

I N D E X
PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS

July 25, 2017

Minute No.

Event/Action

General

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

Minutes

2017-0725-01 Approve the Minutes of the June 27, 2017 Port Commission Meeting

Appearances

2017-0725-02 Chairman Longoria recognized Mr. Kinder Baumgardner, SWA, who addressed the Port Commission

Staff Reports

2017-0725-03 Roger Guenther, Executive Director, presented a summary of selected financial and operations matters

G. Executive

2017-0725-04 Enter into an agreement with South Central Louisiana Technical College dba TransPORTs, to facilitate the development and expansion of a registered apprenticeship program

H. Commercial

2017-0725-05 Approve a lease agreement with the City of Galena Park, effective September 1, 2017 for approximately 205 acres of real property located on the east side of the Clinton dredge disposal site in the Ezekiel Thomas Survey, A-73 in Harris County, for a five-year term, at an annual rent of \$3,600

2017-0725-06 Approve a three-year lease agreement with Apache Fabricators, LLC for approximately 1.32 acres out of Block 1A at the Harbor Street property effective August 1, 2017 at an annual rental of \$18,000 subject to an annual increase of the greater of 3% or the increase in Consumer Price Index

2017-0725-07 Approve a five-year lease agreement with INEOS USA LLC for approximately 1.95 acres off Independence Parkway, effective September 1, 2017 at an annual base rent of \$40,317 with an annual 3% increase

<u>Minute No.</u>	<u>Event/Action</u>
2017-0725-08	Amend the lease agreement with Ceres Gulf, Inc. for an additional three years effective September 1, 2017, for approximately 1,098 net rentable square feet of office space in the Barbours Cut Administration Building at an annual rental of \$24,716 with an annual 3% increase
2017-0725-09	Amend the lease agreement with Contanda Terminals LLC to increase the premises out of the Southside Turning Basin from approximately 1.89 acres to approximately 2.317 acres, at a total annual base rent of \$54,857 with an annual increase of the greater of 3% or the increase in Consumer Price Index, effective no earlier than August 1, 2017
I. Finance	
2017-0725-10	Authorize advertisement and receipt of responses for six formal procurements
2017-0725-10(a)	Request for competitive sealed bids to install fender system at Wharf Nos. 1 and 2 at CARE Terminal
2017-0725-10(b)	Request for competitive sealed bids for purchase of new and repaired J.R. Merritt master control switches for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal
2017-0725-10(c)	Request for competitive sealed proposals for the demolition of Wharf Crane Nos. 6 and 13 and moving Wharf Crane No. 5 at Barbours Cut Terminal
2017-0725-10(d)	Request for competitive sealed proposals for demolition of the lash dock at Barbours Cut Terminal
2017-0725-10(e)	Request for competitive sealed proposals for interchange tickets for Barbours Cut Terminal and Bayport Container Terminal
2017-0725-10(f)	Request for competitive sealed proposals for replacement of short trolley rails and Gantrex pads on two wharf cranes at Bayport Container Terminal
2017-0725-11	Approve the purchase of annual software subscription, maintenance, and support services for Cognos budgeting software from Mark III Systems, Inc., using a State of Texas Department of Information Resources Cooperative Purchase Contract
2017-0725-12	Adopt an amended investment policy for the Port of Houston Authority Restated Retirement Plan
2017-0725-13	Adopt an amended investment policy for the Port Authority's irrevocable trust established for other post-employment benefits
J. Health, Safety, Security & Emergency Management	
2017-0725-14	Authorize additional scope and funds for the previously-awarded purchase of the Long Range Acoustic Device One Voice Mass Notification System to Safeware Inc., using a United States Communities Governmental Purchasing Alliance contract

<u>Minute No.</u>	<u>Event/Action</u>
2017-0725-15	Authorize the execution of a reimbursable agreement with the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, for the enhancement, management, operation, maintenance, and repair of the Houston-Galveston Physical Oceanographic Real-Time System, for a five-year period in an amount not to exceed \$716,938, and a net additional expenditure of \$438,237
	K. Infrastructure
2017-0725-16	Reject all proposals and authorize the re-advertisement of a request for bids for the rehabilitation and repair of Wharf 1 at Turning Basin Terminal
2017-0725-17	Award a construction contract to Alpha Mar Group, Inc. for the Wharf 42 and 43 collision repair at Turning Basin Terminal, Damage Claim 997
2017-0725-18	Award a professional services contract with Omega Engineers, Inc. for construction management and field inspection services at various projects port-wide
2017-0725-19	Amend the existing professional services contract with CivilTech Engineering for the drainage system at Volkswagen Yard at Turning Basin Terminal
2017-0725-20	Approve a change order to Forde Construction Company, Inc. to perform additional work associated with structural concrete and fender repairs at Wharf 23 at Turning Basin Terminal
2017-0725-21	Enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers to allocate congressionally-appropriated Energy Port Rebate funds for berth dredging at the public docks
2017-0725-22	Issue a transmission/distribution line license to CenterPoint Energy Houston Electric, LLC for one 138- kV transmission line, one fiber optic line, and two concrete poles within the Southside Mainline railroad right-of-way in Pasadena
2017-0725-23	Issue a pipeline license to Targa NGL Pipeline Company LLC for one 20-inch propylene pipeline under and across Banana Bend property and San Jacinto River in Highlands
2017-0725-24	Issue a pipeline license to Explorer Pipeline Company for one 12-inch petroleum products pipeline across Greens Bayou in Houston
2017-0725-25	Amend a pipeline license to Equistar Chemicals, LP to add two 6-inch propylene pipeline laterals under and across the Port Authority's undeveloped railroad right-of-way west of Miller Cut-Off Road in La Porte
	L. Operations
2017-0725-26	Approve staff's ranking of vendors and award a two-year contract for maintenance and repair services for elevators at Barbours Cut Terminal, Bayport Container Terminal, and the Turning Basin Terminal Executive Building in an amount not to exceed \$500,000 to the top-ranked proposer: staff ranking – first, RICO Elevators, Inc.; and second, Elevator Transportation Services, Inc.

<u>Minute No.</u>	<u>Event/Action</u>
	Port Commission adopted the staff-recommended ranking and authorized award
2017-0725-27	Award a contract to Konecranes, Inc., the sole source provider, for purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control system retrofit for one RTG crane at Bayport Container Terminal
2017-0725-28	Issue a purchase order to Clark Equipment Company dba Bobcat Company, using the Local Government Purchasing Cooperative's Buyboard Program, for the purchase of a 2017 T870 T4 Bobcat Compact Skid- Steer Loader for Turning Basin Terminal
2017-0725-29	Issue a purchase order to Equipment Depot, using the Local Government Purchasing Cooperative's BuyBoard Program, for purchase of one 135-foot JLG telescopic boom manlift for Barbours Cut Terminal
2017-0725-30	Approve a change order to the Smart Tecs, LLC agreement for the Gate Operating and Optical Character Recognition System for the enhancement of C6 Barbours Cut Terminal gate lanes to include three-years of maintenance and support
2017-0725-31	Enter into a contract with West Gulf Maritime Association to provide ship-to-shore crane simulator training services

M. People

2017-0725-32	RCA M1 was pulled from the agenda
2017-0725-33	Award a contract for group Medicare Advantage medical insurance for the Port Authority's Medicare- eligible retirees and dependents to Aetna Life Insurance Company for a one-year period commencing January 1, 2018
2017-0725-34	Award group insurance contracts for calendar year 2018 to the following carriers: (a) Aetna Life Insurance Company, for dental coverage; (b) Ameritas Life Insurance Corp., for vision coverage; (c) Minnesota Life Insurance Company, for basic life coverage; (d) Minnesota Life Insurance Company, for voluntary life coverage; (e) Minnesota Life Insurance Company, for accidental death and dismemberment coverage; and (f) Aetna Life Insurance Company, for long term disability coverage
2017-0725-35	Amend the agreement with ProView Advanced Solution, Inc., dba ProView, to extend the contract term for one year through December 31, 2018 for employee and retiree benefits and payroll integration services
2017-0725-36	Authorize the Executive Director to (a) adopt absence control standards for Port Authority employees, (b) revise the Port Authority's medical benefit documents to address the payment of premiums for an employee on long-term disability leave and the medical benefits available to Medicare-eligible retirees, and (c) prepare revisions to the Port Authority's Restated Retirement Plan and Defined Contribution Plan for consideration and possible action by the Port Commission

N. Technology

<u>Minute No.</u>	<u>Event/Action</u>
2017-0725-37	<p>Approve staff's ranking of vendors and award a five-year contract for consulting services and goods regarding CyberSecurity Program Development to the top-ranked proposer: staff ranking - first, Virtuo Group Corporation; second, All Points Logistics, LLC; and third, Innove Strategy</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2017-0725-38	Approve an award to Netsync Network Solutions, Inc. for the purchase of consulting services and computer hardware, using the State of Texas Department of Information Resources Cooperative Purchasing Program
2017-0725-39	Award a contract to Cogent Infotech Corporation for Information Technology Project Management services, using the State of Texas Department of Information Resources Cooperative Purchasing Agreement
2017-0725-40	Award a purchase order to SHI Government Solutions, Inc. for annual renewal of Mimecast email management software maintenance and support, using the State of Texas Department of Information Resources Cooperative Purchasing Program
	O. Recess Open Meeting and Convene Executive Session
	P. Reconvene Open Meeting
2017-0725-41	Motion to authorize the Port Authority to enter into a lease with Alltrans Port Services, Inc. on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing
2017-0725-42	Motion to authorize the Port Authority to amend the lease with Ridge POH 1, LLC on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing
2017-0725-43	Motion to authorize the Port Authority to amend its contract for legal services with Lynette Fons 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

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

**Houston, Texas
July 25, 2017**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on July 25, 2017 at 1:30 p.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
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 July marked the 10th anniversary of the Clean & Green Program. Since its inception in 2007, over 20,000 cubic yards of trash and debris have been collected.

Chairman Longoria recognized Port Houston's team of volunteers who joined the Galveston Bay Foundation for this year's Oyster Reef Restoration Project. Thirty-four volunteers worked together to create over 50 feet of new oyster reef; filling, moving and stacking over 350 bags of recycled oyster shells, which is over 5 tons of oyster shells returned to the Sweetwater Bay Preserve. Projects like this are important to help conserve and provide habitat for oysters and other aquatic life, as well as providing shoreline protection and additional marsh habitat. Chairman Longoria thanked all the volunteers for their efforts.

Chairman Longoria welcomed SWA Group, a global landscape architecture firm. Its summer internship program is proposing how to visually connect Port Houston to the community through landscape and bridging activities. Chairman Longoria added that SWA Group is holding a reception at the end of the month to present these concepts. Chairman Longoria thanked the firm for its interest in helping with projects to improve our region.

Chairman Longoria announced there was no Port Commission meeting scheduled in August, and the next meeting would be held on September 26, 2017 at 9:00 a.m.

(2017-0725-01) Chairman Longoria called for a motion to approve the minutes of the June 27, 2017 Port Commission meeting. Commissioner Corgey moved for approval, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners

Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

(2017-0725-02) Appearances

Chairman Longoria introduced Mr. Kinder Baumgardner of SWA Group, who addressed the Port Commission. He described SWA Group as a landscape architecture and urban design firm that is interested in studying the industrial landscape of Port Houston during the firm's annual summer internship program.

Mr. Baumgardner thanked the Port Commission, Chairman Longoria, and Port Authority staff for their assistance and invited everyone to the unveiling of the project to be held at the Economic Alliance Port Region on July 28, 2017. He introduced his business partner, Natalia Beard, who is one of the designers working on this project. Chairman Longoria thanked Mr. Baumgardner and SWA Group.

Chairman Longoria asked if anyone else would like to address the Port Commission; Mr. Eriksson noted there were no other appearances.

(2017-0725-03) Staff Reports

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

- Port Houston continues to perform well operationally, handling nearly 20 million tons of cargo for the year, an increase of 13% over last year. This activity has provided solid results through the second quarter with June yielding the highest revenue for a single month in Port Houston history, generating more than \$28 million.
- The 2017 budget included an aggressive growth projection, and that was exceeded through June in both general cargo and container activity. He added that container volumes are up by 14% through the second quarter compared to 2016, and steel activity of 1.7 million tons has surpassed the 2016 year-to-date by almost 50%.
- Performance versus the original budget for 2017 is healthy, with revenue up by \$10 million, and year-to-date cash flow exceeding budget by \$15 million through the first half of this year.
- Mr. Guenther stated that these strong returns contribute to the investment in facilities required to remain current with anticipated demand, as staff continues to evaluate near and long-term funding needs.

- Mr. Guenther went on to present the status of this year’s internship program, reporting that the interns are successfully reaching program completion. Fifteen students from universities in Houston and throughout the region were able to participate and engage in departments across the organization. He added that their internships will conclude with a group project presentation to leadership in August. Mr. Guenther asked the students in attendance to introduce themselves and state the department they interned in:

Megan Austin	Security
Addie Hilliard	Emergency Management
Adrian Rodriguez	Facility Planning
Brett Bailey	Container Terminal Operations
Christa Abshier	People Division
Jacob Sacco	Channel Development
Landon Carnes	General Cargo Operations
Eric Saathoff	Environmental Affairs
Lorena De La Garza	Media Relations
Karina Pena	Financial Accounting
Olga Zuniga	Human Resources
Ariel Keith	Internal Audit
Aasheet Kumar	Asset Management
Farad Sahadat	Project and Construction Management
Olakunle Oloyede	Information Technology

- Mr. Guenther thanked the students for their hard work and participation in the internship program and acknowledged and thanked Alia O’Neill, Human Resources Generalist, who led the program.

- Mr. Guenther announced that the first family CPR class was held in July; fifteen Port Authority staff family members attended. The CPR team, who has trained over 100 employees over the past year, is planning to hold two family training sessions per year. Mr. Guenther thanked the CPR training team for its service.

- Mr. Guenther concluded his remarks by reporting the next shipment of three Ship to Shore cranes has departed Shanghai en route to the Barbour’s Cut Terminal; arrival is expected in mid-October. He added that this is another big step in the continued development of Barbour’s Cut and our container terminals, to make the investments needed to stay ahead of the demand.

Chairman Longoria thanked Mr. Guenther for his report and move to the agenda.

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

(2017-0725-04) RCA G1 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2017-0725-05) RCA H1 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2017-0725-06) RCA H2 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H2 PASSED.

(2017-0725-07) RCA H3 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H3 PASSED.

(2017-0725-08) RCA H4 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H4 PASSED.

(2017-0725-09) RCA H5 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H5 PASSED.

(2017-0725-10) RCA I1(a-f) was presented, moved by Commissioner Kennedy, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I1(a-f) PASSED.

(2017-0725-11) RCA I2 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2017-0725-12) RCA I3 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2017-0725-13) RCA I4 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2017-0725-14) RCA J1 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2017-0725-15) RCA J2 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2017-0725-16) RCA K1 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2017-0725-17) RCA K2 was presented, moved by Commissioner Kennedy, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2017-0725-18) RCA K3 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K3 PASSED.

(2017-0725-19) RCA K4 was presented, moved by Commissioner Mease, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K4 PASSED.

(2017-0725-20) RCA K5 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K5 PASSED.

(2017-0725-21) RCA K6 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K6 PASSED.

(2017-0725-22) RCA K7 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Chairman Longoria recused herself. Nays none. RCA K7 PASSED.

(2017-0725-23) RCA K8 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K8 PASSED.

(2017-0725-24) RCA K9 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K9 PASSED.

(2017-0725-25) RCA K10 was presented, moved Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K10 PASSED.

(2017-0725-26) RCA L1 was presented. Commissioner Kennedy moved for staff recommended ranking – first, RICO Elevators, Inc.; and second, Elevator Transportation Services, Inc., seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2017-0725-27) RCA L2 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L2 PASSED.

(2017-0725-28) RCA L3 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L3 PASSED.

(2017-0725-29) RCA L4 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L4 PASSED.

(2017-0725-30) RCA L5 was presented, moved by Commissioner Mease, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L5 PASSED.

(2017-0725-31) RCA L6 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L6 PASSED.

(2017-0725-32) RCA M1 was taken off the agenda.

(2017-0725-33) RCA M2 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA M2 PASSED.

(2017-0725-34) RCA M3 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA M3 PASSED.

Chairman Longoria thanked Tom Heidt, Jessica Shaver, Bruce Birdwell, and staff for their efforts in negotiating the best insurance rates for Port Authority employees. Commissioner Branch echoed the comments of Chairman Longoria and thanked staff for its hard work and doing a great job.

(2017-0725-35) RCA M4 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA M4 PASSED.

(2017-0725-36) RCA M5 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA M5 PASSED.

(2017-0725-37) RCA N1 was presented. Commissioner Corgey moved for staff recommended ranking – first, Virtuo Group Corporation; second, All Points Logistics, LLC; and third, Innové Strategy, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N1 PASSED.

(2017-0725-38) RCA N2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N2 PASSED.

(2017-0725-39) RCA N3 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N3 PASSED.

(2017-0725-40) RCA N4 was presented, moved by Commissioner Mease, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N4 PASSED.

At 1:59 p.m., Chairman Longoria called for a brief recess and advised that the Executive Session would follow.

At 2:04 p.m., Chairman Longoria asked Mr. Eriksson to make the following announcement:

It is now 2:04 p.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, (i) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultation regarding a proposed amendment to the agreement for legal services with Lynette Fons; deliberate regarding (ii) Real Estate (*Section 551.072, Texas Open Meetings Act*), including deliberation regarding acquisition of Turning Basin area real property and disposition of Bayport area real property; (iii) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (iv) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*), including deliberations regarding public employees; and (v) 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 2:21 p.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
Clyde E. Fitzgerald, Commissioner
John D. Kennedy, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer

(2017-0725-41) Commissioner Fitzgerald moved to authorize the Port Authority to enter into a lease with Alltrans Port Services, Inc. on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

(2017-0725-42) Commissioner Kennedy moved to authorize the Port Authority to amend the lease with Ridge POH 1, LLC on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

(2017-0725-43) Commissioner Corgey moved to authorize the Port Authority to amend its contract for legal services with Lynette Fons 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 Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

At 2:23 p.m., Chairman Longoria adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the July 25, 2017 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 an agreement with South Central Louisiana Technical College dba TransPORTs, to facilitate the development and expansion of a registered apprenticeship program.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting, enter into an agreement with
Action South Central Louisiana Technical College dba TransPORTs, to facilitate the
development and expansion of a registered apprenticeship program, and further
authorize the Executive Director to do any and all things in his opinion reasonable or
necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:
General

Department:
Small Business & Education Outreach

Staff Contact:
Gilda Ramirez

Background:
The U.S. Department of Labor (DOL) as part of its national industry effort to expand registered apprenticeships, has established the TransPORTs program to facilitate specialized workforce training by funding companies, organizations, unions, and community colleges to design, develop, and expand registered apprenticeship programs. The DOL selected South Central Louisiana Technical College (SCLTC) to serve as an intermediary and administer the TransPORTs registered apprenticeship program.

SCLTC has asked the Port Authority to collaborate in this effort by entering into an agreement over a 9 month period to design and develop a registered apprenticeship program for the Port Authority for a target of at least 12 apprentices to begin in the Spring of 2018. SCLTC dba TransPORTs will pay the Port Authority up to \$10,000 for this work, and will then pay the Port Authority up to \$1,500 per apprentice towards allowable program costs.

Staff Evaluation/Justification:
Staff has evaluated this program and determined that it aligns well with the Port Authority’s mission and vision, and therefore recommends that the Port Commission authorize entering into this agreement.

H. COMMERCIAL

Subject **1. Approve a lease agreement with the City of Galena Park, effective September 1, 2017 for approximately 205 acres of real property located on the east side of the Clinton dredge disposal site in the Ezekiel Thomas Survey, A-73 in Harris County, for a five-year term, at an annual rent of \$3,600.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting, approve a lease agreement with
Action the City of Galena Park, effective September 1, 2017 for approximately 205 acres of
real property located on the east side of the Clinton dredge disposal site in the Ezekiel
Thomas Survey, A-73 in Harris County, for a five-year term, at an annual rent of
\$3,600, and further authorize the Executive Director to do any and all things in his
opinion reasonable or necessary to give effect to the foregoing.

Category:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

Background:
The City of Galena Park has requested that the Port Authority renew its lease of approximately 205 acres for a public recreational area, including a horseback riding club operated by third-party as a subtenant/subleasee, for a five-year term. The city has occupied the property as a lessee since 1982.

Staff Evaluation/Justification:
Staff reviewed the proposal by the City of Galena Park and recommends approval of a five-year lease.

H. COMMERCIAL

Subject **2. Approve a three-year lease agreement with Apache Fabricators, LLC for approximately 1.32 acres out of Block 1A at the Harbor Street property effective August 1, 2017 at an annual rental of \$18,000 subject to an annual increase of the greater of 3% or the increase in Consumer Price Index.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting, approve a three-year lease
Action agreement with Apache Fabricators, LLC for approximately 1.32 acres out of Block 1A
 at the Harbor Street property effective August 1, 2017 at an annual rental of \$18,000
 subject to an annual increase of the greater of 3% or the increase in Consumer Price
 Index, and further authorize the Executive Director to do any and all things in his
 opinion reasonable or necessary to give effect to the foregoing.

Category:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

Apache Fabricators, LLC (Apache) has requested to lease 1.32 acres at Harbor Street for storage of steel plate. Apache is a fabricating company which recently leased the building adjacent to the Port Authority property. The Harbor Street property would be used strictly as a laydown yard, and all fabrication would be done in the adjoining building. Apache has estimated an annual volume of 300 tons of steel in export or import commerce via Port Authority wharves will be handled at the property.

Staff Evaluation/Justification:

Staff recommends approval of a three-year lease agreement with Apache on the terms described above.

H. COMMERCIAL

Subject 3. Approve a five-year lease agreement with INEOS USA LLC for approximately 1.95 acres off Independence Parkway, effective September 1, 2017 at an annual base rent of \$40,317 with an annual 3% increase.

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its July 25, 2017 meeting, approve a five-year lease agreement with INEOS USA LLC for approximately 1.95 acres off Independence Parkway, effective September 1, 2017 at an annual base rent of \$40,317 with an annual 3% 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:
INEOS USA LLC (INEOS) has requested that the Port Authority renew its lease for a five-year term. The 2,967 linear feet of rail siding track located upon the 1.95 acres is used for transport of empty and loaded rail cars containing resins and other chemicals. INEOS has been on the property since 2005.

Staff Evaluation/Justification:
Staff recommends approval of a five-year lease renewal to INEOS on the terms described above.

H. COMMERCIAL

Subject **4. Amend the lease agreement with Ceres Gulf, Inc. for an additional three years effective September 1, 2017, for approximately 1,098 net rentable square feet of office space in the Barbours Cut Administration Building at an annual rental of \$24,716 with an annual 3% increase.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting, amend the lease agreement with
Action Ceres Gulf, Inc. for an additional three years effective September 1, 2017, for
 approximately 1,098 net rentable square feet of office space in the Barbours Cut
 Administration Building at an annual rental of \$24,716 with an annual 3% 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:

Ceres Gulf, Inc. has requested that the Port Authority extend its lease of approximately 1,098 net rentable square feet of office space in the Barbours Cut Terminal Administration Building for three years. The rate would include an annual 3% rental increase over the prior year rate. Ceres Gulf, Inc. has been located at the Barbours Cut Terminal Administration Building since 2012, and its current lease expires on August 31, 2017.

Staff Evaluation/Justification:

Staff recommends approval of a three-year lease amendment to Ceres Gulf, Inc. on the terms described above.

H. COMMERCIAL

Subject **5. Amend the lease agreement with Contanda Terminals LLC to increase the premises out of the Southside Turning Basin from approximately 1.89 acres to approximately 2.317 acres, at a total annual base rent of \$54,857 with an annual increase of the greater of 3% or the increase in Consumer Price Index, effective no earlier than August 1, 2017.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting, approve an amendment to the
Action lease agreement with Contanda Terminals LLC out of the Southside Turning Basin to increase the premises from approximately 1.89 acres to approximately 2.317 acres, at a total annual base rent of \$54,857 with an annual increase of the greater of 3% or the increase in Consumer Price Index, effective no earlier than August 1, 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:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

By Minute No. 2017-0131-15, the Port Commission approved a lease agreement with Contanda Terminals LLC, effective no earlier than February 1, 2017, for the lease of approximately 1.89 acres and 640 linear foot of rail out of the Southside Turning Basin for a five-year term at an annual base rent of \$3,862, with an annual increase of the greater of 3% or the increase in the Consumer Price Index.

Contanda Terminals LLC has since requested that the Port Authority increase the acreage of this lease by 0.426 acres, for a total of approximately 2.317 acres.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the to increase in the acreage of the current lease agreement with Contanda Terminals LLC.

I. FINANCE

Subject	1. Authorize advertisement and receipt of responses for six formal procurements.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	<p>The Port Commission, at its July 25, 2017 meeting, authorize the Port Authority to advertise and receive responses for six 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 to install fender system at Wharf Nos. 1 and 2 at CARE Terminal</p> <p>(b) Request for competitive sealed bids for purchase of new and repaired J.R. Merritt master control switches for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal</p> <p>(c) Request for competitive sealed proposals for the demolition of Wharf Crane Nos. 6 and 13 and moving Wharf Crane No. 5 at Barbours Cut Terminal</p> <p>(d) Request for competitive sealed proposals for demolition of the lash dock at Barbours Cut Terminal</p> <p>(e) Request for competitive sealed proposals for interchange tickets for Barbours Cut Terminal and Bayport Container Terminal</p> <p>(f) Request for competitive sealed proposals for replacement of short trolley rails and Gantrex pads on two wharf cranes at Bayport Container 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 six new Formal Procurements. Staff has evaluated and recommends the customary best value methods for each procurement.

I. FINANCE

Subject **2. Approve the purchase of annual software subscription, maintenance, and support services for Cognos budgeting software from Mark III Systems, Inc., using a State of Texas Department of Information Resources Cooperative Purchase Contract, in an amount not to exceed \$85,899.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting, approve the purchase of annual
Action software subscription, maintenance, and support services for Cognos budgeting
software from Mark III Systems, Inc., using a State of Texas Department of
Information Resources cooperative purchase contract, for a one-year period beginning
October 1, 2017 in an amount not to exceed \$85,899, find that this purchasing
method provides the best value to the Port Authority for this item, and further
authorize the Executive Director to do any and all things in his opinion reasonable or
necessary to give effect to the foregoing.

Goals Strategic Objective 1c. - Implement streamlined processes supported by
technology
STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and
organize for success)

Category:

Awards, Amendments & Change Orders

Department:

Financial Planning

Staff Contact:

Alex Skinner-Klee

Background:

The State of Texas Department of Information Resources (DIR) was established under Texas Government Code, Chapter 2054 (known as the Information Resources Management Act). 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. DIR has entered into contracts with providers of such products and related services in compliance with applicable procurement laws, and allows state agencies and local governments to purchase such products and services under DIR contracts.

Pursuant to Texas Government Code, Section 2054.0565, procurements using DIR contracts satisfy competitive procurement requirements. In addition, since DIR is a state agency, the use of a DIR contract is a purchasing method acceptable for the Port Authority in accordance with Texas Water Code, Section 60.454.

Staff Evaluation/Justification:

State of Texas DIR cooperative contract program provider Mark III Systems, Inc. offers the necessary Cognos budgeting software annual subscription and support services at DIR governmental entity pricing in an amount not to exceed \$85,898.72.

Accordingly, staff has determined that the price and availability from Mark III Systems, Inc. provides the best value to the Port Authority, and recommends that this method be used to procure this item.

This procurement is for the renewal of annual licensing, maintenance, and support only. Any consulting or professional services for additional configuration of changes to the usage of the software would be part of another RCA.

I. FINANCE

Subject	3. Adopt an amended investment policy for the Port of Houston Authority Restated Retirement Plan.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting, adopt an amended investment policy for the Port of Houston Authority Restated Retirement Plan (Pension 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:
Treasury

Staff Contact:
Ray Yi

Background:
By Minute No. 2016-0726-09, the Port Commission adopted an amended investment policy for the Pension Plan, which states:

"To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy (the Policy) for the Port of Houston Authority Restated Retirement Plan (the Plan), the Port Commission of the Port of Houston Authority of Harris County, Texas (the Commission) will endeavor to review the Policy at least annually."

Staff Evaluation/Justification:

Staff and the Port Authority's pension consultant, AndCo Consulting, LLC, proposed several revisions to the investment policy at a meeting of the Pension and Benefits Committee on June 26, 2017, including:

- In the Preamble, clarify that the Pension Plan is a "public retirement system subject to Chapter 802, Texas Government Code" and, in accordance with that chapter, the Port Commission, as governing body, has "the fiduciary responsibility for assets of the system and has the duties of overseeing the investment and expenditure of funds of the system and the administration of benefits of the system."
- Under the section "Responsibility of the Commission," add "Actuarial Consultant(s)" to the list of professionals engaged by the Port Commission to assist with the Pension Plan.
- Under "Investment Guidelines," require that reports from the Custodian and/or Investment Manager be prepared at least quarterly, rather than semi-annually.

The proposed Policy changes comply with applicable statutes, including Chapter 802, Texas Government Code. The Committee and staff recommend that the Port Commission adopt an amended investment policy for the Pension Plan, as proposed.

I. FINANCE

Subject 4. Adopt an amended investment policy for the Port Authority's irrevocable trust established for other post-employment benefits.

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its July 25, 2017 meeting, adopt an amended investment policy for the Port Authority's irrevocable trust established for other post-employment benefits (OPEB Trust), 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:
Treasury

Staff Contact:
Ray Yi

Background:
By Minute No. 2016-0726-10, the Port Commission adopted an amended investment policy for the OPEB Trust, which states:

"To assure continued relevance of the guidelines, objectives, financial status and capital markets expectations as established in this statement of investment policy (the Policy) for the OPEB Trust (the Trust), the Port Commission of the Port of Houston Authority of Harris County, Texas (the Commission) will endeavor to review the Policy at least annually."

Staff Evaluation/Justification:

Staff and the Port Authority's consultant, AndCo Consulting, LLC, proposed several revisions to the investment policy at a meeting of the Pension and Benefits Committee on June 26, 2017, including:

- Under the section "Responsibility of the Commission," add "Actuarial Consultant(s)" to the list of professionals engaged by the Port Commission to assist with the OPEB Trust.
- Under "Investment Guidelines," require that reports from the Custodian and/or Investment Manager be prepared at least quarterly, rather than semi-annually.

The proposed Policy changes comply with applicable statutes. The Committee and staff recommend that the Port Commission adopt an amended investment policy for the OPEB Trust, as proposed.

J. HEALTH, SAFETY, SECURITY & EMERGENCY MANAGEMENT

Subject **1. Authorize additional scope and funds for the previously-awarded purchase of the Long Range Acoustic Device One Voice Mass Notification System to Safeware Inc., using a United States Communities Governmental Purchasing Alliance contract, in an amount not to exceed \$151,000.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting, authorize additional scope and
Action funds for the previously-awarded purchase of the Long Range Acoustic Device One
Voice Mass Notification System to Safeware Inc., using a United States Communities
Governmental Purchasing Alliance contract, in an amount not to exceed \$151,000,
determine that this procurement method provides the best value to the Port Authority,
and further authorize the Executive Director to do any and all things in his opinion
reasonable and necessary to give effect to the foregoing.

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

Strategic Objective 4c. - Operate safely and securely

Category:

Awards, Amendments, and Change Orders

Department:

Emergency Management

Staff Contact:

Colin Rizzo

Background:

By Minute No. 2016-0726-12, the Port Commission authorized the issuance of a purchase order to Safeware Inc. for the purchase of a Long Range Acoustic Device (LRAD) One Voice Mass Notification System, including installation and support services, using the United States Communities Government Purchasing Alliance contract in an amount not to exceed \$815,000. The system is capable of broadcasting warning sirens and intelligible voice messages in the event of an emergency situation. The contract includes five units for Barbours Cut Terminal, four units for Bayport Container Terminal, and seven units for the Turning Basin Terminal. The initial five-year contract amount included equipment, spare parts, and preventative maintenance.

Much work and effort has been put forth since the initial Port Commission approval. In the course of design and equipment purchasing, staff has determined that different brackets, mounting hardware, and cabling are required to allow the lights on the high mast light poles to be lowered for maintenance once the sirens are installed. An additional pole and equipment are also required at the Turning Basin Terminal. In addition to the redesigned hardware requirements, Safeware Inc. has designated a contractor to perform the technical installation at cooperative pricing. Since all these items are being awarded to Safeware Inc. Port Commission approval is sought to increase the previously awarded purchase order by \$151,000.

By Minute No. 2004-0628-35, the Port Commission authorized an interlocal agreement with the United States Communities Government Purchasing Alliance permitting the Port Authority to participate in the cooperative purchasing programs it offers. Members purchase items under the terms of cooperative contracts procured in compliance with State of Texas procurement laws and pursuant to Texas Government Code Section 791.025 and Texas Local Government Code Section 271.102. Such purchases satisfy the requirement of a local government to seek competitive bids for such purchases. The interlocal agreement between the Port Authority and the United States Communities Government Purchasing Alliance is authorized by Chapter 791 of the Government Code and Chapter 271, Subchapter F of the Local Government Code; therefore its use is an acceptable purchasing method for the Port Authority in accordance with Texas Water Code Section 60.454.

Staff Evaluation/Justification:

Staff recommends utilizing the United States Communities Government Purchasing Alliance for this procurement to provide best value to the Port Authority. LRAD is a well-established vendor in the mass notification and acoustic industry, and Safeware Inc. provides the products and service sought using the above purchase pricing.

J. HEALTH, SAFETY, SECURITY & EMERGENCY MANAGEMENT

Subject **2. Authorize the execution of a reimbursable agreement with the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, for the enhancement, management, operation, maintenance, and repair of the Houston-Galveston Physical Oceanographic Real-Time System, for a five-year period in an amount not to exceed \$716,938, and a net additional expenditure of \$438,237.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its July 25, 2017 meeting, authorize the execution of a reimbursable agreement with the U.S. Department of Commerce, National Oceanic and Atmospheric Administration, for the enhancement, management, operation, maintenance, and repair of the Houston-Galveston Physical Oceanographic Real-Time System, for a five-year period in an amount not to exceed \$716,938, and a net additional expenditure of \$438,237, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:

General

Department:

Fire Department

Staff Contact:

William Buck / Marcus Woodring

Background:

The Houston-Galveston Physical Oceanographic Real-Time System (PORTS) provides important real-time oceanographic data to pilots, ship masters, and other navigators, provide for the safety of navigation on the Houston Ship Channel. The current five-year agreement expires on October 1, 2017. The Port Commission previously approved these reimbursable agreements in 1999 and 2012.

The system presently consists of the following major components: current measurement stations at Galveston Bay Channel Lighted Buoy 11 and at the Fred Hartman Bridge; national water level observation stations at the Galveston Bay Entrance North Jetty and at Galveston Pier 21; and Texas Coastal Ocean Observation Network stations at Morgan's Point and Eagle Point. Most of these stations also provide barometric pressure, air/water temperature, and wind speed/direction. Additionally, four of the six stations are networked into existing National and State of Texas observation systems.

This agreement funds the enhancement, management, operation, maintenance, and repair of the PORTS system in the Houston-Galveston region.

Staff Evaluation/Justification:

The PORTS system has proven to be very beneficial for the safe navigation of ships and barges throughout the Houston Ship Channel, and is relied upon by pilots and ship masters. Based on several economic impact studies of the PORTS system, the National Oceanic and Atmospheric Administration estimates an annual economic benefit of each PORTS system at between \$2.2 million and \$4.5 million.

A surplus of \$278,701 exists in our maintenance account and no payments will be required in 2017 or 2018, resulting in a net additional cost to the Port Authority of \$438,237 payable over the years 2019-2021.

Staff recommends the approval of authorization to enter into this reimbursable agreement.

K. INFRASTRUCTURE

Subject	1. Reject all proposals and authorize the re-advertisement of a request for bids for the rehabilitation and repair of Wharf 1 at Turning Basin Terminal.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting, reject all proposals and authorize the re-advertisement of a request for bids for the rehabilitation and repair of Wharf 1 at Turning Basin Terminal, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:
Reject and Other Actions

Department:
Project and Construction Management

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

Background:
The work will consist of:

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

By Minute No. 2016-0131-18(a), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for the rehabilitation and repair of Wharf 1 at Turning Basin Terminal. 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. Twenty-nine vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On June 14, 2017, one CSP was received, opened, and publicly read. The response was reviewed and evaluated by staff in accordance with the published selection criteria.

After further review, staff requests that the Port Commission reject the proposal and to approve re-advertising a request for competitive sealed bids for Rehabilitation and Repair of Wharf 1 at Turning Basin Terminal, in order to attract more bidders.

K. INFRASTRUCTURE

Subject	2. Award a construction contract to Alpha Mar Group, Inc. for the Wharf 42 and 43 collision repair at Turning Basin Terminal, Damage Claim 997, in an amount not to exceed \$194,800.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting, award a construction contract to Alpha Mar Group, Inc. for the Wharf 42 and 43 collision repair at Turning Basin Terminal, Damage Claim 997, in an amount not to exceed \$194,800, 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 repair project is to replace in kind the damaged concrete and timber fender system of Wharf 42 and 43. The repair would include beam, deck, and fender system.

By Minute No. 2017-0425-15, the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the Wharf 42 and 43 collision repair at Turning Basin Terminal, Damage Claim 997. 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. Seventeen vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On June 14, 2017, three 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 Alpha Mar Group, Inc.

K. INFRASTRUCTURE

Subject	3. Award a professional services contract with Omega Engineers, Inc. for construction management and field inspection services at various projects port-wide in an amount not to exceed \$100,000.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting, award a professional services contract with Omega Engineers, Inc. for construction management and field inspection services at various projects port-wide in an amount not to exceed \$100,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing
Goals	STRATEGIC GOAL #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 Meeting Minutes Nos. 2015-0127-25, 2015-0929-36, 2016-0202-34, and 2017-0131-30, the Port Commission awarded a professional services contract and approved subsequent amendments for construction management and field inspections port-wide to Omega Engineers, Inc. for a total amount of \$800,000 over the last two and a half years .

Staff Evaluation/Justification:

Staff has determined that additional professional services are needed for port-wide projects for the rest of the year; therefore, staff now recommends that the Port Commission award a new professional services contract to provide for as-needed tasks for August 1, 2017 through December 31, 2017 in an amount not to exceed \$100,000.

Staff believes that this firm is the most highly qualified provider for the additional services, based on its work to date under previous agreements and, has reviewed the proposal and found it to be fair and reasonable, and recommends that the Port Commission approve the proposed professional services contract with Omega Engineers, Inc.

K. INFRASTRUCTURE

Subject	4. Amend the existing professional services contract with CivilTech Engineering for the drainage system at Volkswagen Yard at Turning Basin Terminal in an amount not to exceed \$152,335.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting, amend the existing professional services contract with CivilTech Engineering for the drainage system at Volkswagen Yard at Turning Basin Terminal, in an amount not to exceed \$152,335, 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. 2016-1213-25, the Port Commission awarded a professional services contract to CivilTech Engineering for determination of a recommended project to improve the existing drainage system at Volkswagen Yard at Turning Basin Terminal.

This amendment includes development of the recommended project to provide final design and construction phase engineering services.

Staff Evaluation/Justification:

Staff has reviewed CivilTech Engineering's proposal and found it to be fair and reasonable and recommends that the Port Commission approve the proposed amendment to the existing contract with CivilTech Engineering.

K. INFRASTRUCTURE

Subject	5. Approve a change order to Forde Construction Company, Inc. to perform additional work associated with structural concrete and fender repairs at Wharf 23 at Turning Basin Terminal in an amount not to exceed \$692,000.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting, approve a change order to Forde Construction Company, Inc. to perform additional work associated with the construction of Wharf 23 at Turning Basin Terminal, in an amount not to exceed \$692,000, 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:

By Minute No. 2016-1213-27, the Port Commission awarded a construction contract to Forde Construction Company, Inc. for the the construction of Wharf 23 at Turning Basin Terminal.

The main objectives of the rehabilitation were:

- To improve the wharf's structural condition and capacity (i.e. improve load bearing capacity from 750 pounds per square ft (psf) to 1,200 psf.
- To permit renewed train transportation on the wharf, by replacing train rails and rail switches.

This change order covers the following items:

Item 1: Additional work on the fender which was found in need of extensive repair beyond that in the original scope of work.

Item 2: Removal of two items from the contract, which staff has determined can be eliminated without impact to the overall repair results.

Item 3: Increased repair quantities, due to run through of the deck by the hydro demolition of its deteriorating concrete.

Staff Evaluation/Justification:

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

K. INFRASTRUCTURE

Subject **6. Enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers to allocate congressionally-appropriated Energy Port Rebate funds in the estimated amount of \$693,000 for berth dredging at the public docks.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting, enter into a Memorandum of
Action Agreement with the U.S. Army Corps of Engineers to allocate congressionally-
 appropriated Energy Port Rebate funds in the estimated amount of \$693,000 for berth
 dredging at the public docks, 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:
The 2017 federal appropriations for water resources included a distribution of Harbor Maintenance Tax revenues to designated Energy Ports, including the Port of Houston. United States Army Corps of Engineers, Galveston District has received \$693,000 for distribution to the Port Authority. The governing regulation requires the rebated funds to be used for berth dredging, dredging-related environmental issues, or payments to importers.

Staff Evaluation/Justification:
Staff recommends the Port Commission approve a memorandum of agreement to allocate the rebate funds for dredging of Port Authority berths. Use of funds for public dock dredging is consistent with regulations and best serves the public interest.

K. INFRASTRUCTURE

Subject **7. Issue a transmission/distribution line license to CenterPoint Energy Houston Electric, LLC for one 138-kV transmission line, one fiber optic line, and two concrete poles within the Southside Mainline railroad right-of-way in Pasadena.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting, authorize the Port Authority to
Action issue a transmission/distribution line license to CenterPoint Energy Houston Electric, LLC for one 138-kV transmission line, one fiber optic line, and two concrete poles within the Southside Mainline railroad right-of-way in Pasadena, 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:

CenterPoint Energy Houston Electric, LLC, Port Authority File No. 2017-0152, has applied to place one 138-kV transmission/distribution line, one fiber optic line, and two concrete poles within the Southside Mainline railroad right-of-way, in the James Seymore Survey, A-698, in Harris County, Texas.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development department and the Port Terminal Railroad Association. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$4,022. The \$675 application fee and \$2,500 as-built deposit have been paid.

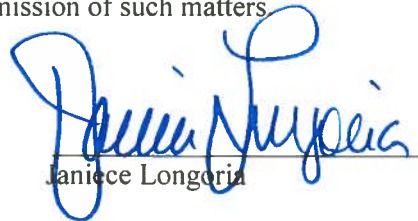
AFFIDAVIT OF SUBSTANTIAL INTEREST

STATE OF TEXAS §
 §
COUNTY OF HARRIS §

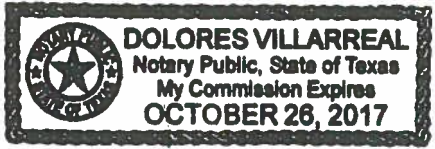
**Filed with the Port of Houston Authority
In Compliance with Section 171.004 of the Texas Local Government Code**

On this day appeared Janiece Longoria, who after being duly sworn, stated as follows:

1. I am twenty-one (21) years of age or over and competent to make this Affidavit of Substantial Interest, based upon facts within my personal knowledge.
2. I am Chairman of the Port Commission (the "Commission") of the Port of Houston Authority (the "Port Authority").
3. I am filing this Affidavit with the official record keeper of the Port Authority, pursuant to §171.004 of the Texas Local Government Code, to comply with the provisions of Chapter 171 of the Texas Local Government Code.
4. I have or may have a substantial interest in the matter of Item K-7 from the Commission Agenda dated July 25, 2017.
5. The nature and extent of the substantial interest described above is as follows: a possible interest in a business entity, on which the action requested in the above matter will have a special economic effect, distinguished from the effect on the public. This substantial interest derives from ownership of \$15,000 or more of the fair market value of CenterPoint Energy, a company affiliated with one or more of the pipeline licensees that are the subject of the Request for Port Commission Action for the above-referenced Item K-7.
6. This substantial interest also derives from my service as a director of CenterPoint Energy, a company affiliated with one or more of the pipeline licenses that are the subject of the Request for Port Commission Action for the above-referenced item; funds received by me in connection with such employment exceed 10 percent of my gross income for the previous year.
7. By virtue of the foregoing described interest, I have not and will not participate in any consideration, vote, or decision by the Port Commission of such matters.


Janiece Longoria

SWORN TO AND SUBSCRIBED before me this July 25, 2017.




Notary Public, State of Texas

K. INFRASTRUCTURE

Subject	8. Issue a pipeline license to Targa NGL Pipeline Company LLC for one 20-inch propylene pipeline under and across Banana Bend property and San Jacinto River in Highlands.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting, authorize the Port Authority to issue a pipeline license to Targa NGL Pipeline Company LLC for one 20-inch propylene pipeline under and across the Banana Bend property and San Jacinto River in Highlands, 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:

Targa NGL Pipeline Company LLC, Port Authority File No. 2017-0145, has applied to place one 20-inch propylene pipeline under and across Banana Bend property and San Jacinto River in Highlands, in the George White Survey, A-82, and the Amy White Survey, A-81, in Harris County, Texas.

The pipeline would cross the Port Authority's Banana Bend property within an existing pipeline easement and continue across the San Jacinto River. The Bayou Land Conservancy holds a conservation easement over the Banana Bend property and is reviewing the proposed pipeline route and are expected to issue a statement of no objection.

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 receipt of a statement of no objection from the Bayou Land Conservancy, and subject to the Port Authority's usual terms and conditions and at a fee of \$18,263. The \$675 application fee and \$2,500 as-built deposit have been paid.

K. INFRASTRUCTURE

Subject	9. Issue a pipeline license to Explorer Pipeline Company for one 12-inch petroleum products pipeline across Greens Bayou in Houston.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting, authorize the Port Authority to issue a pipeline license to Explorer Pipeline Company for one 12-inch petroleum products pipeline across Greens 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:

Explorer Pipeline Company (Explorer), Port Authority File No. 2017-0154, has applied for one 12-inch pipeline across Greens Bayou in Houston, in the J. Gordon Survey, A-291, and the Edward Shipman Survey, A-68, in Harris County, Texas.

This is an existing pipeline previously permitted to Cities Service Pipe Line Company under Port Authority Permit No. MO-J-183-A. Explorer has since acquired the pipeline and is seeking to secure a license in favor of Explorer Pipeline Company. Explorer also proposes to remove the existing pipeline segment across Greens Bayou and replace it with a new 12-inch pipeline segment.

The Port Authority seeks to issue a license to Explorer under Port Authority File No. 2017-0154.

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 \$1,744. The \$675 application fee and \$2,500 as-built deposit have been paid.

K. INFRASTRUCTURE

Subject	10. Amend a pipeline license to Equistar Chemicals, LP to add two 6-inch propylene pipeline laterals under and across the Port Authority's undeveloped railroad right-of-way west of Miller Cut-Off Road in La Porte.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting, authorize the Port Authority to amend a pipeline license to Equistar Chemicals, LP to add two 6-inch propylene pipeline laterals under and across the Port Authority's undeveloped railroad right-of-way west of Miller Cut-Off Road 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:

Equistar Chemicals, LP (Equistar), Port Authority File No. 1989-0187, has applied to amend a pipeline license to add two 6-inch propylene pipeline laterals under and across the Port Authority's undeveloped railroad right-of-way west of Miller Cut-Off Road in La Porte, in the Arthur McCormick Survey, A-46, in Harris County, Texas.

Equistar proposes to tie the two laterals in to an existing 6-inch pipeline to its facility located along Miller Cut-Off Road.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development department and the Port Terminal Railroad Association. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$612. The \$675 application fee and \$2,500 as-built deposit have been paid.

L. OPERATIONS

Subject	1. Approve staff's ranking of vendors and award a two-year contract for maintenance and repair services for elevators at Barbours Cut Terminal, Bayport Container Terminal, and the Turning Basin Terminal Executive Building in an amount not to exceed \$500,000 to the top-ranked proposer: staff ranking – first, RICO Elevators, Inc.; and second, Elevator Transportation Services, Inc.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting: a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, RICO Elevators, Inc.; and second, Elevator Transportation Services, Inc.; (b) award a two-year contract to RICO Elevators, Inc. for maintenance and repair services for elevators at Barbours Cut Terminal, Bayport Container Terminal, and the Turning Basin Terminal Executive Building in an amount not to exceed \$500,000; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2014-1216-37, the Port Commission awarded a two-year contract to RICO Elevators, Inc. in an amount not to exceed \$430,000 for maintenance and repair services for elevators and escalators at Barbours Cut Terminal, Bayport Container Terminal, and Bayport Cruise Terminal. The funds are nearly exhausted and will not last through the term of this contract, which will expire December 31, 2017. A total of thirty elevators are serviced in this contract including twenty-two on wharf cranes, four in the Stevedoring Support Buildings, two in the Bayport Administration Building, and two in the Turning Basin Executive Building.

By Minute No. 2017-0524-09(d), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for maintenance and repair services for elevators at Barbours Cut Terminal, Bayport Container Terminal, and the Turning Basin Terminal Executive Building. The Port Authority notified vendors regarding its request for CSPs using the Port Authority's EProcurement BuySpeed System and the project was advertised on the Port Authority's website and in a local newspaper. Ten vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

Three CSPs were received and opened on July 5, 2017 and were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following two vendors, listed in ranking order, as most qualified to provide the required product:

- RICO Elevators, Inc.
- Elevator Transportation Services, Inc.

Staff recommends that the Port Commission award a contract to RICO Elevators, Inc.

L. OPERATIONS

Subject **2. Award a contract to Konecranes, Inc., the sole source provider, for purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control system retrofit for one RTG crane at Bayport Container Terminal in an amount not to exceed \$330,000.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting, award a contract to Konecranes, Inc., the sole source provider, for the purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control system retrofit for one RTG crane at Bayport Container Terminal in an amount not to exceed \$330,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Action

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns a total of eighty-one Kone RTG cranes, including thirty-nine at Bayport Container Terminal and forty-two at Barbours Cut Terminal. The motor control drives for hoist, gantry, and trolley functions on forty of these units, which were commissioned between 2003 and 2009, have been discontinued.

These older motor control drives are becoming more costly to repair and replacement parts are no longer available. As a result, cranes are experiencing longer downtime for repairs. Staff recommends that a second RTG crane be retrofitted with a new DynAC/DynaHoist Vector II drive and control system, which is expected to extend the useful life of the RTG crane. The first unit was successfully retrofitted in 2015. In addition to improving existing RTG cranes as they are retrofitted, reclaimed drives can provide spare drives to be used on remaining units operating with older technology.

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 Konecranes, Inc. is the sole source for the purchase of DynAC/DynaHoist Vector II drives and control systems in the United States.

Staff Evaluation/Justification:

Staff recommends that the Port Authority enter into a contract with Konecranes, Inc. for the purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control system effective August 1, 2017, and expects this project to be completed in four months.

L. OPERATIONS

Subject **3. Issue a purchase order to Clark Equipment Company dba Bobcat Company, using the Local Government Purchasing Cooperative's Buyboard Program, for the purchase of a 2017 T870 T4 Bobcat Compact Skid-Steer Loader for Turning Basin Terminal, in an amount not to exceed \$77,000.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting, issue a purchase order to Clark
Action Equipment Company dba Bobcat Company for the purchase of a 2017 T870 T4 Bobcat
Compact Skid-Steer Loader for Turning Basin Terminal, using the Local Government
Purchasing Cooperative's BuyBoard Program, in an amount not to exceed \$77,000,
determine that this procurement method provides the best value to the Port Authority,
and further authorize the Executive Director to do any and all things in his opinion
reasonable or necessary to give effect to the foregoing.

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

Category:

Award, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Central Maintenance Department currently does not have a Port Authority owned skid-steer loader. As a result, rental equipment has been used for projects such as digging holes, spreading dirt, lifting, etc. With Central Maintenance taking on more light construction projects, owning equipment such as a skid-steer loader is expected to be more cost effective.

The Local Government Purchasing Cooperative (Cooperative) is an administrative agency of cooperating local governments authorized by the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Cooperative is further authorized as a local purchasing cooperative organization as set forth in Section 271.101, et seq., of the Texas Local Government Code. The Port Commission, by Minute No. 2006-1023-43, entered into an interlocal agreement with the Cooperative to become a member participant, and since that time uses the Cooperative and its BuyBoard electronic purchasing application to facilitate compliance with state procurement requirements, to more efficiently identify qualified vendors of commodities, goods and services, to relieve the burdens of the governmental purchasing function, and to realize the various potential economies, including administrative cost savings.

Staff Evaluation/Justification:

Procuring equipment such as the T870 T4 Bobcat Compact Skid-Steer Loader through the BuyBoard Cooperative Purchasing Program is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

The BuyBoard website listed several pre-approved providers of equipment. Central Maintenance staff looked at several such providers and determined that the T870 T4 Bobcat Compact Skid-Steer Loader is the model that best meets the Port Authority's requirements, and that Clark Equipment Company dba Bobcat Company is the vendor with the best price for that model, and its pricing for the selected model was reviewed and approved by BuyBoard.

Staff recommends that the Port Commission approve this purchase order.

L. OPERATIONS

Subject	4. Issue a purchase order to Equipment Depot, using the Local Government Purchasing Cooperative's BuyBoard Program, for purchase of one 135-foot JLG telescopic boom manlift for Barbours Cut Terminal in an amount not to exceed \$240,000.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting, issue a purchase order to Equipment Depot, using the Local Government Purchasing Cooperative's BuyBoard Program, for the purchase of one 135-foot JLG telescopic boom manlift for Barbours Cut Terminal in an amount not to exceed \$240,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #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 three 120-foot telescopic boom manlifts located at Barbours Cut Terminal. These units are used by maintenance personnel to service and maintain fourteen wharf cranes, forty-four RTG cranes, and terminal lights on high mast poles. Additionally, three new wharf cranes will arrive at this facility in two months which will also require service. The oldest manlift currently onsite is a 1994 model JLG, that was refurbished 10 years ago and is no longer reliable or suitable for safe operation. Staff recommends that this unit be replaced with a 135-foot manlift, which is more appropriate for working on 120-foot high mast poles.

Staff Evaluation/Justification:

Procuring equipment such as a manlift through BuyBoard, using its cooperative purchasing program, is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

The BuyBoard website listed several pre-approved providers of this type of equipment. Staff has reviewed equipment specifications from BuyBoard providers and determined that the 135-foot JLG telescopic boom manlift was the model that best meets the Port Authority's requirements, and that Equipment Depot is the vendor with the best price for that model. Equipment Depot pricing for the selected model was reviewed and approved by BuyBoard.

Staff recommends that the Port Commission approve a contract with Equipment Depot.

L. OPERATIONS

Subject **5. Approve a change order to the Smart Tec's, LLC agreement for the Gate Operating and Optical Character Recognition System for the enhancement of C6 Barbours Cut Terminal gate lanes to include three-years of maintenance and support in an amount not to exceed \$600,000.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its July 25, 2017 meeting, approve a change order to the Smart Tec's, LLC agreement for the Gate Operating and Optical Character Recognition System for the enhancement of C6 Barbours Cut Terminal gate lanes to include three-years of maintenance and support in an amount not to exceed \$600,000, 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:

Operations

Staff Contact:

Michael Shaffner

Background:

By Minute No. 2016-1025-26, the Port Commission awarded a contract to Smart Tec's, LLC for the implementation of a new gate operating and optical character recognition system for Bayport Container Terminal and Barbours Cut Terminal. The existing contract does not include a full enhancement of the Barbours Cut C6 gate complex; however the Port Authority has identified the need to upgrade this gate complex, to add full functionality to 6 inbound scale lanes.

Staff Evaluation/Justification:

Port Authority staff believes that enhancement of the C6 gate complex is the optimal solution to improve the overall gate complex. Accordingly, staff recommends that the Port Commission approve this change order.

L. OPERATIONS

Subject	6. Enter into a contract with West Gulf Maritime Association to provide ship-to-shore crane simulator training services, in an amount not to exceed \$430,000.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting, enter into a contract with West Gulf Maritime Association to provide ship-to-shore crane simulator training services, in an amount not to exceed \$430,000, 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	<p>STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)</p> <p>STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)</p> <p>Strategic Objective 4c. - Operate safely and securely</p>

Category:
General

Department:
Operations

Staff Contact:
Mike Shaffner

Background:

The West Gulf Maritime Association (WGMA) administers the training of the local International Longshoremen Association workforce on behalf of Port of Houston employers, including the Port Authority. The Port Authority is seeking to provide an enhanced level of capabilities by entering into a contract with the WGMA to provide ship-to-shore crane simulator training services. Its provision of these services using a crane simulator should provide an environment that virtually mimics the operations of a real ship-to-shore crane in a safe and efficient manner. Under the contract, the WGMA would use a simulator that has the ability to present the operator with 80 real life scenarios in a controlled environment, resulting in improved productivity and safety once the trainee begins real life operations. The simulator also serves as a prerequisite for the operation of a real crane, and as a supplement for additional training for those that require such support. The ports of Savannah, New York/New Jersey, LA/Long Beach, Montreal, Antwerp, and others have successfully utilized this training program.

Staff Evaluation/Justification:

Members of the Port Authority staff have worked with the WGMA to evaluate the effectiveness of utilizing a crane simulator to enhance the existing crane training program. We have jointly arrived at the conclusion that providing crane simulator services would greatly enhance the program and serve as a key step in ensuring an adequately trained workforce. Accordingly, staff recommends that the Port Commission approve this contract with the WGMA.

M. PEOPLE

Subject	1. Award a contract for group medical insurance coverage for active employees, retirees who are not Medicare-eligible, and dependents of the Port of Houston Authority to Aetna Life Insurance Company, in an amount not to exceed \$14,032,000, for a one-year period commencing January 1, 2018.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting: (a) authorize the award of a contract for group medical insurance coverage for the Port Authority's active employees, retirees who are not Medicare-eligible, and dependents (Port Authority Beneficiaries) to Aetna Life Insurance Company, in an amount not to exceed \$14,032,000, for a one-year period commencing January 1, 2018; (b) authorize contract renewal negotiations with the insurance carrier prior to contract expiration; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Jessica Shaver

Background:

By Minute No. 2016-0322-42, the Port Commission awarded a contract to McGriff, Seibels, and Williams, Inc. (McGriff), to provide employee benefits consulting services, including assisting in: development of requests for proposals (RFP) for group insurance coverages; evaluation of proposals; negotiation of renewal rates; and providing recommendations on provider selections.

By Minute No. 2016-0927-58, the Port Commission awarded a contract to Aetna Life Insurance Company for group medical insurance for active employees, pre-65 retirees, and dependents of the Port Authority in an amount not to exceed \$15,654,000. This action also authorized contract renewal negotiations with the insurance carrier prior to contract expiration.

Accordingly, McGriff and staff began negotiations with Aetna Life Insurance Company for 2018 group medical coverage for active employees, retirees who are not Medicare-eligible, and dependents of Port Authority employees. The proposed 2018 coverage, like the 2017 coverage, would offer an Open Access Managed Choice plan. The Port Authority would continue to pay 82% of the cost for active employees and their eligible dependents, and 100% of the cost for retirees who are not Medicare-eligible and their eligible dependents.

Staff Evaluation/Justification:

McGriff and Port Authority staff have negotiated renewals of the Aetna Life Insurance Company Open Access Managed Choice medical plan for a one-year period beginning January 1, 2018. The negotiated rates would result in no change in rate per participant from the cost of the 2017 coverage.

Staff recommends that the Port Commission award a contract to Aetna Life Insurance Company for its Open Access Managed Choice medical plan. Staff additionally recommends that Port Commission authorize contract renewal negotiations with the insurance carrier prior to contract expiration, to better ascertain in advance the need to solicit proposals for the next contract year.

M. PEOPLE

Subject	2. Award a contract for group Medicare Advantage medical insurance for the Port Authority's Medicare-eligible retirees and dependents to Aetna Life Insurance Company, in an amount not to exceed \$930,000 for a one-year period commencing January 1, 2018.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting: (a) award a contract for group Medicare Advantage medical insurance for the Port Authority's Medicare-eligible retirees and dependents to Aetna Life Insurance Company, in an amount not to exceed \$930,000, for a one-year period commencing January 1, 2018; (b) authorize contract renewal negotiations with the insurance carrier prior to contract expiration; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Jessica Shaver

Background:

By Minute No. 2016-0322-42, the Port Commission awarded a contract to McGriff, Seibels, and Williams, Inc. (McGriff), to provide employee benefits consulting services, including assisting in: development of requests for proposals (RFP) for group insurance coverages; evaluation of proposals; negotiation of renewal rates; and providing recommendations on provider selection.

By Minute No. 2016-0927-60, the Port Commission awarded a contract to Aetna for group Medicare Advantage medical insurance for post-age-65 retirees and dependents. This action also authorized contract renewal negotiations with the insurance carrier prior to contract expiration.

Accordingly, McGriff and staff began negotiations with Aetna Life Insurance Company for 2018 group Medicare Advantage medical coverage for the Port Authority's Medicare-eligible retirees and dependents. The proposed 2018 coverage, like the 2017 coverage, would offer, in addition to the standard Medicare PPO plan, an Extended Service Area (ESA) PPO for beneficiaries living in rural areas, giving such beneficiaries flexibility to see doctors and hospitals both in and out of the network at the same cost. The Port Authority would continue to pay 100% of the cost for the Medicare Advantage plans.

Staff Evaluation/Justification:

McGriff and Port Authority staff have negotiated renewals of Aetna Life Insurance Company Medicare Advantage PPO and ESA PPO plan, for a one-year period beginning January 1, 2018. The negotiated rates would result in no change per participant from the cost of the 2017 coverage. The 2018 amount includes the mandated ACA health insurer fee of approximately \$164,000.

Staff recommends that the Port Commission award a contract to Aetna Life Insurance Company for its Medicare Advantage plans. Staff additionally recommends that the Port Commission authorize contract renewal negotiations with the insurance carrier prior to contract expiration, to better ascertain in advance the need to solicit proposals for the next contract year.

M. PEOPLE

Subject	3. Award group insurance contracts for calendar year 2018, in an amount not to exceed \$1,033,100 to the following carriers: (a) Aetna Life Insurance Company, for dental coverage; (b) Ameritas Life Insurance Corp., for vision coverage; (c) Minnesota Life Insurance Company, for basic life coverage; (d) Minnesota Life Insurance Company, for voluntary life coverage; (e) Minnesota Life Insurance Company, for accidental death and dismemberment coverage; and (f) Aetna Life Insurance Company, for long term disability coverage.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25, 2017 meeting: (i) Award group insurance contracts for calendar year 2018, at a total cost not to exceed \$1,033,100 to the following carriers: (a) Aetna Life Insurance Company, for dental coverage, in an estimated amount of \$315,000 for active employees and eligible dependents of the Port Authority; (b) Ameritas Life Insurance Corp., for vision coverage, in an estimated amount of \$105,000 for active employees and eligible dependents of the Port Authority; (c) Minnesota Life, for basic life coverage, in an estimated amount of \$222,000, for active employees and retirees of the Port Authority; (d) Minnesota Life Insurance Company, for voluntary life coverage, in an estimated amount of \$178,000, for active employees and eligible dependents of the Port Authority; (e) Minnesota Life Insurance Company, for accidental death and dismemberment (AD&D) coverage, in an estimated amount of \$3,100, for active employees of the Port Authority; and (f) Aetna Life Insurance Company, for long-term disability (LTD) coverage, in an estimated amount of \$210,000, for eligible active employees of the Port Authority; (ii) Authorize the Port Authority to continue to pay 100% of the cost of basic life insurance for Port Authority active employees and retirees; (iii) Authorize the Port Authority to continue to pay 100% of the cost of AD&D and LTD coverage for Port Authority eligible active employees; (iv) Determine that Port Authority employees continue to reimburse the Port Authority for the full cost of dental, vision, and voluntary life insurance coverage; (v) Authorize contract renewal negotiations with insurance carriers prior to contract expiration; and (vi) Further authorize the Executive Director to do any all things in his opinion reasonable and necessary to give effect to all of 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:

Jessica Shaver

Background:

By Minute No. 2016-0322-42, the Port Commission awarded a contract to McGriff, Seibels & Williams, Inc. (McGriff) for employee benefits consulting services, including assisting in: development of requests for proposals (RFP) for group insurance coverages; negotiations with carriers, including renewal rates; evaluation of proposals; and providing recommendations on provider selection.

By Minute No. 2016-0927-59, the Port Commission awarded group insurance contracts for calendar year 2017 including: (a) Aetna, for dental coverage; (b) Ameritas, for vision coverage; (c) Minnesota Life, for basic and voluntary life insurance; (d) Minnesota Life, for accidental death and dismemberment (AD&D) coverage; and (e) Aetna, for long-term disability (LTD) coverage. This action also authorized contract renewal negotiations with the insurance carriers prior to contract expiration. Accordingly, McGriff and Port Authority staff began negotiations with the incumbents for 2018 coverages.

Staff Evaluation/Justification:

McGriff and Port Authority staff have negotiated renewal terms, determined that the terms are fair and reasonable, and recommend that group insurance contracts be awarded for calendar year 2018 as set out below:

- (a) Aetna Life Insurance Company, for dental coverage;
- (b) Ameritas Life Insurance Corp., for vision coverage;
- (c) Minnesota Life Insurance Company, for basic life coverage;
- (d) Minnesota Life Insurance Company, for voluntary life coverage;
- (e) Minnesota Life Insurance Company, for AD&D coverage; and
- (f) Aetna Life Insurance Company, for LTD coverage.

Staff further recommends that:

1. The Port Authority continue to pay 100% of the cost of basic life insurance for Port Authority active employees and retirees;
2. The Port Authority continue to pay 100% of the cost of AD&D and LTD coverage for Port Authority eligible active employees;
3. Port Authority employees reimburse the Port Authority for the full cost of dental, vision, and voluntary life insurance coverage; and
4. Port Commission authorize negotiations with insurance carriers prior to contract expiration to better ascertain in advance the need to request proposals for the next contract year.

The estimated costs listed under the Recommended Action above are based on current and anticipated 2018 participant levels, with no change in rates.

M. PEOPLE

Subject **4. Amend the agreement with ProView Advanced Solution, Inc., dba ProView, to extend the contract term for one year through December 31, 2018 in an amount not to exceed \$65,000, for employee and retiree benefits and payroll integration services.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting, approve amending the contract
Action with ProView Advanced Solutions, Inc., dba ProView to extend the term for one year through December 31, 2018 in the amount of \$65,000, for employee and retiree benefits and payroll integration services; authorize contract renewal negotiations prior to contract expiration; 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:

Jessica Shaver

Background:

In 2014, the Port Authority entered into a contract in the amount of \$45,000 with ProView Advanced Solutions, Inc. (ProView) to provide benefits and payroll integration technology and services through September 30, 2015.

By Minute No. 2016-0426-31, the Port Commission authorized amending the contract to add additional services and to exercise an option to extend the contract for 2 years at a cost of \$65,000 per year, through the end of 2017. The resulting contract amendment includes an option to again extend the term in an additional one- or two-year increment at fees mutually agreed upon by the parties.

Staff Evaluation/Justification:

ProView has met the Port Authority's benefits technology needs and has provided excellent services to the Port Authority since 2014, resulting in streamlined benefits enrollments, administration, and reporting.

Staff has reviewed ProView's rates for an additional extension of the contract and found them to be fair and reasonable and therefore recommends that the Port Commission approve the amendment extending the contract. Staff additionally recommends that the Port Commission authorize contract renewal negotiations prior to contract expiration, to better ascertain in advance the need to request proposals for the next contract year.

M. PEOPLE

Subject **5. Authorize the Executive Director to (a) adopt absence control standards for Port Authority employees, (b) revise the Port Authority's medical benefit documents to address the payment of premiums for an employee on long-term disability leave and the medical benefits available to Medicare-eligible retirees, and (c) prepare revisions to the Port Authority's Restated Retirement Plan and Defined Contribution Plan for consideration and possible action by the Port Commission.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting authorize the Executive Director to:
Action (a) adopt absence control standards for Port Authority employees;
 (b) revise the Port Authority's medical benefit documents to address the payment of premiums for an employee on long-term disability leave and the medical benefits available to Medicare-eligible retirees;
 (c) prepare revisions to the Port Authority's Restated Retirement Plan and Defined Contribution Plan for consideration and possible action by the Port Commission; and
 (d) do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Human Resources

Staff Contact:

Jessica Shaver

Background:

The Port Authority sponsors the Port of Houston Authority Restated Retirement Plan (the Pension Plan), a defined benefit plan funded by employer contributions. The Port Authority also sponsors the Port of Houston Authority Defined Contribution Plan (the Defined Contribution Plan), a defined contribution retirement benefit plan for employees hired or rehired on and after August 1, 2012. When the Defined Contribution Plan was established, the Pension Plan was amended to provide that persons hired or rehired by the Port Authority from that date would not be eligible to join, or rejoin, the Pension Plan as an active participant. Under each plan, benefits vest after five years of service.

In the past, the Port Authority has provided employees credit toward Pension Plan benefits for time away on long-term disability leave, with no defined limit on the amount of leave that may be taken before an employee was separated from employment. The Port Authority has also provided employees on long-term disability the opportunity to participate in the same medical insurance plans as active Port Authority employees, with the Port Authority paying the entire medical premium for such employees.

In addition, the Port Authority provides its employees with long-term disability income insurance, which provides for the payment of a portion of pre-disability earnings in the event that an employee becomes disabled.

Further, the Port Authority has provided pre-65 retirees, including retirees eligible for Medicare benefits, the opportunity to participate in the same medical insurance plans as active Port Authority employees.

Staff Evaluation/Justification:

In order to limit the disruption, inconvenience, and costs associated with excessive leaves of absence, including leaves of absence due to long-term disability, staff believes the Port Authority should adopt neutral absence control standards limiting the total period of absences that a Port Authority employee can accumulate before being separated from employment, with exceptions for certain types of leave.

In order to clarify the medical benefits to be provided by the Port Authority, staff further recommends that the Port Authority's medical benefits documents be revised to:

1. provide that the Port Authority pay 100% of the medical benefits for a Port Authority employee on long-term disability leave for the time period from the date the Port Authority's long-term disability insurance provider makes the decision approving the employee's disability until the date of the employee's termination; and
2. require that Port Authority retirees who are eligible for Medicare and wish to participate in a Port Authority group medical plan enroll in a Port Authority Medicare group plan, and provide pre-65 spouses or dependents the opportunity to participate in a Port Authority medical group plan for active employees.

After a review of relevant laws and the current Port Authority policy, the Legal Division recommends that the Port Commission delegate to the Executive Director the adoption and execution of such absence control standards and changes to the medical benefit documents.

In order to clarify the relationship between retirement benefits provided by the Port Authority and the proposed absence control standards, staff recommends that the Pension Plan and Defined Contribution plans be revised to provide that an active or future Port Authority employee who later goes on long-term disability leave, and who is fully vested in a Port Authority retirement plan on the date he or she becomes disabled, receives credit toward his or her Pension Plan or Defined Contribution Plan benefit for time away on long term disability leave prior to separation from employment. The Legal Division recommends that such Pension Plan and Defined Contribution plan revisions be brought to the Port Commission for consideration and possible action at a later date.

The implementation of absence control standards and revisions discussed above are reflected in the group medical insurance coverage and Medicare Advantage medical insurance proposals referenced in the People section of this Agenda.

N. TECHNOLOGY

Subject	1. Approve staff's ranking of vendors and award a five-year contract for consulting services and goods regarding CyberSecurity Program Development in an amount not to exceed \$2,000,000 to the top-ranked proposer: staff ranking - first, Virtuo Group Corporation; second, All Points Logistics, LLC; and third, Innove Strategy.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July 25th, 2017 meeting: (a) approve staff's ranking of the highest ranked proposers offering best value to the Port Authority, based on the selection criteria, in the following order – first, Virtuo Group Corporation; second, All Points Logistics, LLC; and third, Innove Strategy; (b) award a five-year contract for consulting services and goods regarding CyberSecurity Program Development over a period beginning August 1, 2017, in an amount not to exceed \$2,000,000; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success) Strategic Objective 1c. - Implement streamlined processes supported by technology

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

The Port Authority is seeking to obtain consulting services and goods regarding CyberSecurity Program Development. During 2016 the Port Authority completed a CyberSecurity Assessment using the National Institute of Standards and Technology (NIST) CyberSecurity Framework. The results of that assessment drove the need for a formal request for proposal process.

By Minute No. 2017-0131-18(g), the Port Commission approved the advertisement of a request for proposal (RFP) for services to provide CyberSecurity Program Development. The Port Authority notified vendors using a restricted invitational process, due to the sensitive security nature of this particular solicitation. The solicitation contained four bid items: CyberSecurity Program Development; a Virtual Information Security Officer (VISO); a Virtual Security Operations Center (VSOC), and a Security Incident Event Management (SIEM) system.

The Port Authority has also applied for a FEMA Port Security Grant, for which the purchase of these goods and services may be eligible.

Staff Evaluation/Justification:

The Port Authority received four proposals before the May 26, 2017 deadline. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFP. Staff identified the following vendors, listed in order of ranking, as having proposals offering the best value to the Port Authority in providing the required services:

- Virtuo Group Corporation
- All Points Logistics, LLC

- Innovate Strategy

Staff recommends that the Port Commission award a contract to Virtuo Group Corporation.

N. TECHNOLOGY

Subject	2. Approve an award to Netsync Network Solutions, Inc. for the purchase of consulting services and computer hardware, using the State of Texas Department of Information Resources Cooperative Purchasing Program, in an amount not to exceed \$125,000.
Meeting	Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its July, 25 2017 meeting, approve an award to Netsync Network Solutions, Inc. for the purchase of consulting services and computer hardware, using the State of Texas Department of Information Resources Cooperative Purchasing Program, in an amount not to exceed \$125,000, 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:

Information Technology

Staff Contact:

Ron Farrow

Background:

The Information Technology (IT) department built the existing Virtual Desktop Infrastructure (VDI) over 5 years ago. Since then, various departments have utilized the VDI environment to provide an alternative to the traditional laptop/desktop for users. The VDI environment provides the capabilities to access a user's desktop from any computer that has internet access, thus eliminating the need to carry a laptop from location to location. When first implemented, the VDI environment was designed to provide a desktop experience, without having an laptop/desktop, using a thin-client (i.e. a small device with very little computing power) that was more cost effective. Over time, software needs of the users created demands on the VDI environment that it was not designed to handle. Performance became an issue, the daily experience of many users deteriorated, and as a result some users were transferred back to traditional computers.

The proposed VDI environment is expected to provide the users with a more reliable, expandable, and enhanced environment. Once rehabilitated, the VDI environment should not only support current technologies but be able to support future technologies.

The Texas Legislature enacted Government Code Chapter 2054, 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 procurements 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:

Accordingly, staff has determined that the price and availability from NetSync Network Solutions, Inc. provides the needed IT equipment and best value to the Port Authority, and recommends that the Port Commission award a purchase order to the above entity.

N. TECHNOLOGY

Subject **3. Award a contract to Cogent Infotech Corporation for Information Technology Project Management services, using the State of Texas Department of Information Resources Cooperative Purchasing Agreement, in an amount not to exceed \$108,000.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting, award a contract to Cogent
Action Infotech Corporation for Information Technology Project Management services, using
the State of Texas Department of Information Resources Cooperative Purchasing
Agreement, in an amount not to exceed \$108,000, 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:

As the Information Technology (IT) team continues take on numerous projects supporting Port Authority business operations, the need for a dedicated project manager has emerged. This capability is expected to help ensure that IT projects are delivered on time and within budget following a structured methodology.

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-TSO-3565; DIR has a cooperative purchasing program (ITC Co-op) 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 procurements 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:

Accordingly, staff has determined that the price and availability from Cogent Infotech Corporation provides best value to the Port Authority, and recommends that the Port Commission award a contract to the above entity.

N. TECHNOLOGY

Subject **4. Award a purchase order to SHI Government Solutions, Inc. for annual renewal of Mimecast email management software maintenance and support, using the State of Texas Department of Information Resources Cooperative Purchasing Program, in an amount not to exceed \$60,000.**

Meeting Jul 25, 2017 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended The Port Commission, at its July 25, 2017 meeting, award a purchase order to SHI
Action Government Solutions, Inc. for annual renewal of Mimecast email management
software maintenance and support, using the State of Texas Department of
Information Resources Cooperative Purchasing Program, in an amount not to exceed
\$60,000, 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.

Goals STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and
organize for success)

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

In order to ensure that the Port Authority email archival, retention, and search capabilities are properly supported, it is imperative that the Mimecast email management software is maintained and up-to-date. This requires annual renewal of the software maintenance and support agreement.

The Texas Legislature enacted Government Code Chapter 2054, 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 procurements 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:

SHI Government Solutions, Inc., (SHI) is a provider of Mimecast email management software and support agreements, and offers them at a competitive price through its contract with the Texas DIR cooperative purchasing program.

Accordingly, staff has determined that the price and availability from SHI Government Solutions, Inc. provides the needed Information Technology equipment and best value to the Port Authority, and recommends that the Port Commission award a purchase order to the above entity.