

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS

January 30, 2018

Minute No.

Event/Action

General

Chairman Longoria convened the meeting of the Port Commission and provided opening remarks

Minutes

2018-0130-01 Approve the Minutes of the December 12, 2017 Port Commission Meeting

Port Commission Committee Updates

2018-0130-02(a) Commissioner Fitzgerald reported on the Pension and Benefits Committee Meeting - January 24, 2018

2018-0130-02(b) Chairman Longoria reported on the Audit Committee Meeting - January 24, 2018

Appearances

2018-0130-03 Chairman Longoria introduced former Polk County Judge John Thompson, Alliance for I-69 Texas, who addressed the Port Commission

2018-0130-04 Renew a professional membership to the Alliance for I-69 Texas and payment of dues for a period of one year

2018-0130-05 Chairman Longoria asked if anyone else would like to address the Port Commission; there was no response

Staff Reports

2018-0130-06 Roger Guenther, Executive Director, presented a summary of selected financial and operations matters

G. Executive

<u>Minute No.</u>	<u>Event/Action</u>
2018-0130-07	<p>Enter into a service agreement with the Greater Houston Port Bureau, Inc. to (i) provide vessel traffic movement data (real time and historical) for a one-year period in an amount not to exceed \$80,000, and (ii) subscribe to Harborlights for twenty-five users in an amount not to exceed \$10,000</p> <p>Renew a professional membership to the Alliance for I-69 Texas and payment of dues for a period of one year (<i>see above – approved by Minute No. 2018-0130-04</i>)</p>
2018-0130-08	Approve and adopt the proposed Internal Audit 2018 Annual Audit Plan
2018-0130-09	Appoint Erik Eriksson as Secretary of the Port Commission
	H. Commercial
2018-0130-10	Enter into a two-year professional services contract with A. Gamez Consulting, Inc. for trade development activities on behalf of the Port Authority in Central and South America (except Brazil)
2018-0130-11	Enter into a two-year professional services contract with Portal Commerce & Logistics, LLC, effective March 8, 2018, for trade development activities on behalf of the Port Authority in Brazil
2018-0130-12	Authorize a 8.9219 acre subdivision re-plat to be issued by the City of Houston, waiving its requirement to extend or terminate with cul-de-sacs Avenue P, Avenue Q, Avenue S, J W Peavy Drive, and Waco Street for property leased by Jacob Sterns & Sons, Inc. and located in the Southside Turning Basin
2018-0130-13	Approve an amendment to the lease with SESCO Cement Corp. (Sesco) at the Turning Basin to add an additional 0.66 of an acre, and authorize an approximate 14.71 acre subdivision re-plat to be issued by the City of Houston, for development by SESCO of the leased tract for a cement and cargo import facility
2018-0130-14	Approve a third amendment to the lease with Kinder Morgan Petcoke, LP, reducing the leased premises by 5.84 acres for a total of 23.18 acres, effective no earlier than February 1, 2018, for a total annual rental of \$462,336 subject to a 3% annual increase
2018-0130-15	Approve a second amendment to the lease with Contanda Wah Chang Terminal LLC, increasing the leased premises by 5.84 acres for a total of 353.02 acres, effective no earlier than February 1, 2018, at an annual rental once operational of \$105,120, subject to feasibility, development, and operations leased rates as provided in the lease

<u>Minute No.</u>	<u>Event/Action</u>
2018-0130-16	Ratify a month-to-month lease with Schroder Marine Services, Inc. for approximately 2.61 acres out of Block 23A at Industrial Park East at an annual rental amount of \$101,527
2018-0130-17	Approve a one-year lease with Houston Refining, L.P. for approximately 24.7 acres at Rosa Allen effective no earlier than February 1, 2018, at an annual rental of \$936,328
2018-0130-18	Approve a third amendment to the lease with Ridge POH I, LLC to extend the current feasibility period to August 12, 2018, with rent payable during this period pursuant to the rate and rate escalations stipulated in the Lease Agreement
	I. Finance
2018-0130-19	Authorize advertisement and receipt of responses for eleven formal procurements
2018-0130-19(a)	Request for competitive sealed bids for purchase of new and repaired printed circuit boards for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal
2018-0130-19(b)	Request for competitive sealed bids for a service contract for emergency electrical support for substations and switchgears at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2018-0130-19(c)	Request for competitive sealed proposals to construct Container Yard 7 at Bayport Container Terminal
2018-0130-19(d)	Request for competitive sealed proposals for the rehabilitation of Wharf 3 at Barbours Cut Terminal
2018-0130-19(e)	Request for competitive sealed proposals for the renovation of the Executive Office Building
2018-0130-19(f)	Request for proposals to secure the professional service contract of vendor or vendors to provide the distribution of press releases and media monitoring services
2018-0130-19(g)	Request for proposals for purchase of up to four dockside electric container cranes for Wharf 3 at Barbours Cut Terminal
2018-0130-19(h)	Request for qualifications to perform construction material testing services during the construction of Container Yard 7 at Bayport Container Terminal

<u>Minute No.</u>	<u>Event/Action</u>
2018-0130-19(i)	Request for qualifications to perform construction material testing services during the rehabilitation of Wharf 3 at Barbours Cut Terminal
2018-0130-19(j)	Request for qualifications for the design for the rehabilitation and repair of Manchester Wharf 2 at Turning Basin Terminal
2018-0130-19(k)	Request for qualifications for wharf load analysis of eleven wharves at Turning Basin Terminal
2018-0130-20	Approve the purchase of insurance from various carriers effective March 1, 2018, for the Port Authority's primary and excess property and casualty insurance coverage needs
2018-0130-21	Authorize funding for the Port Authority's self-insurance loss fund account for the insurance fiscal year 2018-2019 and authorize its third-party claims administrator to pay claims from such account in accordance with the Amended Insurance Program and Indemnification Policy dated February 2015
2018-0130-22	Approve the audited financial statements for the Port of Houston Authority Restated Retirement Plan for the fiscal year ended July 31, 2017
	J. Health, Safety, Security & Emergency Management (none)
	K. Infrastructure
2018-0130-23	Approve staff's ranking of vendors and award a construction contract for the annual fender system maintenance at Barbours Cut and Bayport Container Terminals for 2018 to the top-ranked proposer: staff ranking – first, Bryant Industrial Services, LLC; and second, Alpha Mar Group Port Commission adopted the staff-recommended ranking and authorized award
2018-0130-24	Award a construction contract to MB Western Industrial Contracting Company for Wharf 27 collision repair at Turning Basin Terminal for Damage Claim 1097
2018-0130-25	Award a construction contract to R. B. Hash & Associates, Inc. for the rehabilitation and repair of Wharf 1 at Turning Basin Terminal
2018-0130-26	Award a construction contract to WadeCon, LLC, for the repair of storm water trench drains at Bayport Container Terminal
2018-0130-27	Amend the professional services contract with Lockwood, Andrews & Newnam, Inc. to design the rail spur at Bayport Container Terminal

<u>Minute No.</u>	<u>Event/Action</u>
2018-0130-28	Approve a change order to McCarthy Building Companies Inc. to perform additional work associated with construction of the East End and Container Yard 1 at Barbours Cut Terminal
2018-0130-29	Enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers for placement of dredged material by a Non-Federal Interest into a federal dredge material placement area, pursuant to Section 217(b) of the Water Resources Development Act of 1996
2018-0130-30	Approve the renewal of expiring Port Authority licenses for new ten-year terms: Kinder Morgan Tejas Pipeline Company LLC, Equistar Chemicals, LP, HSC Pipeline Partnership, LLC, and Flint Hills Resources Houston Chemical, LLC
2018-0130-31	Assign a pipeline license from INEOS USA LLC to INEOS Chocolate Bayou Pipeline LLC for one 16-inch liquid hydrocarbons pipeline under the Port Authority's Bulk Material Handling Plant property, Wah Chang property, Carpenters Bayou, San Jacinto River, and Cedar Bayou in Harris County
2018-0130-32	Assign and renew a pipeline license from INEOS USA LLC to INEOS Chocolate Bayou Pipeline LLC for one 8-inch ethylene pipeline under and across Southside Mainline railroad right-of-way in La Porte
2018-0130-33	Issue a pipeline license to MVP Terminalling LLC for one 16-inch crude oil pipeline under and across the Houston Ship Channel in Houston
2018-0130-34	Issue a pipeline license to Magellan Pipeline Company, L.P. for one 20-inch crude oil pipeline under and across the Houston Ship Channel in Houston
2018-0130-35	Issue a distribution/transmission line license to AT&T for one fiber optic line under and across Industrial Park East in Houston
2018-0130-36	Issue a marine construction permit to Holtmar Land, LLC to remove approximately 49,990 cubic yards of dredged material, 475 cubic yards of riprap, and excavate 42,690 cubic yards of upland material adjacent to the San Jacinto River in Channelview
2018-0130-37	Amend a marine construction permit to ELG Metals, Inc. to construct a barge dock and retaining wall, excavate 4,700 cubic yards of upland material, and place 100 cubic yards of riprap adjacent to Buffalo Bayou in Houston

<u>Minute No.</u>	<u>Event/Action</u>
2018-0130-38	Amend a pipeline license to HFOTCO LLC dba Houston Fuel Oil Terminal Company to increase the pipeline diameter from 24-inch to 36-inch at three Carpenters Bayou locations
	L. Operations
2018-0130-39	Award a three-year contract to Bubenzer Bremsen America, LLC dba Pintsch Bubenzer USA, the sole source provider, for purchase of spare and replacement Pintsch Bubenzer brake parts for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal
2018-0130-40	Award a two-year contract to Yard Mule Specialists, Inc., the sole source provider, for purchase of spare and replacement Capacity brand parts for yard tractors at Barbours Cut Terminal and Bayport Container Terminal
2018-0130-41	Amend the professional services agreement with APTIM Port Services, LLC to perform additional inspection services for construction of three dockside electric container cranes for Wharf 2 at Bayport Container Terminal
2018-0130-42	Enter into a Marine Terminal Services Agreement with Hapag Lloyd AG
	M. People
2018-0130-43	Award a contract to Lockton Companies, LLC for employee benefits consulting services for an initial period of three years, renewable for one successive two-year period at the option of the Port Authority, at a cost of \$115,000 per year for the first three years
	N. Technology
2018-0130-44	Award a purchase order to HP Inc. for the replacement of tablet devices used by Barbours Cut Terminal and Bayport Container Terminal Operations, using a State of Texas Department of Information Resources Cooperative Purchase program
	O. Recess Open Meeting and Convene Executive Session
	P. Reconvene Open Meeting
2018-0130-45	Authorize the Port Authority to pay amounts to the AZA law firm for legal services on the terms discussed in Executive Session, and authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing
	Q. Adjourn Meeting

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

**Houston, Texas
January 30, 2018**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on January 30, 2018 at 9:00 a.m., at the Port of Houston Authority Executive Offices, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following Commissioners and staff were present:

Janiece Longoria, Chairman
Theldon R. Branch, III, Commissioner
Dean E. Corgey, Commissioner
Stephen H. DonCarlos, Commissioner
Clyde E. Fitzgerald, Commissioner
John D. Kennedy, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer

Chairman Longoria convened the meeting of the Port Commission and welcomed everyone. She announced that 2017 was another great year for the Port Authority and highlighted a few of its accomplishments:

- The Port Authority ended the year with the highest total tonnage in its history, 38.3 million tons, surpassing the previous record set in 2014 of 37.8 million tons. The container terminals also had a record setting year, as the Port Authority handled 2.46 million twenty-foot equivalent units (“TEUs”) in 2017; the previous record was set in 2016, with a volume of 2.18 million TEUs.
- The Port Authority hosted the Resin Symposium, which featured more than 250 invited participants from all sectors of the supply chain, focusing on efficiencies for moving cargo through its facilities. Chairman Longoria thanked staff for its excellent job in putting the program together.
- Chairman Longoria announced that Commissioner DonCarlos was recently reappointed for another two-year term by the Harris County Mayors’ and Councils’ Association, and she was looking forward to continue working with him.
- Chairman Longoria reminded all present that there would not be a Port Commission meeting in February; the next meeting was scheduled for March 27, 2018.

Chairman Longoria concluded by thanking everyone for making 2017 a very successful year.

(2018-0130-01) Minutes

Chairman Longoria called for a motion to approve the minutes of the December 12, 2017 Port Commission meeting. Commissioner Corgey moved for approval, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. The minutes were approved as written.

(2018-0130-02) Port Commission Committee Updates

(a) Commissioner Fitzgerald reported on the Pension and Benefits Committee Meeting - January 24, 2018.

Commissioner Fitzgerald announced that the audit of the Restated Retirement Plan (“Pension Plan”) by Grant Thornton for fiscal year ended July 31, 2017 resulted in a “clean” opinion. The Pension Plan continues to be well-funded at 95%. As of December 31, 2017, the Pension Plan had assets of \$182 million, and the Other Post-Employment Benefits (“OPEB”) Trust had assets of \$64 million. During the last twelve months both plans have had a positive return of approximately 11%. Separately, the Deferred Compensation Plan has assets of \$44 million and the Defined Contribution Plan, which was established for new employees hired on or after August 1, 2012, has assets of under \$2 million.

After a brief discussion, Chairman Longoria asked Mr. Ray Yi to advise the Port Commission at a later date of the amount of money needed to fully fund the Pension Plan.

(b) Chairman Longoria reported on the Audit Committee Meeting - January 24, 2018. As stated above, the Pension Plan Audit resulted in a “clean” opinion. Staff provided an overview of the Port Authority-wide Summary of Audits, and Marcus Woodring provided an overview of the regulatory audit activity within the Health, Safety, Security, and Emergency Management Division (“HSSE”).

The committee reviewed and discussed the proposed 2018 Annual Audit Plan and the supporting Risk Assessment Report, which incorporated Port Commission and management input on high risk-areas, including internal control procedures and changing regulations. The committee concurred with staff’s proposed 2018 Annual Audit Plan and recommended adoption of same as presented under Item G-3 on today’s agenda.

Chairman Longoria concluded her report by stating that two issues were reported under the “whistleblower” policy that were resolved and closed. Staff also provided the committee the Promotion & Development Fund third quarter 2017 report.

(2018-0130-03) Chairman Longoria introduced former Polk County Judge John Thompson, Alliance for I-69 Texas, who addressed the Port Commission.

Judge Thompson thanked the Chairman and Port Commission for their vision of the I-69 corridor which they have recognized as being an essential part of the supply chain for moving freight out of the Port of Houston. He gave a brief history of the project and noted that 207 miles in Texas have been “signed” and have either been completed or are under construction, and urged the commission to renew the Port Authority’s membership in the Alliance for I-69 Texas.

(2018-0130-04) RCA G2 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA G2 PASSED.

(2018-0130-05) Chairman Longoria asked if anyone else would like to address the Port Commission; there was no response.

(2018-0130-06) Staff Reports

Mr. Guenther presented a summary of operational and financial matters as follows:

- The Port Authority had a nice comeback in steel tonnage over previous years at 3.7 million tons. It also had increases in wind energy, automobile, and general cargo through its public facilities. Container volumes were up approximately 13%, driven by a 22% increase in import loaded containers in the strong East Asian market. This activity has created a 50/50 balance of imports to exports, which places the Port Authority in an excellent place for growth with the upcoming surge in plastic resins.
- Lease revenues from properties supporting cargo operations were up nearly 6%, a new record for the Port Authority. Combined business through public facilities generated a record total cash flow of \$145 million, exceeding the previous record set in 2015 of \$128 million.
- This cash generated from operations is critical to funding the capital projects planned to remain in front of demand from the rapid cargo growth ahead. Staff is asking for approval of several projects, totaling nearly \$150 million, for the expansion of Port Authority facilities.

Mr. Guenther reviewed highlights of the 2017 Strategic Goals as follows:

- People
 - 2017 will be remembered for a long time due to the impacts of Hurricane Harvey. The Port Authority persevered through the strength of its staff and by working together with partners in labor, the Houston Pilots, the United States Coast Guard, the users of its facilities, and numerous channel industry stakeholders.
 - Staff, through Port Commission leadership, provided a number of assistance programs to employees impacted by Hurricane Harvey, including financial assistance, leave time support, supplies and volunteer assistance, and emotional support.
 - Staff completed its job description project, which is a foundation for the compensation market analysis and study in 2018 with Mercer.
 - The Port Authority partnered with the U.S. Department of Labor program intermediary TransPORTs to assist in the development of an apprenticeship program, and the Port Authority has seven employees starting with the program in 2018.
 - Mr. Guenther announced there were many more achievements, and that he appreciates staff's initiative in continuing the engagement and communication across the organization.

- Growth
 - Staff handled 35,000 trucks per week at the container terminals, and approximately 47,000 ship-to-shore crane hours. Maintenance workers ensured a reliability of 99% uptime for 22 ship-to-shore cranes and over 90% crane availability for 81 rubber-tired gantries during the year.
 - The Navis system was upgraded to allow for better business intelligence in measuring efficiencies, and gate hours were extended.
 - The new Port Houston brand was launched in 2017 and was well received.
 - In 2017 staff performed an in-house study of the impact of Foreign Trade Zone No. 84 on Port Authority container volumes, determining that its users account for at least 11% of import TEUs and 6.5% of all export TEUs.

- Infrastructure
 - Port Authority staff brought to substantial completion more than \$200 million worth of construction contracts:
 - i. Completion and utilization of Container Yard 6 North and South at Bayport, including gantry cranes;
 - ii. Wharf 2 rehabilitation at Barbours Cut and East End Yard improvements;
 - iii. Three new post-Panamax ship-to-shore cranes at Barbours Cut.
 - The Channel Development team continues to work with the U.S. Army Corps of Engineers ("Corps") to advance plans for the next generation of

improvements to the Houston Ship Channel. The multi-year Mega-Study passed the “Tentatively Selected Plan” and is moving into more detailed definition.

- The initial draft of the Port Authority’s 2040 Master Plan is expected to be completed by the end of 2018.
- Stewardship
 - The Environmental Affairs department secured renewal of the Port Authority’s ISO 14001 certification for Environmental Management and is initiating efforts on optimizing port-wide energy sustainability.
 - HSSE obtained full recertification to the ISO 28000 Supply Chain Standard. Port Houston remains the only port authority in the United States to hold this certification.
 - The Cyber Security Development Program was initiated in late 2017. Continual improvement regarding information and cybersecurity will be ongoing in 2018.
 - The Port Authority coordinated and hosted four Chairman’s Citizen Advisory Council meetings, to educate community members and solicit feedback.
 - The Port Authority’s lost time incident frequency rate decreased from 1.11 to 0.97 (per 200,000 man hours worked), compared to the industry standard of 3.5.
 - 16,000 people were welcomed aboard the M/V Sam Houston, in spite of major closures for part of the year due to Hurricane Harvey.
 - Community engagement has been outstanding, with record participation by Port Authority employees in 2017 for the following:
 - i. Port-to-Park Bike Ride
 - ii. Oyster Reef Restoration
 - iii. Houston Food Bank
 - iv. Adopt-a-Beach
 - v. Junior Achievement
 - vi. Special Thanksgiving Day project
 - Small Business and Education Outreach efforts continued to engage with our community:
 - i. Participation in more than 250 outreach activities, many of which were post Harvey events;
 - ii. Instrumental in the leadership of the new apprenticeship program;
 - iii. Continued to work closely with the 1,006 companies registered as local small businesses;
 - iv. Continued to remain highly engaged with the more than 1,200 students that participate in the Maritime Education Program.

In conclusion, Mr. Guenther discussed strategic goals for 2018 highlighting some priorities for the upcoming year:

- Exceeding key performance indicators for safety
- Providing leadership development throughout the organization
- Implementing plans for an environmental leadership strategy
- Developing plans for inland cargo growth
- Completing the market assessment and compensation strategy
- Crafting a common federal and state legislative agenda and messaging for Port Authority priorities
- Establishing and completing milestones of the Houston Ship Channel Mega Study, in partnership with the Corps, for improvements that are critical to the future of the channel
- Completing the initial draft Master Plan 2040

Mr. Guenther announced that he was proud of Port Authority employees and what they had accomplished, and excited about their motivation this year as they remain strategically engaged in the Port Authority's mission and vision, and on the priorities of:

- Investing in people to organize for success
- Providing and facilitating infrastructure to meet demand
- Growing and diversifying the business base
- Sustaining the business for the long term

Chairman Longoria thanked Mr. Guenther for his comprehensive report.

Commissioner DonCarlos reported to all present that he had been informed that in the Permian Basin 110,000 wells were going to be drilled in the coming years, which equated to over 1 billion feet of drill pipe. ExxonMobil also announced it they would be putting approximately \$50 billion into the Permian Basin for drilling projects.

The Port Commission then considered each Request for Port Commission Action ("RCA") attached to these minutes as Exhibit "A."

(2018-0130-07) RCA G1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgy. Chairman Longoria, and Commissioners Branch, Corgy, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA G1 PASSED.

RCA G2 was approved (*see above – approved by Minute No. 2018-0130-04*).

(2018-0130-08) RCA G3 was presented, moved by Commissioner Kennedy, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA G3 PASSED.

(2018-0130-09) RCA G4 was presented, moved by Chairman Longoria, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA G4 PASSED.

(2018-0130-10) RCA H1 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2018-0130-11) RCA H2 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H2 PASSED.

(2018-0130-12) RCA H3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H3 PASSED.

(2018-0130-13) RCA H4 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H4 PASSED.

(2018-0130-14) RCA H5 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H5 PASSED.

(2018-0130-15) RCA H6 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H6 PASSED.

Commissioner Mease asked a question regarding RCA H5 and RCA H6. Mr. Tanner, Senior Director, Real Estate, provided an explanation for Commissioner Mease.

(2018-0130-16) RCA H7 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H7 PASSED.

(2018-0130-17) RCA H8 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H8 PASSED.

(2018-0130-18) RCA H9 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H9 PASSED.

(2018-0130-19) RCA I1(a-k) was presented, moved by Commissioner Kennedy, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I1(a-k) PASSED.

A brief discussion ensued regarding the pros and cons of bids versus proposals.

(2018-0130-20) RCA I2 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2018-0130-21) RCA I3 was presented, moved by Commissioner Corgey, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2018-0130-22) RCA I4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2018-0130-23) RCA K1 was presented. Commissioner Branch moved for staff recommended ranking – first, Bryant Industrial Services, LLC; and second, Alpha Mar Group, seconded by Commissioner Fitzgerald. Chairman Longoria, and

Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2018-0130-24) RCA K2 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K2 PASSED.

Commissioner DonCarlos asked if the Port Authority was being reimbursed for this item, and was advised that the claim was still being processed.

(2018-0130-25) RCA K3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K3 PASSED.

(2018-0130-26) RCA K4 was presented, moved by Commissioner Kennedy, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K4 PASSED.

(2018-0130-27) RCA K5 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K5 PASSED.

(2018-0130-28) RCA K6 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K6 PASSED.

(2018-0130-29) RCA K7 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K7 PASSED.

(2018-0130-30) RCA K8 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K8 PASSED.

(2018-0130-31) RCA K9 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K9 PASSED.

(2018-0130-32) RCA K10 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K10 PASSED.

(2018-0130-33) RCA K11 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K11 PASSED.

(2018-0130-34) RCA K12 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K12 PASSED.

(2018-0130-35) RCA K13 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K13 PASSED.

(2018-0130-36) RCA K14 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K14 PASSED.

Commissioner DonCarlos asked how many barges were being placed in the residential area. He was advised that a lease had not yet been negotiated and staff would keep him apprised of the matter.

(2018-0130-37) RCA K15 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K15 PASSED.

(2018-0130-38) RCA K16 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch,

Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K16 PASSED.

(2018-0130-39) RCA L1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2018-0130-40) RCA L2 was presented, moved Commissioner Corgey, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L2 PASSED.

(2018-0130-41) RCA L3 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L3 PASSED.

Commissioner DonCarlos asked if the Port Authority would be reimbursed for these additional services due to the delay in delivery of the cranes. He was advised that the contract has a liquidated damages clause.

(2018-0130-42) RCA L4 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L4 PASSED.

(2018-0130-43) RCA M1 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA M1 PASSED.

Commissioner Mease asked for an explanation of the choice of vendor. Mr. Heidt responded and informed him the chosen firm would be able to assist the Port Authority on moving to self-insurance of medical coverage in 2019. Chairman Longoria added that this company had the highest customer rating.

(2018-0130-44) RCA N1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N1 PASSED.

At 10:05 a.m., Chairman Longoria advised that the Executive Session would follow and asked Mr. Eriksson to make the following announcement:

It is now 10:05 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code (1) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultations regarding (i) the Texas Open Meetings Act; (ii) Blanchard Contractors, Inc. v. Port of Houston Authority and Forde Construction Company, Inc., In the 157th District Court of Harris County, Texas; and (iii) proposed agreement for legal services with Ahmad, Zavitsanos, Anaipakos, Alavi & Mensing P.C.; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*); (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*), including deliberations regarding public employees; and (5) Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*). The Port Commission will reconvene in public session after the closed meeting is adjourned.

Immediately thereafter the Port Commission retired into closed session.

At 10:34 a.m., Chairman Longoria reconvened the open meeting at the Port of Houston Authority Executive Office Boardroom, at 111 East Loop North, Houston, Texas 77029, with the following Commissioners and staff in attendance:


Janiece Longoria, Chairman
Theldon R. Branch, III, Commissioner
Dean E. Corgey, Commissioner
Stephen H. DonCarlos, Commissioner
Clyde E. Fitzgerald, Commissioner
John D. Kennedy, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer

(2018-0130-45) Commissioner Fitzgerald moved to authorize the Port Authority to pay amounts to the AZA law firm (Ahmad, Zavitsanos, Anaipakos, Alavi & Mensing P.C.) for legal services on the terms discussed in Executive Session, and authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing, seconded

by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgay, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

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

The above is a correct copy of the Minutes of the January 30, 2018 meeting of the Port Commission of the Port of Houston Authority.



Janiece Longoria, Chairman



Erik A. Eriksson, Assistant Secretary

G. EXECUTIVE

Subject **1. Enter into a service agreement with the Greater Houston Port Bureau, Inc. to (i) provide vessel traffic movement data (real time and historical) for a one-year period in an amount not to exceed \$80,000, and (ii) subscribe to Harborlights for twenty-five users in an amount not to exceed \$10,000, for a total of \$90,000.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, enter into a service agreement with the Greater Houston Port Bureau, Inc. to (i) provide vessel traffic movement data (real time and historical) for a one-year period in an amount not to exceed \$80,000, and (ii) subscribe to Harborlights for twenty-five users in an amount not to exceed \$10,000, for a total of \$90,000, 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:

Executive

Staff Contact:

Tom Heidt

Background:

By Minute No. 2016-1213-08, the Port Commission authorized a service agreement with the Greater Houston Port Bureau, Inc. (GHPB), which expires December 31, 2017.

The GHPB is the non-profit agency representing over 800 organizations in the Texas Gulf maritime community. The GHPB generally serves as one of the Port Authority's links to its member businesses, acts as an advocate on behalf of the Port Authority, and provides other services to its members.

Staff Evaluation/Justification:

Staff recommends that in 2018, the Port Authority continue with GHPB services by entering into a one-year contract to provide vessel traffic movement data (real time and historical), subscription services to Harborlights, and when appropriate, assist the Port Authority in regulatory and economic development matters. These services could also include expert advice on safety, security, and environmental response issues provided by a prior U.S. Coast Guard Captain of the Port who heads up the GHPB.

Separately, staff proposes to continue as a member of the GHPB, and participate in other activities on an individual basis.

G. EXECUTIVE

Subject 2. Renew a professional membership to the Alliance for I-69 Texas and payment of dues for a period of one year in an amount not to exceed \$57,500.

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, authorize renewal of a professional membership to the Alliance for I-69 Texas and payment of dues for a period of one year in an amount not to exceed \$57,500, 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:

Government Relations

Staff Contact:

Spencer Chambers

Background:

The Port Authority is currently a member of the Alliance for I-69 Texas, which promotes the development of Interstate 69 within the State of Texas. Members work with local governments, the Texas Department of Transportation, and the private sector to accomplish this goal.

Staff Evaluation/Justification:

Staff recommends that the Port Commission renew its one-year contract with the organization for continued services supporting the Port Authority's mission.

G. EXECUTIVE

Subject 3. Approve and adopt the proposed Internal Audit 2018 Annual Audit Plan.

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, approve and adopt the proposed 2018 Annual Audit Plan, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Internal Audit

Staff Contact:

Maxine Buckles

Background:

Section 5007.226(e) of the Texas Special District Local Laws Code requires that the Port Commission "create, approve, and make available on the authority's website a risk-based annual audit plan."

Late last year, the Port Authority's Internal Audit group performed an Enterprise Risk Assessment (ERA) in accordance with applicable professional auditing standards. Based on the ERA results input from the Audit Committee and Port Authority staff, Internal Audit drafted a proposed Annual Audit Plan to serve as the primary work plan to carry out its audit responsibilities in an efficient manner for the 2018 fiscal year.

Staff Evaluation/Justification:

The proposed Annual Audit Plan was presented to the Audit Committee at its meeting on January 24, 2018.

The plan focuses on the following six areas:

- Infrastructure (e.g., project and construction management);
- Administration and governance (e.g., human resources);
- Information Technology (e.g., enterprise security, inventory management);
- Finance and Accounting (e.g., revenue reporting, contract compliance, investments);
- Procurement (e.g., policies and procedures, purchase order management); and
- Entity Compliance (e.g., federal regulations, statutes, tariffs, internal policies).

The plan is a flexible commitment and may be revised during the year with guidance and input from the Audit Committee, input from Port Authority staff based on audit results and findings, and consideration of internal control procedures and assessment of high-risk areas.

Following review and discussion of the draft Plan with the Audit Committee, staff recommends the Port Commission approve the proposed Internal Audit 2018 Annual Audit Plan be approved and adopted.

G. EXECUTIVE

Subject 4. Appoint Erik Eriksson as Secretary of the Port Commission.

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, appoint Erik Eriksson as Secretary of the Port Commission, and further authorize the Chairman to do any and all things in her opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Executive

Staff Contact:
Roger Guenther

Background:
The Chief Legal Officer of the Port Authority generally discharges the duties of the secretary of the Port Commission, as such duties are more particularly set forth in Section 11(b) of the Amended and Restated Bylaws of the Port of Houston Authority.

Staff Evaluation/Justification:
In order to conform the designation of this officer to the Port Commission's current practice, staff recommends that the Port Commission confirm the appointment of Erik Eriksson as its Secretary.

H. COMMERCIAL

Subject **1. Enter into a two-year professional services contract with A. Gamez Consulting, Inc. for trade development activities on behalf of the Port Authority in Central and South America (except Brazil) in an amount not to exceed \$256,408.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission at its January 30, 2018 meeting, award a two-year contract to A. Gamez Consulting, Inc. for trade development activities on behalf of the Port Authority in Central and South America (except Brazil) in an amount not to exceed \$256,408, 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 - GROWTH (Grow and diversify the business base)
Strategic Objective 2a. - Develop and implement a proactive market development plan

Category:

Awards, Amendments & Change Orders

Department:

Trade Development

Staff Contact:

John Moseley

Background:

By Minute No. 2016-0202-14, the Port Commission authorized a professional services contract with A. Gamez Consulting, Inc. for a two-year term in an amount not to exceed \$250,541.20.

A. Gamez Consulting, Inc. is a company established with the objective of building trade between Central and South America (except Brazil) and the U.S. The company's founder, Arturo Gamez, has demonstrated a solid background in transportation and trade-related experience with Latin America. Its executive management team's experience, coupled with his educational background and references, qualify this company for the position.

In 2016, Central America, South America, and the Caribbean combined represented the Port Authority's No. 1 export trade region as measured by containers and was No. 3 in imports, representing 17% of the Port Authority's import container trade.

Staff Evaluation/Justification:

Based on these merits, it is staff's recommendation to advance the strategic positioning of the Port Authority in Central and South America through the award of a new twenty-four month contract for our regional representative based in Panama City, Panama, A. Gamez Consulting, Inc., in the amount of \$100,703.76 per year (\$8,391.98 per month) plus Port Authority-related travel and business expense reimbursement not to exceed \$55,000 for the term of the contract.

Staff recommends that Port Commission approve the above contract.

H. COMMERCIAL

Subject	2. Enter into a two-year professional services contract with Portal Commerce & Logistics, LLC, effective March 8, 2018 for trade development activities on behalf of the Port Authority in Brazil in an amount not to exceed \$232,677.
Meeting	Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 30, 2018 meeting, award a two-year contract to Portal Commerce & Logistics, LLC, effective March 8, 2018, for trade development activities on behalf of the Port Authority in Brazil in an amount not to exceed \$232,677, 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 2a. - Develop and implement a proactive market development plan STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:

Awards, Amendments & Change Orders

Department:

Trade Development

Staff Contact:

John Moseley

Background:

By Minute No. 2016-0202-15, the Port Commission authorized a professional services contract with Portal Commerce & Logistics, LLC for a two-year term in an amount not to exceed \$227,356.16.

Portal Commerce & Logistics, LLC is a company established with the objective of building trade between Brazil and the U.S. The company has demonstrated a solid background in transportation and trade related experience with Brazil, which coupled with the background and references of the company's executive management team, qualify this company for the position.

In 2016, Brazil was the Port of Houston Authority's No. 1 export destination country in terms of containers and was ranked No. 3 in imports, behind only China and Germany.

Staff Evaluation/Justification:

Based on these merits, it is staff's recommendation to advance the strategic positioning of the Port Authority in Brazil through the award of a new twenty-four month contract to our in-country representative, Portal Commerce & Logistics, LLC, in the amount of \$91,338.48 per year (\$7,611.54 per month) plus Port Authority-related travel and business expense reimbursement not to exceed \$50,000 for the term of the contract.

Staff recommends that Port Commission approve the above contract.

H. COMMERCIAL

Subject 3. Authorize a 8.9219 acre subdivision re-plat to be issued by the City of Houston, waiving its requirement to extend or terminate with cul-de-sacs Avenue P, Avenue Q, Avenue S, J W Peavy Drive, and Waco Street for property leased by Jacob Sterns & Sons, Inc. and located in the Southside Turning Basin.

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, authorize a 8.9219 acre subdivision re-plat to be issued by the City of Houston, waiving its requirement to extend or terminate with cul-de-sacs Avenue P, Avenue Q, Avenue S, J W Peavy Drive, and Waco Street for property leased by Jacob Sterns & Sons, Inc. and located in the Southside Turning Basin, 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:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

Background:
Jacob Sterns & Sons, Inc. (Jacob Sterns) plans to construct additional storage tanks, pipe racks, and rail trackage within its Port Authority-leased premises in the Southside Turning Basin area. These premises were planned many years ago as a subdivision with residential lots and designated through-streets. Approval by the City of Houston of this re-plat covering 8.92 acres would permit the existing stub streets to remain as-is and resolve a number of legacy development obstacles for Jacob Sterns and the Port Authority. The re-plat would also redefine the boundary line of Port Authority-owned property and merge the numerous platted residential tracts.

Staff Evaluation/Justification:
After discussion and negotiations with the tenant, staff recommends approval of a 8.9219 acre subdivision re-plat covering the Port Authority's property leased by Jacob Sterns and located in the Southside Turning Basin area.

H. COMMERCIAL

Subject **4. Approve an amendment to the lease with Sesco Cement Corp. (Sesco) at the Turning Basin to add an additional 0.66 of an acre, and authorize an approximate 14.71 acre subdivision re-plat to be issued by the City of Houston, for development by Sesco of the leased tract for a cement and cargo import facility.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, approve an amendment to the lease with Sesco Cement Corp. (Sesco) at the Turning Basin to add an additional 0.66 of an acre, and authorize an approximate 14.71 acre subdivision re-plat to be issued by the City of Houston, for development by Sesco of the leased tract for a cement and cargo import facility, 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:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

Sesco is currently within the feasibility and due diligence period under its lease with the Port Authority to develop and lease land in the Southside Turning Basin for a cement and cargo import facility. Sesco desires to add rail trackage and a new entrance off of J W Peavy Drive, to maximize the useable acreage of the leased property. This tract would add .66 acre to the leased premeises.

Seperately, the Port Authority has required that Sesco file a re-plat with the City of Houston in connection with Sesco's development of a pneumatic, dust-free closedloop system for its cement import facility. Included in the leased property and the re-plat is the Port Authority's 4A warehouse and existing rail trackage. The re-plat of the approximate 14.71 acre tract would resolve a number of development obstacles to the property and clear up title issues. The re-plat will not affect the approximate .70 of an acre tract leased to Sesco on the lower level of the Southside Turning Basin.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve this amendment to the lease and the subdivision re-plat.

H. COMMERCIAL

Subject **5. Approve a third amendment to the lease with Kinder Morgan Petcoke, LP, reducing the leased premises by 5.84 acres for a total of 23.18 acres, effective no earlier than February 1, 2018, for a total annual rental of \$462,336 subject to a 3% annual increase.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, approve a third amendment to the lease with Kinder Morgan Petcoke, LP, reducing the leased premises by 5.84 acres for a total of 23.18 acres, effective no earlier than February 1, 2018, for a total annual rental of \$462,336 subject to a 3% annual increase, 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:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

By Minute No. 2011-0405-12, Port Commission approved the lease to Kinder Morgan Petcoke, LP. (KM) of approximately 28.49 acres at the Bulk Materials Handling Plant. By Minute No. 2013-0122-31, the Port Commission approved a first amendment to the lease to extend the termination date from June 30, 2017 to June 30, 2022. By Minute No. 2013-0625-33 a second amendment was approved by the Port Commission to amend the lease agreement to increase the leased premises to approximately 29.02 acres. The parties now seek to reduce the leased premises by an approximately 5.84 acres tract, for a monthly decrease in rent of \$9706.80, which is excess to KM's needs.

The removal of this acreage from the KM lease permits Contanda Wah Chang Terminal LLC. (Contanda) to lease this property. This would resolve several development issues for Contanda, including pipeline connectivity of its leased premises and road access for construction and operations from Penn City Drive. Staff is separately requesting by a separate item on this agenda that the Contanda lease be amended to include this 5.84 acre tract.

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve this third amendment to the lease agreement.

H. COMMERCIAL

Subject **6. Approve a second amendment to the lease with Contanda Wah Chang Terminal LLC, increasing the leased premises by 5.84 acres for a total of 353.02 acres, effective no earlier than February 1, 2018, at an annual rental once operational of \$105,120, subject to feasibility, development, and operations leased rates as provided in the lease.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, approve a second amendment to the lease with Contanda Wah Chang Terminal LLC, increasing the leased premises by 5.84 acres for a total of 353.02 acres, effective no earlier than February 1, 2018, at an annual rental once operational of \$105,120, subject to feasibility, development, and operations leased rates as provided in the 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.

Category:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

Staff has requested that the Port Commission approve an amendment to the lease with Kinder Morgan Petcoke, LP. to reduce the leased premises by approximately 5.84 acres, and an amendment to the lease with Contanda Wah Chang Terminal LLC (Contanda) to add that acreage to its current lease.

This would resolve development issues including Contanda's pipeline connectivity and needed road access to Penn City Drive for construction and operations.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve this second amendment to Contanda's lease agreement.

H. COMMERCIAL

Subject 7. Ratify a month-to-month lease with Schroder Marine Services, Inc. for approximately 2.61 acres out of Block 23A at Industrial Park East at an annual rental amount of \$101,527.

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, ratify a month-to-month lease with Schroder Marine Services, Inc. for approximately 2.61 acres out of Block 23A at Industrial Park East at an annual rental amount of \$101,527, 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:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

The Port Authority currently has a month-to-month lease with Schroder Marine Services, Inc. that will have been in effect for more than a year on March 1, 2018. The property is currently being used for the storage of non-hazardous general cargo that crosses Port Authority docks.

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

The proposed annual rental of \$101,527 would reflect the Port Commission authorized annual 3% increase for all month-to-month leases over the 12-month period.

Staff Evaluation/Justification:

Continuation of the Schroder Marine Services, Inc. lease is in the best interest of the Port Authority, and staff recommends that the Port Commission approve ratification of this month-to-month lease.

H. COMMERCIAL

Subject **8. Approve a one-year lease with Houston Refining, L.P. for approximately 24.7 acres at Rosa Allen effective no earlier than February 1, 2018, at an annual rental of \$936,328.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, approve a one-year lease with Houston Refining, L.P. for approximately 24.7 acres at Rosa Allen effective no earlier than February 1, 2018, at an annual rental of \$936,328, 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:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

Houston Refining, L.P. previously leased this property in 2012 through June 30, 2017 for the parking of personal vehicles to facilitate improvement of its nearby facilities'. It now seeks to once again lease the property.

Staff Evaluation/Justification:

Staff recommends approval of a one-year lease with Houston Refining, L.P. at an annual rental of \$936,328.

H. COMMERCIAL

Subject **9. Approve a third amendment to the lease with Ridge POH I, LLC to extend the current feasibility period to August 12, 2018, with rent payable during this period pursuant to the rate and rate escalations stipulated in the Lease Agreement.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, approve a third amendment to the lease with Ridge POH I, LLC to extend the current feasibility period to August 12, 2018, with rent payable during this period pursuant to the rate and rate escalations stipulated in the lease 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.

Category:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

By Minute No. 2015-0728-41, the Port Commission approved a fifty-year lease with Ridge POH I, LLC (Ridge) near Bayport Container Terminal for the construction and operation of an industrial business park. The lease was amended by Minute No. 2017-0131-48 to extend the feasibility period for an additional six months ending August 11, 2017. A second amendment to the lease, approved by Minute No. 2017-0725-42, extended the feasibility until February 12, 2018 and increased the acreage leased to Ridge with property previously subject to the lease with Agro Merchants for constructing a cold storage facility.

Rent payable during the feasibility extension period would be increased in accordance with the Consumer Price Index increase.

Development of this property requires, among other things, a United States Army Corps of Engineers (USACE) wetland permit. The permit by USACE is anticipated to be issued by February 20, 2018, and Ridge is currently seeking possible sub-tenants for the property.

Staff Evaluation/Justification:

Staff has reviewed the extension request with Ridge and recommends the Port Commission approve this third amendment to the lease agreement.

I. FINANCE

Subject	1. Authorize advertisement and receipt of responses for eleven formal procurements.
Meeting	Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	<p>The Port Commission, at its January 30, 2018 meeting, authorize the Port Authority to advertise and receive responses for eleven formal procurements, determine that the proposed procurement methods provide 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 for these procurements.</p> <p>(a) Request for competitive sealed bids for purchase of new and repaired printed circuit boards for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal</p> <p>(b) Request for competitive sealed bids for a service contract for emergency electrical support for substations and switchgears at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal</p> <p>(c) Request for competitive sealed proposals to construct Container Yard 7 at Bayport Container Terminal</p> <p>(d) Request for competitive sealed proposals for the rehabilitation of Wharf 3 at Barbours Cut Terminal</p> <p>(e) Request for competitive sealed proposals for the renovation of the Executive Office Building</p> <p>(f) Request for proposals to secure the professional service contract of vendor or vendors to provide the distribution of press releases and media monitoring services</p> <p>(g) Request for proposals for purchase of up to four dockside electric container cranes for Wharf 3 at Barbours Cut Terminal</p> <p>(h) Request for qualifications to perform construction material testing services during the construction of Container Yard 7 at Bayport Container Terminal</p> <p>(i) Request for qualifications to perform construction material testing services during the rehabilitation of Wharf 3 at Barbours Cut Terminal</p> <p>(j) Request for qualifications for the design for the rehabilitation and repair of Manchester Wharf 2 at Turning Basin Terminal</p> <p>(k) Request for qualifications for wharf load analysis of eleven wharves at Turning Basin Terminal</p>

Category:

Authority to Obtain Bids, Proposals, or Qualifications

Department:

Procurement Services

Staff Contact:

Yvette Camel-Smith

Background:

In accordance with the Port Authority's Procurement Policy, the Port Commission should approve in advance every Port Authority solicitation for the procurement of goods and services that must be approved by the Port Commission pursuant to Texas Water Code Chapter 60 (Formal Procurements). In addition, Texas Water Code Chapter 60 requires that the Port Commission determine which Formal Procurement purchasing method provides "best value" for the Port Authority.

The Port Commission has established the following purchasing methods provide "best value" to the Port Authority, unless it determines otherwise in conjunction with its approval of the solicitation of a Formal Procurement:

- Solicitation of "Competitive Sealed Proposals" or "Competitive Sealed Bids," for construction, repair, rehabilitation, or alteration of facilities (except as provided below), and for non-construction items;
- Solicitation of "Requests for Proposals," for procurement of high technology items, insurance, services, and other intangible items, other than construction services; and
- Solicitation of "Requests for Qualifications," for the professional services of engineers, architects, and surveyors.

Staff Evaluation/Justification:

Port Authority staff requests approval to advertise eleven new Formal Procurements. Staff has evaluated and recommends the customary best value methods for each procurement.

I. FINANCE

Subject **2. Approve the purchase of insurance from various carriers effective March 1, 2018, for the Port Authority's primary and excess property and casualty insurance coverage needs, in a total amount not to exceed \$3,200,000.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, (i) approve the purchase of insurance from various carriers effective March 1, 2018, for the Port Authority's primary and excess property and casualty insurance coverage needs as set forth below, in a total amount not to exceed \$3,200,000, (ii) authorize contract renewal negotiations with the insurance carriers prior to contract expiration, to better determine in advance the need to issue a formal request for proposals for the next contract year, and (iii) further authorize the Executive Director to do any and all things reasonable or necessary to give effect to the foregoing.

Type of Coverage; Premium; Carrier(s)

(1) Property (buildings, contents, electronic data processing equipment); \$1,247,840; various carriers as described on Exhibit "A"

(2) Contractors Equipment; \$808,520; carrier - Travelers Lloyd's

(3) Excess Workers' Compensation; \$191,625; carrier - Colony

(4) Hull/Protection & Indemnity (Marine); \$114,955; carrier - Berkley/StarNet

(5) Public Officials; \$123,872; carrier - AIG

(6) Terrorism; \$62,685; carrier - Lloyd's

(7) Boiler & Machinery/Equipment Breakdown; \$70,287; carrier - Travelers

(8) Broad Form Pollution; \$12,150; carrier - Safe Harbor

(9) Pollution - Greens Bayou; \$320,250; carrier - Lloyd's

(10) Fiduciary, Crime, etc.; \$99,758; various carriers as described on Exhibit "A"

Category:

Awards, Amendments & Change Orders

Department:

Risk Management

Staff Contact:

Bruce Birdwell

Background:

By Minute No. 2014-0624-23, the Port Commission awarded a five-year contract to McGriff, Seibels & Williams of Texas, Inc. (McGriff) to serve as the Port Authority's Broker of Record in the procurement of Property and Casualty insurance coverage.

McGriff's contractual responsibilities include assisting staff in the development of insurance specifications, submitting those specifications to select insurance markets, assisting in evaluating proposals received, assisting in negotiating policy terms and conditions with carriers, and making recommendations for placement of coverage.

By Minute No. 2017-0926-17(e), the Port Commission authorized the advertisement of a request for proposals (RFP) for the 2018-2019 property and casualty insurance programs. McGriff solicited quotes from 51 carriers; 28 proposals were received from 27 carriers.

Staff Evaluation/Justification:

Staff recommends, and McGriff concurs, that the Port Authority enter into contracts with the carriers indicated herein for the type of coverage and maximum annual premiums listed, as providing the best value to the Port Authority to address its property and casualty risk exposures. This includes the Port Authority's

exercise of the final year of a three-year renewal option afforded by its Excess Umbrella policy, with a 5% decrease in premium for that coverage.

The total amount requested by staff of \$3,200,000 takes into account that premiums on several policies are subject to adjustment, based on actual payroll amounts and revenues (which are projected to be higher in 2018 versus the prior year), as well as the timing and actual value of asset additions. For example, if wharf cranes are installed sooner than projected, the premiums would increase.

Request For Commission Action I(2) Approve the purchase of insurance from various carriers effective March 1, 2018, for the Port Authority's primary and excess property and casualty insurance coverage needs, in a total amount not to exceed \$3,200,000

Exhibit "A"

Various Carriers (by line of coverage) including Misc. Coverages

<u>Coverage</u>	<u>Carriers</u>
<i>Property</i>	<i>Lloyd's Syndicates</i>
	Asta Advent
	Amlin Argo
	ATL Beazley
	Brit Canopus
	Catlin Hiscox
	Markel Montpelier
	MSP Neon
	Novae Pembroke
	QBE RenRe
	RJ Kiln Talbot
	Tokio Marine Travelers
	<i>Domestic Carriers</i>
	Arch
	Evanston
	Hallmark
	Ironshore
	Sompo America
	Westchester
	<i>Foreign Carrier</i>
	Hanover
Fiduciary Liability	Travelers
Excess Fiduciary Liability	ACE/Chubb
Crime/Cyber	Travelers
Fire Truck Automobile	Great American
Foreign Package	ACE/Chubb
Mobile Command Center	Travelers Lloyd's

I. FINANCE

Subject **3. Authorize funding of \$1,750,000 for the Port Authority's self-insurance loss fund account for the insurance fiscal year 2018-2019 and authorize its third-party claims administrator to pay claims from such account in accordance with the Amended Insurance Program and Indemnification Policy dated February 2015.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, authorize funding of \$1,750,000 for the Port Authority's self-insurance loss fund account for the insurance fiscal year 2018-2019 and authorize its third-party claims administrator to pay claims from such account in accordance with the Amended Insurance Program and Indemnification Policy dated February 2015, 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:

Risk Management

Staff Contact:

Bruce Birdwell

Background:

By Minute No. 2010-0928-09, the Port Commission authorized establishment of a Self-Insurance Program effective March 1, 2010. Port Authority staff recommended several minor amendments in February 2015. Those were subsequently approved by the Port Commission when it adopted an Amended Insurance Program and Indemnification Policy (Program) by Minute No. 2015-0224-40. The Program is a cost-effective risk financing alternative to traditional insurance and provides protection for the Port Authority, the Port Commission, and employees. The insurance year is March 1, 2018 to February 28, 2019.

Staff Evaluation/Justification:

Based upon actuarial projections as of June 30, 2017, staff recommends \$1,750,000 be placed into the dedicated self-insurance loss fund account to pay for all covered claim costs and expenses related to workers' compensation and liability claims expected to be incurred during the 2018-19 insurance year.

These funds are initially retained by the Port Authority; periodic transfers would be made to the Port Authority's third-party claims administrator on an "as needed" basis to enable payment of claim costs.

Staff recommends the Port Commission approve the above funding.

I. FINANCE

Subject 4. Approve the audited financial statements for the Port of Houston Authority Restated Retirement Plan for the fiscal year ended July 31, 2017.

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, approve the audited financial statements for the Port of Houston Authority Restated Retirement Plan for the fiscal year ended July 31, 2017, 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:

Accounting / Treasury

Staff Contact:

Curtis Duncan / Ray Yi

Background:

Section 802.103, Texas Government Code, states:

“(a) ... the governing body of a public retirement system shall publish an annual financial report showing the financial condition of the system as of the last day of the fiscal year covered in the report. The report must include the financial statements and schedules examined in the most recent audit performed as required by Section 802.102 and must include a statement of opinion by the certified public accountant as to whether or not the financial statements and schedules are presented fairly and in accordance with generally accepted accounting principles.

(b) The governing body of a public retirement system shall, before the 211th day after the last day of the fiscal year under which the system operates, file with the State Pension Review Board a copy of each annual financial report it makes as required by law.”

Grant Thornton LLP, the Port Authority’s external auditing firm, was engaged to conduct an audit of the Port of Houston Authority Restated Retirement Plan (Pension Plan) for the fiscal year ended July 31, 2017 in accordance with statutory requirements.

The audited financial statements for the Pension Plan for the fiscal year ended July 31, 2017 included a statement of opinion by Grant Thornton LLP, reading as follows:

“In our opinion, the financial statements referred to above present fairly, in all material respects, information regarding the Port of Houston Authority Restated Retirement Plan fiduciary net position as of July 31, 2017 and 2016, and changes therein for the years then ended in conformity with accounting principles generally accepted in the United States of America.”

Staff Evaluation/Justification:

Therefore, staff recommends that the Port Commission approve the audited financial statements for the Pension Plan for the fiscal year ended July 31, 2017, whereupon the Port Authority will file such financial statements with the Texas Pension Review Board.

K. INFRASTRUCTURE

Subject **1. Approve staff's ranking of vendors and award a construction contract in an amount not to exceed \$594,990 for the annual fender system maintenance at Barbours Cut and Bayport Container Terminals for 2018 to the top-ranked proposer: staff ranking – first, Bryant Industrial Services, LLC; and second, Alpha Mar Group.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting:

- (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, Bryant Industrial Services, LLC; and second, Alpha Mar Group;
- (b) award a construction contract to Bryant Industrial Services LLC for the annual fender system maintenance to Barbours Cut Terminal and Bayport Container Terminal for 2018 in an amount not to exceed \$594,990;
- (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 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2017-1023-23(b), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for the Annual Fender System Maintenance at Barbours Cut Terminal and Bayport Container Terminal for 2018. The Port Authority notified vendors regarding its request for 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. Eighty-seven vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On November 15, 2017, two CSP's were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Commission award a contract to Bryant Industrial Services, LLC., and as otherwise described above.

K. INFRASTRUCTURE

Subject	2. Award a construction contract to MB Western Industrial Contracting Company for Wharf 27 collision repair at Turning Basin Terminal for Damage Claim 1097 in an amount not to exceed \$603,464.
Meeting	Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 30, 2018 meeting, award a construction contract to MB Western Industrial Contracting Company for Wharf 27 Collision Repair at Turning Basin Terminal for Damage Claim 1097 in an amount not to exceed \$603,464, 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 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

The M/V Global Leader allided with the fender system at Wharf 27 on December 23, 2016, which caused damage to the fender system. The objective of this repair project is to replace in kind the damaged concrete and fender system. In order to recover the "as-built" structural shape of the system and reestablish a flush and plumb berthing surface, it is necessary to replace the entirety of the frame.

By Minute No. 2017-0425-10(a), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the Wharf 27 Collision Repair at Turning Basin Terminal, Damage Claim 1097. The Port Authority notified vendors regarding its request for 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. Twenty-one vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On November 8, 2017, two CSB's were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Commission award a contract to MB Western Industrial Contracting Company, the responsible bidder submitting the lowest and best bid.

K. INFRASTRUCTURE

Subject **3. Award a construction contract to R. B. Hash & Associates, Inc. for the rehabilitation and repair of Wharf 1 at Turning Basin Terminal in an amount not to exceed \$443,315.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, award a construction contract to R. B. Hash & Associates, Inc. for the rehabilitation and repair of Wharf 1 at Turning Basin Terminal in an amount not to exceed \$443,315, 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 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This proposed project would consist of:

- Demolition and replacement of selected concrete that is delaminated, damaged, or otherwise deteriorated, including at the underside of the deck, deck beams, columns, and pile caps.
- Installation of a new roadway with curbs along the top of the existing deck.

By Minute No. 2017-0725-16, the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the rehabilitation and repair of Wharf 1. The Port Authority notified vendors regarding its request for 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. Twenty-eight vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On January 3, 2018, four CSB's were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Commission award a contract to R. B. Hash & Associates, Inc, the responsible bidder submitting the lowest and best bid.

K. INFRASTRUCTURE

Subject	4. Award a construction contract to WadeCon, LLC, for the repair of storm water trench drains at Bayport Container Terminal in an amount not to exceed \$342,000.
Meeting	Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 30, 2018 meeting, award a construction contract to WadeCon, LLC for the repair of storm water trench drains at Bayport Container Terminal in an amount not to exceed \$342,000, 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 #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

The objective of this proposed project is to repair approximately 540 linear feet of damaged storm water trench drains.

By Minute No. 2017-0926-17(a), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the repair of storm water trench drains at Bayport Container Terminal. The Port Authority notified vendors regarding its request for 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 December 20, 2017, seven CSB's were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Commission award a contract to WadeCon, LLC, the responsible bidder submitting the lowest and best bid.

K. INFRASTRUCTURE

Subject	5. Amend the professional services contract with Lockwood, Andrews & Newnam, Inc. to design the rail spur at Bayport Container Terminal in an amount not to exceed \$72,222.
Meeting	Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 30, 2018 meeting, authorize the Port Authority to amend the existing professional services contract with Lockwood, Andrews & Newnam, Inc. to design the rail spur at Bayport Container Terminal in an amount not to exceed \$72,222, 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 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2014-0923-31, the Port Commission awarded a professional services contracts to Lockwood, Andrews & Newnam, Inc. to design the rail spur at Bayport Container Terminal. This proposed amendment would include modification of the engineering and procurement documents to include placement of available fill material adjacent to the designed rail track, to prepare it for future development.

Staff Evaluation/Justification:

Staff has reviewed Lockwood, Andrews & Newnam, Inc.'s amendment proposal and found it to be fair and reasonable and recommends that the Port Commission approve the proposed amendment to the existing contract with Lockwood, Andrews & Newnam, Inc.

K. INFRASTRUCTURE

Subject	6. Approve a change order to McCarthy Building Companies Inc. to perform additional work associated with construction of the East End and Container Yard 1 at Barbours Cut Terminal in an amount not to exceed \$67,474.
Meeting	Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 30, 2018 meeting, approve a change order to McCarthy Building Companies, Inc. to perform additional work associated with construction of Container Yard 1 and East End Terminal in an amount not to exceed \$67,474, 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 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2016-0523-10, the Port Commission awarded a construction contract to McCarthy Building Companies, Inc. to perform additional work associated with the construction of Container Yard 1 and East End Terminal.

This change order covers the following items:

- Increase of the mounting height of Wireless Access Points (WAP) from 60 to 85 feet on all 17-high mast poles in the project, at a cost of \$15,314.21
- Extension of proposed pavement and related subgrade an additional 3-feet and 1-inch on Phase 3 north limits, at a cost of \$52,159.22

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.

K. INFRASTRUCTURE

Subject **7. Enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers for placement of dredged material by a Non-Federal Interest into a federal dredge material placement area, pursuant to Section 217(b) of the Water Resources Development Act of 1996.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, authorize the Port Authority to enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers for placement of dredged material by a Non-Federal Interest into a federal dredge material placement area, pursuant to Section 217(b) of the Water Resources Development Act of 1996, 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 Development

Staff Contact:

Mark Vincent, P.E.

Background:

Section 217(b) of the Water Resources Development Act of 1996 (33 U.S.C. 2326a(b)) authorizes the Secretary of the Army to permit the use of dredged material placement facilities under the Secretary's jurisdiction by Non-Federal Interests and to impose fees to recover capital, operation, and maintenance costs associated with such use. The Port Authority is authorized to enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers (Corps) in accordance with the Corps' recent implementing guidance and the Project Cooperation Agreement that governs the Houston-Galveston Navigation Channels (45-foot) project.

Battleground Oil Specialty Terminal Company LLC (BOSTCO) requested the Port Authority utilize this authority to allow it to place dredged material in a federal placement area for its next planned dredging contract. Use of this authority would allow for all tipping fees payable to the federal government by BOSTCO to be returned to the Galveston District specifically for future work on the designated placement area.

Staff Evaluation/Justification:

Use of this law would reduce the cost to BOSTCO under the conventional agreement for disposal of dredged material into a federal placement area, and increase federal operations and maintenance funds allocated to the Houston Ship Channel by as much as \$550,000.

Staff recommends that the Port Commission approve entering into this agreement.

K. INFRASTRUCTURE

Subject	8. Approve the renewal of expiring Port Authority licenses for new ten-year terms: Kinder Morgan Tejas Pipeline Company LLC, Equistar Chemicals, LP, HSC Pipeline Partnership, LLC, and Flint Hills Resources Houston Chemical, LLC.
Meeting	Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 30, 2018 meeting, authorize the Port Authority to approve the renewal of expiring licenses for new ten-year terms: Kinder Morgan Tejas Pipeline Company LLC, Equistar Chemicals, LP, HSC Pipeline Partnership, LLC, and Flint Hills Resources Houston Chemical, 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 Development

Staff Contact:

Mark Vincent, P.E.

Background:

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

<u>Company</u>	<u>File number</u>	<u>License fee</u>
Kinder Morgan Tejas Pipeline Company LLC	1999-0054	\$2,342
HSC Pipeline Partnership, LLC	2008-0212	\$19,608
Flint Hills Resources Houston Chemicals, LLC	1997-0298	\$21,949
Equistar Chemicals, LP	1998-0081	\$1,531
	Total	<u>\$45,430</u>

Staff Evaluation/Justification:

The applications were reviewed and approved by the Port Authority's Channel Development 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.

K. INFRASTRUCTURE

Subject	9. Assign a pipeline license from INEOS USA LLC to INEOS Chocolate Bayou Pipeline LLC for one 16-inch liquid hydrocarbons pipeline under the Port Authority's Bulk Material Handling Plant property, Wah Chang property, Carpenters Bayou, San Jacinto River, and Cedar Bayou in Harris County.
Meeting	Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 30, 2018 meeting, authorize the Port Authority to assign a pipeline license from INEOS USA LLC to INEOS Chocolate Bayou Pipeline LLC for one 16-inch liquid hydrocarbons pipeline under the Port Authority's Bulk Material Handling Plant property, Wah Chang property, Carpenters Bayou, San Jacinto River, and Cedar Bayou in Harris County, 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 Development

Staff Contact:

Mark Vincent, P.E.

Background:

INEOS USA LLC, Port Authority File No. 1999-0060, has applied to assign a pipeline license to INEOS Chocolate Bayou Pipeline LLC for one 16-inch liquid hydrocarbons pipeline under the Port Authority's Bulk Material Handling Plant property, Wah Chang property, Carpenters Bayou, San Jacinto River, and Cedar Bayou in Harris County in the Richard and Robert Vince Survey, A-76; Samuel C. Hiroms Survey, A-33; Amy White Survey, A-81; George White Survey, A-82; and Hannah Nash Surveys, A-54 and A-20.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development department. The license is to be issued subject to the Port Authority's usual terms and conditions. The \$675 application fee has been paid.

Staff recommends approval.

K. INFRASTRUCTURE

Subject 10. Assign and renew a pipeline license from INEOS USA LLC to INEOS Chocolate Bayou Pipeline LLC for one 8-inch ethylene pipeline under and across Southside Mainline railroad right-of-way in La Porte.

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, authorize the Port Authority to assign a pipeline license from INEOS USA LLC to INEOS Chocolate Bayou Pipeline LLC for one 8-inch ethylene pipeline under and across Southside Mainline railroad right-of-way in La Porte, 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 Development

Staff Contact:

Mark Vincent, P.E.

Background:

INEOS USA LLC, Port Authority File No. 1988-0064, has applied to assign and renew a pipeline license to INEOS Chocolate Bayou Pipeline LLC for one 8-inch ethylene pipeline under and across Southside Mainline railroad right-of-way in La Porte in the Arthur McCormick Survey, A-46.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development department. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$1,531. The \$675 application fee has been paid.

Staff recommends approval.

K. INFRASTRUCTURE

Subject **11. Issue a pipeline license to MVP Terminalling LLC for one 16-inch crude oil pipeline under and across the Houston Ship Channel in Houston.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, authorize the Port Authority to issue a pipeline license to MVP Terminalling LLC for one 16-inch crude oil pipeline under and across the Houston Ship Channel in Houston, 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 Development

Staff Contact:

Mark Vincent, P.E.

Background:

MVP Terminalling LLC, Port Authority File No. 2017-0344, has applied for a pipeline license for one 16-inch crude oil pipeline under and across the Houston Ship Channel in Houston in the William P. Harris and Robert Wilson Survey, A-32, and William Vince Survey, A-78.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development department. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$11,094. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

K. INFRASTRUCTURE

Subject **12. Issue a pipeline license to Magellan Pipeline Company, L.P. for one 20-inch crude oil pipeline under and across the Houston Ship Channel in Houston.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, authorize the Port Authority to issue a pipeline license to Magellan Pipeline Company, L.P. for one 20-inch crude oil pipeline under and across the Houston Ship Channel in Houston, 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 Development

Staff Contact:

Mark Vincent, P.E.

Background:

Magellan Pipeline Company, L.P., Port Authority File No. 2017-0345, has applied for a pipeline license for one 20-inch crude oil pipeline under and across the Houston Ship Channel in Houston in the William P. Harris and Robert Wilson Survey, A-32, and William Vince Survey, A-78.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development department. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$7,850. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

K. INFRASTRUCTURE

Subject 13. Issue a distribution/transmission line license to AT&T for one fiber optic line under and across Industrial Park East in Houston.

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, authorize the Port Authority to issue a distribution/transmission line license to AT&T for one fiber optic line under and across Industrial Park East in Houston, 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 Development

Staff Contact:

Mark Vincent, P.E.

Background:

AT&T, Port Authority File No. 2017-0332, has applied for a distribution/transmission line license for one fiber optic line under and across Industrial Park East in Houston in the John Brown Survey, A-8, in Harris County, Texas.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development, Project and Construction Management, Real Estate, Operations, and Information Technology departments. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$1,531. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

K. INFRASTRUCTURE

Subject **14. Issue a marine construction permit to Holtmar Land, LLC to remove approximately 49,990 cubic yards of dredged material, 475 cubic yards of riprap, and excavate 42,690 cubic yards of upland material adjacent to the San Jacinto River in Channelview.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, authorize the Port Authority to issue a marine construction permit to Holtmar Land, LLC to remove approximately 49,990 cubic yards of dredged material, 475 cubic yards of riprap, and excavate 42,690 cubic yards of upland material adjacent to the San Jacinto River in Channelview, 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 Development

Staff Contact:

Mark Vincent, P.E.

Background:

Holtmar Land, LLC (Holtmar), Port Authority File No. 2017-0210, has applied for a marine construction permit to remove approximately 49,990 cubic yards of dredged material, 475 cubic yards of riprap, and excavate 42,690 cubic yards of upland material adjacent to the San Jacinto River in Channelview in the J. Harrell Survey, A-330.

This dredging is being conducted in order to fleet barges. Holtmar will enter into a barge fleeting lease with the Port Authority by separate agreement.

Staff Evaluation/Justification:

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

Staff recommends approval.

K. INFRASTRUCTURE

Subject	15. Amend a marine construction permit to ELG Metals, Inc. to construct a barge dock and retaining wall, excavate 4,700 cubic yards of upland material, and place 100 cubic yards of riprap adjacent to Buffalo Bayou in Houston.
Meeting	Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 30, 2018 meeting, authorize the Port Authority to amend a marine construction permit to ELG Metals, Inc. to construct a barge dock and retaining wall, excavate 4,700 cubic yards of upland material, and place 100 cubic yards of riprap adjacent to Buffalo Bayou in Houston, 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 Development

Staff Contact:

Mark Vincent, P.E.

Background:

ELG Metals, Inc. (ELG), Port Authority File No. 2015-0013, has applied to amend a marine construction permit to construct a barge dock and retaining wall, excavate 4,700 cubic yards of upland material, and place 100 cubic yards of riprap adjacent to Buffalo Bayou in Houston in the S. M. Williams Survey, A-87.

The original permitted project included the construction of a barge dock and bulkhead, dredging to -13 feet Mean Lower Low Water, and placement of 110 cubic yards of fill on submerged land, with the project extending from the existing shoreline. The original permitted project was not constructed.

ELG now proposes to shift the shoreline landward approximately 90 feet and construct a retaining wall, eliminating the bulkhead and associated fill on submerged land. Approximately 4,700 cubic yards of upland material would be excavated waterward of the retaining wall to accommodate the construction of a 188-foot by 98-foot barge dock. ELG would continue to dredge to a depth of -13 feet Mean Lower Low Water, resulting in the removal of approximately 9,642 cubic yards of material which is to be placed in a private placement site. Approximately 100 cubic yards of riprap would be placed along the southern boundary of the project.

As amended, the project would include the construction of a retaining wall, excavation of approximately 4,700 cubic yards of upland material, construction of a 188-foot by 98-foot barge dock, placement of approximately 100 cubic yards of riprap, and dredging to -13 feet Mean Lower Low Water.

Staff Evaluation/Justification:

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

Staff recommends approval.

K. INFRASTRUCTURE

Subject 16. Amend a pipeline license to HFOTCO LLC dba Houston Fuel Oil Terminal Company to increase the pipeline diameter from 24-inch to 36-inch at three Carpenters Bayou locations.

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, authorize the Port Authority to amend a pipeline license to HFOTCO LLC dba Houston Fuel Oil Terminal Company to increase the pipeline diameter from 24-inch to 36-inch at three Carpenters Bayou locations, 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 Development

Staff Contact:

Mark Vincent, P.E.

Background:

HFOTCO LLC dba Houston Fuel Oil Terminal Company (HFOTCO), Port Authority File No. 2013-0344, was issued a pipeline license for one 24-inch crude oil pipeline under and across three Carpenters Bayou locations. The pipeline has yet to be constructed and HFOTCO now seeks to increase the pipeline diameter from 24-inch to 36-inch at all three locations.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development department. The license is to be issued subject to the Port Authority's usual terms and conditions and at an additional fee of \$5,314. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

L. OPERATIONS

Subject	1. Award a three-year contract to Bubenzer Bremsen America, LLC dba Pintsch Bubenzer USA, the sole source provider, for purchase of spare and replacement Pintsch Bubenzer brake parts for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,200,000.
Meeting	Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 30, 2018 meeting, award a three-year contract to Bubenzer Bremsen America, LLC dba Pintsch Bubenzer USA for the purchase of spare and replacement Pintsch Bubenzer brake parts for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal, in an amount not to exceed \$1,200,000, 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 #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2014-0923-28, the Port Commission awarded a three-year contract to Bubenzer Bremsen America, LLC dba Pintsch Bubenzer USA in the amount of \$950,000 for the purchase of spare and replacement Pintsch Bubenzer brake parts for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal. The Port Authority currently owns twenty-four wharf and eighty-three RTG cranes in operation at both terminals that are equipped with Pintsch Bubenzer brakes for various crane functions such as gantry, trolley, main, and boom hoist.

Additionally, three wharf and ten RTG cranes are scheduled to arrive at Bayport Container Terminal in 2018. These cranes are also equipped with Pintsch Bubenzer brakes. The ability to expedite the procurement of spare and replacement brake parts for these cranes is critical to efficient terminal operations. Replacement and spare parts would be purchased through this contract as needed to properly maintain these cranes and minimize operational downtime.

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 Bubenzer Bremsen America, LLC dba Pintsch Bubenzer USA is the sole authorized source of replacement Pintsch Bubenzer brake parts in the United States.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve entering into a new three-year contract with Bubenzer Bremsen America, LLC dba Pintsch Bubenzer USA for the purchase of spare and replacement Pintsch Bubenzer brake parts for wharf and RTG cranes effective February 1, 2018.

L. OPERATIONS

Subject **2. Award a two-year contract to Yard Mule Specialists, Inc., the sole source provider, for purchase of spare and replacement Capacity brand parts for yard tractors at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$250,000.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, award a two-year contract to Yard Mule Specialists, Inc. for the purchase of spare and replacement Capacity brand parts for yard tractors at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$250,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns a total of thirty-five yard tractors operating at Barbours Cut Terminal and Bayport Container Terminal manufactured by Capacity Trucks. These units require a large number of spare parts for preventive maintenance and repairs and are used daily to transport containers to rail ramp, USDA inspection ramps, fumigation areas, and other areas of the facilities. Due to age and increase in fleet size, funds previously allocated in smaller purchase orders are no longer sufficient for this maintenance and repair work. Replacement and spare parts will be purchased through this contract as needed to properly maintain these cranes and minimize operational downtime.

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 Yard Mule Specialists, Inc. is the sole authorized source of replacement Capacity parts in the Houston metropolitan area.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve entering into a two-year contract with Yard Mule Specialists, Inc. for the purchase of spare and replacement Capacity brand parts for yard tractors effective February 1, 2018.

L. OPERATIONS

Subject	3. Amend the professional services agreement with APTIM Port Services, LLC to perform additional inspection services for construction of three dockside electric container cranes for Wharf 2 at Bayport Container Terminal in an amount not to exceed \$232,000.
Meeting	Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 30, 2018 meeting, authorize amendment of the professional services agreement with APTIM Port Services, LLC to perform additional inspection services for construction of three dockside electric container cranes for Wharf 2 at Bayport Container Terminal in an amount not to exceed \$232,000, 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 #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute 2016-0628-36, the Port Commission awarded a contract to Shanghai Zhenhua Heavy Industries Co., Ltd. (ZPMC) for the purchase of three dockside electric container cranes for Wharf No. 2 at Bayport Container Terminal in an amount not to exceed \$34,400,000. These cranes require manufacturing inspection on a full-time basis. Inspection of overseas fabrication is beyond current manpower capabilities of Port Authority staff, and therefore an inspection services consultant was required.

By Minute No. 2016-0726-30, the Port Commission awarded a professional services contract to CB&I Government Solutions, Inc. dba CB&I GBB International, LLC to perform inspection services for these cranes in an amount not to exceed \$470,000. On June 30, 2017, the CB&I Capital Services business segment (including CB&I GBB, LLC) was sold to Veritas Capital. In conjunction with this sale, the business has recently changed its name from CB&I GBB, LLC to APTIM Port Services, LLC.

According to the first project schedule received from the manufacturer on November 2, 2016, these cranes were expected to depart from the erection site in Shanghai, China on November 17, 2017. However, delays during fabrication, assembly, and erection have affected the shipment date, which is now March 21, 2018.

Staff Evaluation/Justification:

Staff recommends that the contract with APTIM Port Services, LLC. be extended until April 2018 to continue inspection activities until shipment. APTIM Port Services, LLC. has submitted a proposal for the additional work in the amount not to exceed \$232,000.

Staff has reviewed this proposal and found it to be fair and reasonable.

L. OPERATIONS

Subject 4. Enter into a Marine Terminal Services Agreement with Hapag Lloyd AG.

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, authorize the Port Authority to enter into a Marine Terminal Services Agreement with Hapag Lloyd AG, 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:

Operations

Staff Contact:

Jeff Davis

Background:

The Port Authority anticipates continued development of Bayport Container Terminal, and improvement of facilities at Barbours Cut Terminal, to better serve carriers at these terminals.

To permit the Port Authority to properly plan its capital investments in these terminals, and prudently commit and spend public funds, the Port Authority has entered into Marine Terminal Services Agreements (MTSA) with its major container carriers, requiring them to commit for a specified term to handle their cargoes moved through the region at the Port Authority's public container terminals. In connection with such agreements, the Port Authority provides volume incentives for using these facilities.

The Port Authority executed the first MTSA in its history with Hapag Lloyd AG on January 8, 2008 and that agreement is currently at the end of its 10 year term. Execution of the new agreement would provide a retroactive date to commence upon expiration of the existing agreement.

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve an MTSA with Hapag Lloyd, AG.

M. PEOPLE

Subject	1. Award a contract to Lockton Companies, LLC for employee benefits consulting services for an initial period of three years, renewable for one successive two-year period at the option of the Port Authority, at a cost of \$115,000 per year for the first three years and in an amount not to exceed \$345,000.
Meeting	Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its January 30, 2018 meeting, award a contract to Lockton Companies, LLC for employee and retiree benefits consulting services for an initial period of three years, renewable for one successive two-year period at the option of the Port Authority, at a cost of \$115,000 per year for the first three years and in an amount not to exceed \$345,000 for the three 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 GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

Professional consulting services related to Port Authority employee and retiree benefits (including medical and other related insurance) and the benefits program are an important component for further development and optimization of the Port Authority's strategy of standardizing benefits, controlling costs, and managing a competitive benefits program designed to attract and retain talent.

The firm recommended by staff would serve as the Port Authority's broker of record in the purchasing process for employee benefits insurance. This includes developing solicitations, marketing, evaluating, ranking, and recommending providers and programs. Other services provided would include continued assessment of the Port Authority's employee benefits program, including the feasibility of options including self-insurance, along with design, implementation, and maintenance of the benefits program.

By Minute No. 2017-0926-17(f), the Port Commission authorized advertising a request for proposal (RFP) for employee benefit consulting services. Proposers were notified using the Port Authority's BuySpeed EProcurement System, and the RFP was advertised on the Port Authority's website and in a local newspaper. Approximately eighteen vendors received the RFP; eight submitted proposals, and five of those made in-person presentations.

Staff Evaluation/Justification:

Responses to the RFP were received, reviewed and evaluated in accordance with the selection criteria published in the RFP.

Staff recommends a contract be awarded to Lockton Companies, LLC, the proposal is considered to provide the best value for the services required by the Port Authority.

N. TECHNOLOGY

Subject **1. Award a purchase order to HP Inc. for the replacement of tablet devices used by Barbours Cut Terminal and Bayport Container Terminal Operations, using a State of Texas Department of Information Resources Cooperative Purchase program, in an amount not to exceed \$250,000.**

Meeting Jan 30, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its January 30, 2018 meeting, award a purchase order to HP Inc. for the replacement of tablet devices used by Barbours Cut Terminal and Bayport Container Terminal Operations, using a State of Texas Department of Information Resources Cooperative Purchase program, in an amount not to exceed \$250,000, determine that this method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

The Information Technology (IT) Master Plan has completed its inventory of the Port Authority's IT assets and implemented a budgeting process to help ensure that divisions and departments request replacement funding for technology items in their individual budgets. The IT department will purchase, implement, and manage these assets.

The Texas Legislature enacted Government Code Chapter 2054 (the Information Resources Management Act) which established the State of Texas Department of Information Resources (DIR). DIR has a cooperative purchasing program that enables governmental entities to efficiently pool their purchasing power to negotiate favorable pricing for computer hardware, software, and technology services. Under this program the State of Texas through its DIR has entered into contracts with providers of products and related services that are the result of compliance with applicable procurement laws of the State of Texas, and authorizes state agencies and local governments to purchase the products and services under these DIR cooperative contracts.

Pursuant to Texas Government Code Section 2054.0565, procurement using DIR contracts satisfies competitive procurement requirements. Additionally, DIR is an agency of the state of Texas, therefore the use of a DIR contract is a purchasing method acceptable for the Port Authority pursuant to Texas Water Code Section 60.454.

Staff Evaluation/Justification:

Staff has determined that the price and availability offered by HP Inc., provides the best value to the Port Authority and recommends that the Port Commission award a purchase order to HP Inc. using the DIR purchasing method.