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

Access Public

Type Action

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

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

Category:

Awards, Amendments, & Change Orders

Department:

Economic Development

Staff Contact:

Shane Williams

Background:

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

Staff Evaluation/Justification:

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

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

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

H. COMMERCIAL

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

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

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve an amendment to the lease with Gulf Winds International, Inc. to (i) add approximately 1.85 acres land located directly adjacent to the southeast corner of its current 8.585-acre leased premises at Bayport Container Terminal, and (ii) extend the term for an additional ten years, effective no earlier than November 1, 2021, at an annual base rent of approximately \$425,445, subject to annual rent escalation of the greater of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)
STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)
STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

By Minute No. 2018-1030-10, the Port Commission authorized a five-year lease Gulf Winds International, Inc. (Gulf Winds) for approximately 8.585 acres, including a non-exclusive entrance and non-exclusive roadway, on the south side of Port Road adjacent to Old Highway 146 at Bayport Container Terminal. The property is used for the staging of trucks awaiting entry into the Gulf Winds warehouse; the operation of empty and loaded container handling equipment; the stacking and storage of empty and loaded containers; and the operation of a small mobile office building.

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

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

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

Staff Evaluation/Justification:

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

H. COMMERCIAL

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

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

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

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

Staff Evaluation/Justification:

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

H. COMMERCIAL

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

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

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

Staff Evaluation/Justification:

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

H. COMMERCIAL

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

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

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve a lease for a five-year term with Suderman Contracting Stevedores, Inc. d/b/a Metro Ports for approximately 3.13 acres, including an approximate 44,850 square foot transit building, at Block 1B, Northside Turning Basin, effective no earlier than November 1, 2021, (i) for years one through three, at an annual base rent of approximately \$135,066, adjusted for an annual abated base rent not to less than \$126,795, resulting in an annual net base rent not less than \$8,271, subject to an annual rent escalation of the greater of 3% or the increase in the Consumer Price Index, and (ii) for years four and five, at an annual base rent at the then-current stabilized lease rate, subject to an annual rent escalation of the greater of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [STRATEGIC GOAL #4 - STEWARDSHIP \(Create Greater Value for the Region\)](#)
[STRATEGIC GOAL #2 - INFRASTRUCTURE \(Optimize Infrastructure and Channel Capacity to Serve the Region\)](#)

Category:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

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

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

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

Staff Evaluation/Justification:

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

H. COMMERCIAL

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

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Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve an amendment to the lease with Sesco Terminals Corp. to (i) increase the leased premises from approximately 20,817 square feet to approximately 41,634 square feet out of the Wharf 1 warehouse located at Turning Basin West and (ii) extend the term for an additional five years, effective no earlier than November 1, 2021, at an annual base rent of approximately \$83,234, subject to annual rent escalation of the greater of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

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

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

Staff Evaluation/Justification:

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

H. COMMERCIAL

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

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Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve an amendment to the lease with Cooper/Ports America, LLC for approximately 5.18 acres at Block 11, Northside Turning Basin, to extend the term for three years, effective no earlier than January 1, 2022, at an annual base rent of approximately \$248,399.16 subject to annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)
Strategic Objective 2b. - Drive development of landside infrastructure and inland distribution networks
STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)
Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port

Category:
Leases

Department:
Real Estate

Staff Contact:
R. D. Tanner

Background:
By Minute No. 2019-1211-21, the Port Commission authorized a one-year lease with a one-year mutual lease extension option with Cooper/Ports America, LLC for approximately 5.18 acres at Block 11, Northside Turning Basin. The property is used for storage and handling of steel products and general cargo originating from or departing via the Port Authority's wharves.

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

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

H. COMMERCIAL

Subject	9. Authorize the Port Authority to consent to a lease amendment between San Jacinto Community College District and LBC Houston, L.P. (LBC) in connection with the district's lease with LBC dated May 1, 2020.
Meeting	Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 26, 2021 meeting, authorize the Port Authority to consent to a lease amendment between San Jacinto Community College District and LBC Houston, L.P. (LBC) in connection with the district's lease with LBC dated May 1, 2020, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships) Strategic Objective 3a. - Cultivate key relationships to accomplish common goals STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

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

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

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

Staff Evaluation/Justification:

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

I. FINANCE

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

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

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve an order authorizing the sale of Port of Houston Authority of Harris County, Texas, First Lien Revenue Bonds, Series 2021 (NON-AMT), in an aggregate principal amount not to exceed \$400,000,000, confirming the terms and form thereof; confirming the payment of the principal thereof and interest thereon; authorizing a Second Supplemental Resolution, a Bond Purchase Agreement, and other instruments in connection therewith, and the preparation and distribution of an official statement to be used in connection with the sale of the bonds; and making other provisions regarding such bonds, including use of the proceeds thereof, and matters incident thereto, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

General

Department:

Treasury

Staff Contact:

Roland Gonzalez/Tim Finley

Background:

The Houston Ship Channel Expansion Channel Improvement Project (Project 11) is the result of the Port Authority's multi-year collaboration with the federal government, including the U.S. Army Corps of Engineers, Houston Ship Channel stakeholders, and many others. The improvements planned for Project 11 include widening the channel by 170 feet along its Galveston Bay reach, from 530 feet to 700 feet, other widening upstream, deepening upstream segments up to 46.5 feet, safety and efficiency improvements, and new environmental features.

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

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

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

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

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

Staff Evaluation/Justification:

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

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

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

J. INFRASTRUCTURE

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

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

Access Public

Type Action

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

- (a) approve staff's ranking of vendors that offer the best value to the Port Authority, based on the selection criteria, in the following order – first, Orion Construction, LP; second, Castle Energy Group, LLC; and third, Sunland Construction, Inc & Affiliates.
- (b) award a services contract to Orion Construction, LP for the removal of subsurface abandoned pipelines that lie within the future limits of the Houston Ship Channel Expansion Channel Improvement Project and removal of a section of debris along the north shoreline of the Bayport Ship Channel in an amount not to exceed \$4,085,500;
- (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor; and
- (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Channel Improvement

Staff Contact:

Lori Brownell

Background:

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

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

Staff Evaluation/Justification:

On September 15, 2021, four CSPs were reviewed and opened; one proposal was deemed non-responsive. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as offering the best value to provide the required services:

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

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

J. INFRASTRUCTURE

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

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

Access Public

Type Action

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

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

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

Staff Evaluation/Justification:

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

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

J. INFRASTRUCTURE

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

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

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, authorize the Port Authority to amend the professional engineering and auditing services contract supporting the Houston Ship Channel Expansion Channel Improvement Project (Project 11) with Atkins North America, Inc. in an amount not to exceed \$650,000 and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Channel Improvement

Staff Contact:

Lori S Brownell

Background:

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

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

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

Staff Evaluation/Justification:

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

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

J. INFRASTRUCTURE

Subject	4. Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the construction of Wharf 6 at Bayport Container Terminal in an amount not to exceed \$744,381.
Meeting	Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 26, 2021 meeting, approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the construction of Wharf 6 at Bayport Container Terminal in an amount not to exceed \$744,381, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

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

This is the second change order to this contract for a total change order value to date of \$769,194.12, 0.90% of the total contract value.

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

Staff Evaluation/Justification:

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

J. INFRASTRUCTURE

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

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

Access Public

Type Action

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

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

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

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

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

Staff Evaluation/Justification:

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

J. INFRASTRUCTURE

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

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

Access Public

Type Action

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

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

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

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

Staff Evaluation/Justification:

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

Staff recommends approval.

J. INFRASTRUCTURE

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

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

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, authorize the Port Authority to issue a transmission line license to Comcast of Houston, LLC for one fiber optic cable line under the Port Terminal Railroad Association’s right-of-way on the east side of Independence Parkway South, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

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

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority’s Channel Operations department and the Port Terminal Railroad Association. The license is subject to the Port Authority’s usual terms and conditions and at a fee of \$1,709. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

J. INFRASTRUCTURE

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

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

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, authorize the Port Authority to issue a transmission line license to Southwestern Bell Telephone Company for one fiber optic cable line and four service poles inside Gate 18 near the Southside Wharves, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

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

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department and the Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$2,709. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

K. OPERATIONS

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

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

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

Staff Evaluation/Justification:

On September 22, 2021, one response was received and opened. The response was reviewed and evaluated by staff in accordance with the published selection criteria.

Following staff Executive Committee review, staff recommends that the Port Authority award a contract to All-Tech Fuel Systems, LLC and act as otherwise described above.

K. OPERATIONS

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

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

Access Public

Type Action

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

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

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

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

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

Staff Evaluation/Justification:

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

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

K. OPERATIONS

Subject	3. Approve staff's ranking of vendors and award a two-year contract in an amount not to exceed \$1,500,000 for the purchase of wire ropes and related components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal to the top-ranked proposer: staff ranking – first, Bishop Lifting Products, Inc.; and second, Kennedy Wire Rope and Sling.
Meeting	Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 26, 2021 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Bishop Lifting Products, Inc.; and second, Kennedy Wire Rope and Sling; (b) award a two-year contract to the top-ranked proposer for the purchase of wire rope and related components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$1,500,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2019-0924-47, the Port Commission awarded a two-year contract to Bishop Lifting Products, Inc. in the amount not to exceed \$1,600,000 for the purchase of wire rope and related components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. This contract expired on September 30, 2021. Wire rope is primarily used for hoist, trolley, and boom functions on the Port Authority's twenty-five wharf cranes and one hundred and sixteen rubber-tyred gantry (RTG) cranes as well as other lifting equipment. Additionally, six wharf cranes are expected to arrive at Bayport Container Terminal during this contract term.

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

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

Staff Evaluation/Justification:

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

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

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

K. OPERATIONS

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

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

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, award a three-year contract to Waste Corporation of Texas LP d/b/a GFL Environmental for trash disposal and recycling services for the Turning Basin Terminal, Barbours Cut Terminal, Bayport Container Terminal, Turning Basin Terminal South, and fireboat barracks in an amount not to exceed \$3,000,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Operations

Staff Contact:

Jeff Davis

Background:

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

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

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

Staff Evaluation/Justification:

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

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

K. OPERATIONS

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

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

Access Public

Type Action

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

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

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

Staff Evaluation/Justification:

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

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

K. OPERATIONS

Subject	6. Approve a change order with A.J. Hurt, Jr., Inc. dba Reladyne for the purchase of unleaded gasoline and ultra-low sulfur diesel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$450,000.
Meeting	Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 26, 2021 meeting, approve a change order with A.J. Hurt, Jr., Inc. dba Reladyne for the purchase of unleaded gasoline and ultra-low sulfur diesel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$450,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Award, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

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

Staff Evaluation/Justification:

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

L. PEOPLE

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

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

Access Public

Type Action

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

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

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

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

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

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

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

Staff Evaluation/Justification:

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

terms offer the best value to the Port Authority.

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

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

L. PEOPLE

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

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

Access Public

Type Action

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

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

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

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

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

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

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

Staff Evaluation/Justification:

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

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

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

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

M. SECURITY AND EMERGENCY OPERATIONS

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

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

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve the proportional purchase via League City of a Computer Aided Dispatch system, accessories, and support services from Motorola Solutions, Inc., utilizing a U.S. Communities Government Purchasing Alliance contract in an amount not to exceed \$244,682, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact
Strategic Objective 2c. - Enhance efficiency and resilience through innovative technology and other means

Category:

General

Department:

Police

Staff Contact:

Mark Smith

Background:

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

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

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

Staff Evaluation/Justification:

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

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

M. SECURITY AND EMERGENCY OPERATIONS

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

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

Access Public

Type Action

Recommended Action The Port Commission, at its October 26, 2021 meeting, approve an agreement with the Houston Ship Channel Security District for payment of the current year (2021-2022) contribution in an amount not to exceed \$61,675, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)
Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact

Category:
General

Department:
Security

Staff Contact:
Jessica Thomas

Background:

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

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

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

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

Staff Evaluation/Justification:

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

M. SECURITY AND EMERGENCY OPERATIONS

Subject	3. Approve a Memorandum of Agreement with the U.S. Coast Guard Sector Houston-Galveston concerning safe harbor for fishing vessels during storm events.
Meeting	Oct 26, 2021 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 26, 2021 meeting, approve a Memorandum of Agreement with the U.S. Coast Guard Sector Houston-Galveston concerning safe harbor for fishing vessels during storm events, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)

Category:

General

Department:

Emergency Management

Staff Contact:

Colin Rizzo

Background:

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

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

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

Staff Evaluation/Justification:

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

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

N. TECHNOLOGY

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

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

Access Public

Type Action

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

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

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

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

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

Staff Evaluation/Justification:

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

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

