

I N D E X

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

March 27, 2018

<u>Minute No.</u>	<u>Event/Action</u>
General	
	Chairman Longoria convened the meeting of the Port Commission and provided opening remarks
Appearances	
2018-0327-01	Chairman Longoria introduced Rear Admiral John Nadeau, U.S. Coast Guard, who presented the Admiral Bennis Award to the Port of Houston Authority
Minutes	
2018-0327-02	Approve the Minutes of the January 30, 2018 Port Commission Meeting
Port Commission Committee Updates	
2018-0327-03	Commissioner DonCarlos reported on the Governance Committee Meeting – March 13, 2018
2018-0327-04	Approve the (i) Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy, and (ii) Policy for Approving and Funding Local Port Commissioner and Employee Meals
2018-0327-05	Commissioner Kennedy reported on the Procurement & Small Business Task Force Meeting – March 26, 2018
Staff Reports	
2018-0327-06	Roger Guenther, Executive Director, presented a summary of selected financial and operations matters
G. Executive	
	Approve the (i) Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy, and (ii) Policy for Approving and Funding

<u>Minute No.</u>	<u>Event/Action</u>
	Local Port Commissioner and Employee Meals (<i>see above – approved by Minute No. 2018-0327-04</i>)
2018-0327-07	RCA G2 was taken off the agenda
	H. Commercial
2018-0327-08	<p>Approve staff's ranking of vendors and award a two-year professional services contract to provide news media monitoring and news release distribution services to the top-ranked proposer: staff ranking - first, Meltwater News US Inc. (news monitoring services and news release distribution services); second, Meltwater News US Inc. (news monitoring services)/Business Wire (press release distribution services); and third, CyberAlert, LLC/Glean.Info (news monitoring services)/Business Wire (press release distribution services)</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2018-0327-09	Approve a 3% lease rate increase for thirty Port Authority month-to-month leases effective May 1, 2018
2018-0327-10	Approve a third amendment to the lease agreement with Contanda Wah Chang Terminal LLC, effective no earlier than April 1, 2018, to extend the 8.162 acre option property feasibility period to December 31, 2018
	I. Finance
2018-0327-11	Authorize advertisement and receipt of responses for twelve formal procurements
2018-0327-11(a)	Request for competitive sealed proposals for replacement of short trolley rails and Gantrex pads on six wharf cranes at Bayport Container Terminal
2018-0327-11(b)	Request for competitive sealed proposals for splash zone painting of marine elements at Turning Basin Terminal
2018-0327-11(c)	Request for competitive sealed proposals for the replacement of lighting infrastructure at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2018-0327-11(d)	Request for competitive sealed bids for purchase of one 50,000 lb. capacity forklift for Bayport Container Terminal
2018-0327-11(e)	Request for competitive sealed bids for the repair of wharf deck at Jacintoport Terminal

<u>Minute No.</u>	<u>Event/Action</u>
2018-0327-11(f)	Request for competitive sealed bids for the demolition of the former Seafarers Center building at Turning Basin Terminal
2018-0327-11(g)	Request for proposals for purchase of eight container yard cranes for Barbours Cut Terminal
2018-0327-11(h)	Request for proposals for purchase of four telescopic spreaders and one overheight attachment for Barbours Cut Terminal and Bayport Container Terminal
2018-0327-11(i)	Request for proposals for Storm Water Quality Program management
2018-0327-11(j)	Request for proposals for services to research reduction of emissions through intermodal opportunities and incentives
2018-0327-11(k)	Request for proposals for spotting of vessels at all Port Authority facilities
2018-0327-11(1)	Request for qualifications for professional services to design the rail and switch replacement at Turning Basin Terminal
2018-0327-12	Adopt resolutions authorizing the Port Authority's participation in the Texas Cooperative Liquid Assets Securities System Trust and designate authorized representatives to act on behalf of the Port Authority in connection with this local government investment
2018-0327-13	Approve the Second Amended Insurance Program and Indemnification Policy

J. Health, Safety, Security & Emergency Management

2018-0327-14	Amend the unarmed, uniformed Security Gate Officer services contract with Allied Universal Security Service, LLC to i) approve a change order in an amount not to exceed \$1,700,000 to provide services through July 31, 2018, ii) authorize activation of the two one-year options for continuing services effective August 1, 2018, and iii) approve a new purchase order to fund the two one-year option terms in an amount not to exceed \$13,200,000
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K. Infrastructure

2018-0327-15	Approve staff's ranking of vendors and award a two-year services contract for maintenance of dredged material placement areas to the top-ranked proposer: staff ranking – first, Yellowstone Landscape; and second, Angel Lady Services Port Commission adopted the staff-recommended ranking and authorized award
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<u>Minute No.</u>	<u>Event/Action</u>
2018-0327-16	<p>Approve staff's ranking of vendors and award a professional services contract for the design of rehabilitation and repair of Wharf 9 at Turning Basin Terminal to the top-ranked proposers: staff ranking – first, CH2M Hill Engineers, Inc.; second, Dannenbaum Engineering Corporation; and third, BergerABAM, Inc.</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2018-0327-17	Award a construction contract to Alpha Mar Group Inc. for the installation of tie-downs at Wharves 4 and 5 for Crane Nos. 3 and 4 at Barbours Cut Terminal
2018-0327-18	Award professional services contract to Omega Engineering for construction management and field inspection services at various projects port-wide
2018-0327-19	Award a construction contract to Electra Link Inc. for Wharf 3 telecommunications pre-outage facilities at Barbours Cut Terminal, using the Local Government Purchasing Cooperative's BuyBoard Program
2018-0327-20	Award a contract to Yellowstone Landscape to vegetate the sight-and-sound berm at Bayport Container Terminal, using the Harris County Department of Education's Choice partners cooperative purchasing program
2018-0327-21	Rescind the previous award to Dowley Security Systems Inc., and award a construction contract for the 12.47 kV electrical switchyard security at Barbours Cut Terminal to Convergent Technologies LLC, using the Local Government Purchasing Cooperative's BuyBoard Program
2018-0327-22	Approve a change order to CYMI, Inc. to perform additional work associated with the construction of Container Yard 6 South at Bayport Container Terminal
2018-0327-23	Approve a change order to McCarthy Building Companies, Inc. to perform additional work associated with the construction of Container Yard 1 and East End at Barbours Cut Terminal
2018-0327-24	Approve a change order to Forde Construction Company, Inc. to perform additional work associated with structural concrete and fender repairs at Wharf No. 23 at Turning Basin Terminal
2018-0327-25	Amend the professional services contracts with CH2M HILL Engineers, Inc., Moffatt & Nichol, and Wiss, Janney Elstner Associates, Inc. for the

<u>Minute No.</u>	<u>Event/Action</u>
	facility inspection and condition assessment program 2017-2019, in respective not-to-exceed amounts of \$526,682, \$476,366, and \$528,600
2018-0327-26	Amend the professional services contract with HDR Engineering, Inc. to provide planning, engineering, and technical services for channel development support for year 5 of 5
2018-0327-27	Enter into an Interlocal Agreement with Harris County to provide wage rate compliance services for a one-year term
2018-0327-28	Enter into an agreement with LBC Houston, L.P. to accept approximately 650,000 cubic yards of fill material and acknowledge such gift
2018-0327-29	Approve the renewal of expiring Port Authority licenses for new ten-year terms: Dow Hydrocarbons and Resources LLC, ExxonMobil Pipeline Company, Southwestern Bell Telephone Company, Lone Star NGL Mont Belvieu LP, Equistar Chemicals, LP, and TPC Group, LLC
2018-0327-30	Issue a distribution/transmission line license to AT&T for one fiber optic line across Industrial Park East in Houston
2018-0327-31	Issue a pipeline license to Magellan Pipeline Company, L.P. for one 20-inch refined products pipeline under and across Southside Mainline railroad right-of-way and Pasadena Cut-Off railroad right-of-way in Pasadena
2018-0327-32	Issue a pipeline license to Lone Star NGL Mont Belvieu LP for two 12-inch natural gas liquids pipelines under and across the Peggy Lake Access road property, Peggy Lake, the Houston Ship Channel, Goat Island, and Scott Bay in La Porte and Baytown
2018-0327-33	Issue a pipeline license to FLST LLC dba Lavaca LST Pipeline LLC for one 16-inch ethane pipeline under and across the Peggy Lake Access road property, Peggy Lake, the Houston Ship Channel, Goat Island, and Scott Bay in La Porte and Baytown
L. Operations	
2018-0327-34	Award a three-year contract to Petro Pangea, Inc. for the purchase of grease and miscellaneous engine, transmission, and hydraulic oils for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2018-0327-35	Award a three-year contract to Northline NC for the purchase of new and repaired printed circuit boards for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal

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2018-0327-36	Award a two-year contract to Konecranes, Inc., the sole source provider, for the purchase of captive replacement parts and repair services for motor control drives for Kone cranes at the Barbours Cut Terminal and Bayport Container Terminal
2018-0327-37	Approve an amendment to the Maersk Line A/S Marine Terminal Services Agreement to add Hamburg Süd and Aliança as included carrier entities and approve the termination of prior Marine Terminal Services Agreements with Hamburg Süd and Aliança
2018-0327-38	Authorize a Facility Use Agreement with Buffalo Marine Service, Inc., effective May 1, 2018, for layberth of barges at Turning Basin Terminal wharves CDs 02 through 04, CDs 08 through 26, and CDs 27 through 31, at an annual dockage rate of \$120,000 for a term of two years with a two-year renewal option at an annual dockage rate of \$138,000, plus security and other fees under Tariff No. 8

M. People

2018-0327-39	Issue a purchase order and enter into a two-year agreement with SumTotal Systems, LLC, the sole source provider for an automated Learning Management System and Talent Suite including an Applicant Tracking system, Performance Management system, and Succession Module, and to increase the number of user licenses to 650
2018-0327-40	Issue a purchase order to Pitney Bowes Global Financial Services LLC, using the Local Government Purchasing Cooperative's BuyBoard program, for the lease of a mailing system and the purchase of consumable supplies for the mailing system at the Port Authority's Executive Office Building for a period of five years
2018-0327-41	Authorize an interlocal agreement with the University of Houston Graduate Design/Build Studio, Gerald D. Hines College of Architecture and Design, to design and construct an open-air shade structure at the Turning Basin Terminal's Sam Houston Landing

N. Technology

2018-0327-42	Award a purchase order to CDW Government LLC for the purchase of miscellaneous computer parts and accessories, using the Texas Cooperative Purchasing Network cooperative purchase program
2018-0327-43	Award a purchase order to SHI Government Solutions, Inc., using the BuyBoard cooperative purchase program, to provide cybersecurity tools and support to the current Port Authority Information Technology infrastructure

<u>Minute No.</u>	<u>Event/Action</u>
2018-0327-44	Award a purchase order to SHI Government Solutions, Inc., using the State of Texas Department of Information Resources cooperative purchase program, to provide software support for the Port Authority's virtual environment
2018-0327-45	Award a purchase order to Amazon Business for the purchase of miscellaneous computer parts and accessories, using the U.S. Communities Government Purchasing Alliance
2018-0327-46	Award a purchase order to Microsoft Corporation, for Microsoft Premier Support Services for Microsoft Office 365 technical planning and support, using a Texas Department of Information Resources cooperative purchasing program
2018-0327-47	Enter into a three-year Interconnection Security Agreement with United States Customs and Border Protection for maintaining an Electronic Data Interface link

O. Recess Open Meeting and Convene Executive Session

P. Reconvene Open Meeting

2018-0327-48	Authorize the Port Authority to enter into a lease with the Richardson Group of Companies and/or a related entity on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing
2018-0327-49	Authorize the Port Authority to pay amounts to Ewell, Brown, Blanke & Knight LLP for legal services on the terms discussed in Executive Session, and authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing
2018-0327-50	Authorize the Port Authority to amend the settlement agreement with the City of Seabrook on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing

Q. Adjourn Meeting

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

**Houston, Texas
March 27, 2018**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on March 27, 2018 at 9:00 a.m., at the Port of Houston Authority Executive Offices, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following Commissioners and staff were present:

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

Chairman Longoria convened the meeting of the Port Commission and welcomed everyone, and announced the following:

- Commissioner Branch has been reappointed for another two-year term by the Houston City Council, and Commissioner Kennedy has also been reappointed for an additional two-year term, by Harris County Commissioners Court. Chairman Longoria congratulated them on their reappointments and added that she was looking forward to continue working with them.
- She recently accompanied Port Houston staff at the Trans Pacific Maritime Conference in Long Beach, California. Port Houston was a sponsor of the conference at which more than 3,000 maritime shipping executives from the world's largest ocean container carriers attended. Chairman Longoria congratulated staff on a very successful event.
- On February 27th, Port Houston's Small Business Development Program celebrated its 15-year anniversary. The event was held at the George R. Brown Convention Center, with over 350 people in attendance. Chairman Longoria announced that more than a half a billion dollars has been awarded to local small businesses in the Houston area, and thanked Ms. Ramirez and her staff for doing an excellent job.

(2018-0327-01) Chairman Longoria introduced Rear Admiral John Nadeau, U.S. Coast Guard, who presented the Admiral Bennis Award to the Port of Houston Authority.

Admiral Nadeau thanked Chairman Longoria for the introduction and commented that Captain Kevin Oditt, U.S. Coast Guard, and Port Houston did a superb job in handling Hurricane Harvey and reopening the Port of Houston in record time.

Admiral Nadeau explained that the Rear Admiral Richard E. Bennis Award is presented every two years and serves to highlight and recognize outstanding achievements and contributions of the maritime community in implementation of Maritime Transportation Security Act (MTSA) requirements and other maritime security best practices for safeguarding our nation's maritime transportation system. Admiral Nadeau noted that Port Houston was the only port in the country to attain ISO 28000 certification and congratulated all on their continued certification and the receipt of the award.

Chairman Longoria thanked Admiral Nadeau for his kind words and the Award and announced that it would be prominently displayed in the museum area.

(2018-0327-02) Minutes

Chairman Longoria called for a motion to approve the minutes of the January 30, 2018 Port Commission meeting. Commissioner Corgey moved for approval, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. The minutes were approved as written.

(2018-0327-03) Commissioner DonCarlos reported on the Governance Committee Meeting – March 13, 2018.

Commissioner DonCarlos reported that the Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy had been rewritten and a policy for Approving and Funding Local Port Commission and Employee Meals had been proposed and was Item G-1 on the agenda. The Governance Committee recommended approval of both policies.

Chairman Longoria thanked Commissioner DonCarlos for his report and asked if there were any questions. There were none.

(2018-0327-04) RCA G1 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2018-0327-05) Commissioner Kennedy reported on the Procurement & Small Business Task Force Meeting – March 26, 2018.

Commissioner Kennedy reported that the task force meeting went well and he was “incorporating by reference” Chairman Longoria’s remarks regarding the Small Business Development Program. He announced that the next Procurement & Small Business Development Task Force Meeting would be held on May 14th and is open for the public to attend.

Chairman Longoria thanked Commissioner Kennedy for his report and asked if there were any questions. There were none.

(2018-0327-06) Staff Reports

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

- Through February, Port Authority terminals have handled 6.1 million tons of cargo, a 7% increase over the first two months of last year. Steel imports are strong, up 17% during the first two months. Mr. Guenther advised that the European Union, South Korea, Brazil, Argentina, and Australia had been exempted from the recently-announced tariffs on steel and aluminum.
- Container activity in twenty-foot equivalents (TEUs) is up 1% versus the first two months of 2017. Import loaded containers continue to be an area of growth, while exports have been less than projected due to a soft start in the production of resins to be traded globally. However, it is anticipated there will be an upward trend for the remainder of the year.
- Mr. Guenther advised that there were several items on the agenda today for consideration, including design and repair of Dock 9 at the Turning Basin; purchase of eight new rubber-tired gantry cranes for Barbours Cut Terminal, and professional contracts for the continuance of the inspection and condition assessment program, as part of the organization’s long term planning efforts.

In conclusion, Mr. Guenther advised all present that Port Houston recently partnered on a pilot project aimed at enhancing the efficiency of cargo movement over the supply chain. Port Houston was chosen as the only port for this project and has joined IBM and Maersk to explore increased visibility and transparency of trade using blockchain technology.

Chairman Longoria thanked Mr. Guenther for the report and asked if there were any questions. There were none.

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

RCA G1 was approved (*see above – approved by Minute No. 2018-0327-04*).

(2018-0327-07) RCA G2 was taken off the agenda.

Chairman Longoria asked Ms. Buckles to place this item on the agenda for the Audit Committee and asked Mr. Thompson to make a presentation to the Audit Committee regarding industry standards, federal requirements, and the way the policy meets those requirements, so that the committee can review and make a recommendation to the Port Commission.

(2018-0327-08) RCA H1 was presented. Commissioner Branch moved for staff ranking - first, Meltwater News US Inc. (news monitoring services and news release distribution services); second, Meltwater News US Inc. (news monitoring services)/Business Wire (press release distribution services); and third, CyberAlert, LLC/Glean.Info (news monitoring services)/Business Wire (press release distribution services), seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2018-0327-09) RCA H2 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H2 PASSED.

(2018-0327-10) RCA H3 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H3 PASSED.

(2018-0327-11) RCA II(a-l) was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA II(a-l) PASSED.

(2018-0327-12) RCA I2 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2018-0327-13) RCA I3 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2018-0327-14) RCA J1 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2018-0327-15) RCA K1 was presented. Commissioner Fitzgerald moved for staff ranking – first, Yellowstone Landscape; and second, Angel Lady Services, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2018-0327-16) RCA K2 was presented. Commissioner Corgey moved for staff ranking – first, CH2M Hill Engineers, Inc.; second, Dannenbaum Engineering Corporation; and third, BergerABAM, Inc., seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2018-0327-17) RCA K3 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K3 PASSED.

(2018-0327-18) RCA K4 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K4 PASSED.

(2018-0327-19) RCA K5 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K5 PASSED.

(2018-0327-20) RCA K6 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K6 PASSED.

(2018-0327-21) RCA K7 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K7 PASSED.

(2018-0327-22) RCA K8 was presented, moved by Commissioner Kennedy, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K8 PASSED.

(2018-0327-23) RCA K9 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K9 PASSED.

(2018-0327-24) RCA K10 was presented, moved by Commissioner Corgey, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K10 PASSED.

Commissioner Mease inquired regarding the additional work. Mr. Guenther advised him there was more deterioration to the concrete than was expected; the funds were needed for additional concrete work.

(2018-0327-25) RCA K11 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K11 PASSED.

(2018-0327-26) RCA K12 was presented, moved by Commissioner Kennedy, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K12 PASSED.

(2018-0327-27) RCA K13 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K13 PASSED.

(2018-0327-28) RCA K14 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch,

Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K14 PASSED.

(2018-0327-29) RCA K15 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K15 PASSED.

(2018-0327-30) RCA K16 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K16 PASSED.

(2018-0327-31) RCA K17 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K17 PASSED.

(2018-0327-32) RCA K18 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K18 PASSED.

(2018-0327-33) RCA K19 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K19 PASSED.

(2018-0327-34) RCA L1 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2018-0327-35) RCA L2 was presented, moved Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L2 PASSED.

(2018-0327-36) RCA L3 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L3 PASSED.

(2018-0327-37) RCA L4 was presented, moved by Commissioner Corgey, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L4 PASSED.

(2018-0327-38) RCA L5 was presented, moved by Commissioner Mease, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L5 PASSED.

(2018-0327-39) RCA M1 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2018-0327-40) RCA M2 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA M2 PASSED.

(2018-0327-41) RCA M3 was presented, moved by Chairman Longoria, seconded by Commissioners Branch and Corgey.

Chairman Longoria asked Jessica Shaver, Chief People Officer, to address the item before calling the vote.

Ms. Shaver advised that there no longer was any covered waiting area for guests at the Sam Houston Landing area; this item would provide an opportunity for the University of Houston Graduate Design/Build Studio, Gerald D. Hines College of Architecture and Design, to design and construct an open-air shade structure in that location. Ms. Shaver added that staff is also reviewing ideas to beautify the area to make it more attractive.

Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA M3 PASSED.

(2018-0327-42) RCA N1 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N1 PASSED.

(2018-0327-43) RCA N2 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N2 PASSED.

(2018-0327-44) RCA N3 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N3 PASSED.

(2018-0327-45) RCA N4 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N4 PASSED.

(2018-0327-46) RCA N5 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N5 PASSED.

(2018-0327-47) RCA N6 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N6 PASSED.

At 9:39 a.m., Chairman Longoria advised that the Executive Session would follow and asked Mr. Eriksson to make the following announcement:

It is now 9:39 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code (1) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultations regarding (i) the Memorandum of Settlement Agreement with the City of Seabrook, Texas; (ii) Blanchard Contractors, Inc. v. Port of Houston Authority and Forde Construction Company, Inc., In the 157th District Court of Harris County, Texas; and (iii) proposed agreement for legal services with Ewell, Brown, Blanke & Knight LLP; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including deliberation regarding disposition of Woodhouse Terminal properties, and Beltway 8 area property; (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Employees

(Section 551.074, Texas Open Meetings Act), including deliberations regarding public employees; and (5) Security-Related Matters *(Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act)*. The Port Commission will reconvene in public session after the closed meeting is adjourned.

Immediately thereafter the Port Commission retired into closed session.

At 10:09 a.m., Chairman Longoria reconvened the open meeting at the Port of Houston Authority Executive Office Boardroom, at 111 East Loop North, Houston, Texas 77029, with the following Commissioners and staff in attendance:

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

(2018-0327-48) Commissioner DonCarlos moved to authorize the Port Authority to enter into a lease with the Richardson Group of Companies and/or a related entity 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 Mease. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

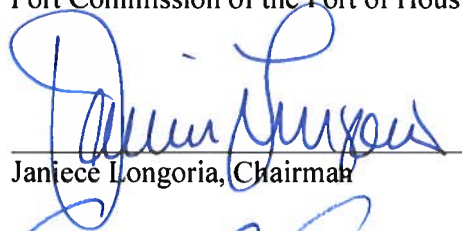
(2018-0327-49) Commissioner Kennedy moved to authorize the Port Authority to pay amounts to Ewell, Brown, Blanke & Knight LLP for legal services on the terms discussed in Executive Session, and authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

(2018-0327-50) Commissioner Branch moved to authorize the Port Authority to amend the settlement agreement with the City of Seabrook 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 Fitzgerald. Chairman

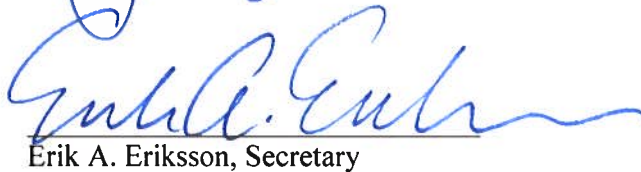
Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

At 10:11 a.m., Chairman Longoria adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the March 27, 2018 meeting of the Port Commission of the Port of Houston Authority.



Janiece Longoria, Chairman



Erik A. Eriksson, Secretary

G. EXECUTIVE

Subject **1. Approve the (i) Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy, and (ii) Policy for Approving and Funding Local Port Commissioner and Employee Meals.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, approve the (i) Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy of the Port Authority, and (ii) Policy for Approving and Funding Local Port Commissioner and Employee Meals of 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:
General

Department:
Legal

Staff Contact:
Erik Eriksson

Background:

The Port Commission adopted the "Second Amended Travel & Business Entertainment Expense Policy and Standards" at its meeting on December 16, 2014.

Port Authority legal staff, in conjunction with other Port Authority staff members, has now prepared further amendments to that travel and expense policy, and prepared a draft "Policy for Approving and Funding Local Port Commissioner and Employee Meals."

The proposals addresses a number of noteworthy items:

- The current policy covers business meals but the title and general discussion about authorizations does not make it especially apparent. A more descriptive title addresses this;
- The policy was generally reorganized to streamline it and avoid unnecessary duplication;
- The directive to use, when generally evaluating travel and expense matters, a prudent person or reasonableness standard has been changed to a reasonable public servant standard, which is a more restrictive guideline; and
- Those who travel or otherwise incur Port Authority funds on meals and business entertainment, and those approve travel and such expenditures, must review and acknowledge the policy annually;
- The proposed associated policy for local meals has been tightly crafted to comport with recent amendments to Special District Local Laws Code Chapter 5007.

Staff Evaluation/Justification:

Following its review of the drafts on March 13, 2018, the Governance Committee acted to recommend that Port Commission approve these policies as attached.

G. EXECUTIVE

Subject 2. Approve the CyberSecurity Policy of the Port Authority.

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, approve the CyberSecurity Policy, of 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:
General

Department:
Information Technology

Staff Contact:
Charles Thompson

Background:
The Port Authority is developing a CyberSecurity program. Staff has proposed a CyberSecurity Policy to support the development and issuance of standards and procedures by the Executive Director, and staff, to help ensure the program meets the federal and industry cybersecurity guidance and recommendations.

Staff Evaluation/Justification:
Staff recommends approval of the proposed CyberSecurity Policy in the form attached.

Port of Houston Authority CYBERSECURITY POLICY



A. Purpose.

This Cybersecurity Policy (the "Policy") is intended to establish, implement, and manage a cybersecurity program at the Port of Houston Authority ("Port Authority") based on the National Institute of Standards and Technology ("NIST") Cybersecurity Framework for Improving Critical Infrastructure Cybersecurity.

B. Framework.

The Port Authority will follow the recommendations made by the United States Coast Guard, Draft Navigation and Vessel Inspection Circular No. 05-17 Subj: Guidelines for Addressing Cyber Risks at Maritime Transportation Security Act (MTSA) Regulated Facilities, to develop and implement a cybersecurity program that analyzes computer and cyber-risks and provides guidance for addressing those risks. This federal guidance will also be used as a benchmark to develop and implement measures and activities for effective ongoing self-governance of cyber risks.

C. Policy Statement.

It is the intention of the Port Authority to manage the use, operation, and operational risk of Port Authority information systems through the implementation of information system security standards, procedures, and guidelines. The implementation of these items should:

1. Provide for the protection of the confidentiality, integrity, and availability for all authorized users, of Port Authority information and information systems;
2. Improve the Port Authority's current cybersecurity state and compliance ratings, through the mitigation of weaknesses and vulnerabilities identified through the NIST Cybersecurity Framework process; and
3. Establish a process for the Port Authority to determine the levels of cyber risk acceptable to it, identify the risks it faces exceeding those levels, and take measures to mitigate those risks.

D. Authority of the Port Commission and Delegation of that Authority.

1. The Port Commission is responsible for establishing this Policy and guiding executive staff actions and decisions related to cybersecurity requirements and the development and implementation of a cybersecurity program. This Policy is not intended to constrain the discretion of the Port Commission, which may amend this Policy at any time for any reason, and must approve all amendments to this Policy.

Port of Houston Authority Cybersecurity Policy

_____, 2018

Page 2

2. Except with respect to duties and responsibilities that may only be carried out by it, the Port Commission hereby delegates to the Executive Director, and his or her designees, the responsibility for the establishment, implementation, and management of the cybersecurity program and its associated activities as provided herein.

E. Policy Implementation.

1. Port Authority staff shall develop and enforce appropriate cybersecurity requirements for its facilities, personnel, information systems, system resources, and other information technology assets.

2. Port Authority executive leadership shall determine whether a cybersecurity requirement is applicable or not to particular information technology assets, or if an exception to the requirement is permitted. The applicability of, or exceptions to cybersecurity requirements shall be determined in accordance with the policy statement set forth in Section C above.

3. Staff shall prepare, and from time to time review and update, standards and procedures consistent with this Policy for staff's administration of the Policy, which shall among other things:

a. Establish a dedicated point of control and coordination for the Port Authority's cybersecurity program and activities;

b. Identify the Port Authority's current cybersecurity state and future cybersecurity objectives and goals toward a target state; and

c. Implement capabilities for continuous improvement and assessment of progress toward the target state.

4. Except as provided herein or as otherwise determined by the Executive Director, the Chief Information Officer, or his or her designee, in consultation with the Port Authority Information Technology Governance Council, is responsible for this Policy's implementation and interpretation.

F. Adoption.

This Policy was adopted by the Port Commission on _____, 2018 by Minute No. 2018-xxx-xxx.

Policy Owner: Port of Houston Authority - Information Technology
Policy Version: 1.0

H. COMMERCIAL

Subject 1. Approve staff's ranking of vendors and award a two-year professional services contract to provide news media monitoring and news release distribution services to the top-ranked proposer in an amount not to exceed \$104,500: staff ranking - first, Meltwater News US Inc. (news monitoring services and news release distribution services); second, Meltwater News US Inc. (news monitoring services)/Business Wire (press release distribution services); and third, CyberAlert, LLC/Glean.Info (news monitoring services)/Business Wire (press release distribution services).

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018, meeting:

- (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, Meltwater News US Inc. (news monitoring services and press release distribution services); second, Meltwater News US Inc. (news monitoring services)/Business Wire (press release distribution services); and third, CyberAlert, LLC/Glean.Info (news monitoring services)/Business Wire (press release distribution services);
- (b) award a two-year with a one-year option to renew professional services agreement to Meltwater News US Inc. for news media monitoring and news release distribution services in an amount not to exceed \$104,500;
- (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and
- (d) further, authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 2c. - Develop a strong brand identity
STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:
Awards, Amendments & Change Orders

Department:
Media Relations

Staff Contact:
Lisa Ashley

Background:
The Media Relations Department uses news releases and media monitoring services as tools to help support the dissemination of news and information concerning the Port Authority and the Houston Ship Channel.

The service options and capabilities of news release distribution companies and media monitoring services are continuously evolving; additionally, in some cases there have been mergers and acquisitions among these service providers. All of these circumstances have some impact on the Port Authority. Accordingly, a two-year professional services agreement with a one-year renewal option should provide the Port Authority the benefit of more stable pricing and customer service.

By Minute No. 2018-0130-19(f), the Port Commission authorized the advertisement and receipt of a request for qualifications (RFPs) for a vendor or vendors to provide for the distribution of news releases and media monitoring services. The Port Authority notified 100 vendors regarding its request for RFPs using the Port

Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Fourteen vendors downloaded the project materials from Buyspeed.

Staff Evaluation/Justification:

On February 26, 2018, five RFPs were received and opened. Staff evaluated and ranked the proposals in accordance with the selection criteria published in the RFP. Staff identified the following vendors, listed in order of ranking, as providing the best value to the Port Authority:

- Meltwater News US Inc. (News monitoring and press release distribution services)
- Meltwater News US Inc. (News monitoring services)/ Business Wire (Press release distribution services)
- CyberAlert, LLC/ Glean.Info (News monitoring services)/ Business Wire (Press release distribution services)

Staff recommends that the Port Commission award a two-year professional services contract in an amount not to exceed \$104,500 to Meltwater News US Inc. with a one-year option to renew, and as otherwise described above.

H. COMMERCIAL

Subject **2. Approve a 3% lease rate increase for thirty Port Authority month-to-month leases effective May 1, 2018.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, approve a 3% lease rate increase for thirty Port Authority month-to-month leases effective May 1, 2018, as set forth on Exhibit A, 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:

RD Tanner

Background:

The rental rates for most of the Port Authority's month-to-month leases, as well as certain other term leases, are based on rates adopted by the Port Commission from time to time.

By Minute No. 2017-0321-09, the Port Commission last authorized a 3% increase effective May 1, 2017 for these month-to-month leases.

By Minute No. 2012-0228-16, the Port Commission ratified 77 month-to-month leases that had been in effect for more than one year. Currently, there are 34 month-to-month leases in effect, the balance have been converted to term leases.

Three of these, which have been executed with in the last six months, and one which provides for semi-annual 3% increases, are not affected by this proposed action.

Staff Evaluation/Justification:

Staff recommends approval of a lease rate increase of 3% effective May 1, 2018 for the applicable month-to-month leases.

Exhibit A

<u>Tenant</u>	<u>File Number</u>	<u>Location</u>
Albermarle Corporation	2004-0176	Submerged land
Auto Warehousing Co.	2016-0215	Bayport
Buffalo Marine Service, Inc.	2007-0253-08	Brady's Island
Calcorp Resources, Inc.	2003-0199-08	North Turning Basin
Centerpoint Energy	2011-0045	Spilman Island
Ceres Gulf, Inc.	2004-0253-08	North Turning Basin
Cooper/Ports America, LLC	2001-0184A-08	North Turning Basin
Cooper/Ports America, LLC	2007-0274-08	North Turning Basin
Cooper/Ports America, LLC	2007-0128-08	North Turning Basin
Covey Transport, Inc.	2015-0381	Turning Basin
Empire Stevedoring (Houston), Inc.	2006-0150-08	South Side Turning Basin
Empire Stevedoring (Houston), Inc.	2011-0240	Turning Basin
Empire Stevedoring (Houston), Inc.	2015-0142	Turning Basin
HD-Whitecap Construction Supply	2006-0301-08	Turning Basin
Port Terminal Railroad Association	99-0070	Turning Basin
R. Warehousing & Port Services, Inc.	2001-0416-11	North Turning Basin
R. Warehousing & Port Services, Inc.	2005-0517-11	North Turning Basin
R. Warehousing & Port Services, Inc.	2011-0307	North Turning Basin
Richardson Steel Yard Inc.	2004-0173-08	North Turning Basin
Richardson Steel Yard, Inc.	2003-0087-08	North Turning Basin
Richardson Steel Yard, Inc.	2005-0016-08	North Turning Basin
Richardson Steel Yard, Inc.	91-0232-08	North Turning Basin
Richardson Steel Yard, Inc.	93-0114-08	North Turning Basin
Richardson Steel Yard, Inc.	99-0006-08	North Turning Basin
Richardson Steel Yard, Inc.	99-0007-08	North Turning Basin
Schroder Marine Services, Inc.	2017-0078	Industrial Park East
Storage & Processors, Inc.	2004-0287-08	North Turning Basin
Valero Refining Texas, LP	2001-0099-08	Manchester
VersaCold Logistics, LLC	2010-0102	Barbours Cut
Volkswagen Group of America, Inc.	2016-0255	North Turning Basin

H. COMMERCIAL

Subject 3. Approve a third amendment to the lease agreement with Contanda Wah Chang Terminal LLC, effective no earlier than April 1, 2018, to extend the 8.162 acre option property feasibility period to December 31, 2018.

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, approve a third amendment to the lease agreement with Contanda Wah Chang Terminal LLC, effective no earlier than April 1, 2018, to extend the 8.162 acre option property feasibility period to December 31, 2018, 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:
RD Tanner

Background:

By Minute No. 2017-0131-47 the Port Commission approved a fifty-year lease with Contanda Terminals LLC at the Wah Chang/Bulk Materials Handling Plant property with an option granted to the Tenant until December 15, 2017 to lease an adjacent tract of approximately 8.162 acres, consisting of approximately 1.429 acres of upland recently acquired by the Port Authority and an additional estimated 6.733 acres of submerged property.

By Minute No. 2017-1212-14 the Port Commission approved an amendment to the lease extending until April 30, 2018 the option period on an adjacent parcel totaling approximately 8.162 acres.

Since the closing, staff has determined that an extension of the option period from April 30, 2018 to December 31, 2018 would help provide the Port Authority time to extinguish an unimproved utility easement filed of record.

Staff Evaluation/Justification:

Staff recommends approval of an extension of the 8.162 acre option property feasibility period to December 31, 2018.

I. FINANCE

Subject **1. Authorize advertisement and receipt of responses for twelve formal procurements.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, authorize the Port Authority to advertise and receive responses for twelve 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.

- (a) Request for competitive sealed proposals for replacement of short trolley rails and Gantrex pads on six wharf cranes at Bayport Container Terminal
- (b) Request for competitive sealed proposals for splash zone painting of marine elements at Turning Basin Terminal
- (c) Request for competitive sealed proposals for the replacement of lighting infrastructure at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
- (d) Request for competitive sealed bids for purchase of one 50,000 lb. capacity forklift for Bayport Container Terminal
- (e) Request for competitive sealed bids for the repair of wharf deck at Jacintoport Terminal
- (f) Request for competitive sealed bids for the demolition of the former Seafarers Center building at Turning Basin Terminal
- (g) Request for proposals for purchase of eight container yard cranes for Barbours Cut Terminal
- (h) Request for proposals for purchase of four telescopic spreaders and one overheight attachment for Barbours Cut Terminal and Bayport Container Terminal
- (i) Request for proposals for Storm Water Quality Program management
- (j) Request for proposals for services to research reduction of emissions through intermodal opportunities and incentives
- (k) Request for proposals for spotting of vessels at all Port Authority facilities
- (l) Request for qualifications for professional services to design the rail and switch replacement at Turning Basin Terminal

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, and for non-construction items;
- Solicitation of "Requests for Proposals," for procurement of high technology items, insurance, services, and other intangible items, other than construction services; and
- Solicitation of "Requests for Qualifications," for the professional services of engineers, architects, and surveyors.

Staff Evaluation/Justification:

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

I. FINANCE

Subject	2. Adopt resolutions authorizing the Port Authority's participation in the Texas Cooperative Liquid Assets Securities System Trust and designate authorized representatives to act on behalf of the Port Authority in connection with this local government investment pool.
Meeting	Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 27, 2018 meeting, adopt resolutions authorizing the Port Authority's participation in the Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS), designate authorized representatives to act on behalf of the Port Authority in connection with this local government investment pool, 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:
Treasury

Staff Contact:
Ray Yi

Background:
Texas CLASS operates as public funds investment pool pursuant to provisions of the Public Funds Investment Act, Texas Government Code Chapter 2256.

By Minute No. 2017-0425-12, the Port Commission approved resolutions authorizing the Port Authority's participation in the LOGIC, TexPool, and TexPool Prime investment pools, which also operate pursuant to provisions of the Public Funds Investment Act.

By Minute No. 2017-1023-03, the Port Commission last adopted a revised investment policy for Port Authority funds, including a revised List of Approved Banks, Broker-Dealers, Custodians, Money Market Funds, Commercial Paper Direct Issuers, and Investment Pools. Texas CLASS is listed as an authorized investment pool under the approved investment policy.

Staff Evaluation/Justification:

As part of the ongoing management of the Port Authority's funds, staff reviews and considers various investment alternatives for its portfolio, and ensures that such investments comply with provisions of the Port Authority's investment policy and the Public Funds Investment Act.

The objectives of Texas CLASS (i.e., preservation and safety of principal, liquidity and yield) are consistent with the requirements of the Public Funds Investment Act and the Port Authority's investment policy. Investments in these investment pools are appropriate and provide flexibility for the Port Authority to permit it to further diversify its portfolio.

Staff recommends that the Port Commission adopt resolutions authorizing the Port Authority's participation in Texas CLASS, and designate authorized representatives to act on behalf of the Port Authority in connection with this local government investment pool, including execution of any required related documents.

I. FINANCE

Subject **3. Approve the Second Amended Insurance Program and Indemnification Policy.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its meeting on March 27, 2018, approve the Second Amended Insurance Program and Indemnification Policy, 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 2b. - Deliver cost and service advantages through innovation and efficiency

Category:
General

Department:
Risk Management

Staff Contact:
Bruce Birdwell

Background:

By Minute No. 2015-0224-40, the Port Commission approved adoption of the "Amended Self-Insurance and Indemnification Program Policy." The policy address a number of key areas, including the following:

1. The indemnification and defense of Port Commissioners, officers, and employees who might be sued because of their official or job-related duties;
2. The type and extent of claims that may be paid from the Port Authority's self-insurance loss funds (Funds);
3. Contributions to the Funds based upon actuarial analyses;
4. The delegation of authority to settle claims or lawsuits payable from the Funds;
5. The selection, retention, and evaluation of outside attorneys to handle claims and lawsuits; and
6. Reporting regarding the status of the Funds.

The Port Authority's Risk Management Department, Legal Department, and outside counsel recently prepared revisions to the Amended Insurance Program and Indemnification Policy, including updating definitions and clarifying limits on withdrawal amounts from the Port Authority's self-insurance loss fund.

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve the Second Amended Insurance Program and Indemnification Policy incorporating these revisions.

J. HEALTH, SAFETY, SECURITY & EMERGENCY MANAGEMENT

Subject 1. Amend the unarmed, uniformed Security Gate Officer services contract with Allied Universal Security Service, LLC to i) approve a change order in an amount not to exceed \$1,700,000 to provide services through July 31, 2018, ii) authorize activation of the two one-year options for continuing services effective August 1, 2018, and iii) approve a new purchase order to fund the two one-year option terms in an amount not to exceed \$13,200,000.

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, amend the unarmed, uniformed Security Gate Officer services contract with Allied Universal Security Service, LLC to i) approve a change order in an amount not to exceed \$1,700,000 to provide services through July 31, 2018, ii) authorize activation of the two one-year options for continuing services effective August 1, 2018, and iii) approve a new purchase order to fund the two one-year option terms in an amount not to exceed \$13,200,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 4c. - Operate safely and securely

Category:

Awards, Amendment & Change Orders

Department:

Security

Staff Contact:

Jessica Thomas

Background:

The Port Authority contracts for unarmed, uniformed security gate officer services to meet the legally-mandated security requirements of the U.S. Coast Guard and the Maritime Security Act of 2002.

By Minute No. 2015-0519-13, the Port Commission authorized the Port Authority to enter into a three-year contract (Agreement) with AlliedBarton Security Services LLC (AlliedBarton) for security services in an amount not to exceed \$17,122,169. This authorization also included permission for staff to return to Port Commission in the future for approval of the two one-year options, and a new request for funding.

By Minute No. 2016-0726-14, the Port Commission approved the assignment of the Port Authority's security services agreement with AlliedBarton to the entity resulting from AlliedBarton's merger with Universal Services of America. The new entity operates under the name Allied Universal Security Service, LLC (Allied Universal).

Staff Evaluation/Justification:

Based on historical security officer usage, and the hourly rates negotiated in the 2015 contract, an estimated expenditure rate of \$475,000 per month was originally authorized and budgeted. However, the total number of security officers and hours of individual gate usage have increased over the last three years due to increased operational tempo and cargo volumes. Significant examples include deployment of the Executive Building front desk receptionist, three traffic control officer positions at the container terminals, and a Turning Basin rover position, to staff additional late gates and rail gates. The resulting expenditure rate has averaged \$516,000 per month over the past four months. Therefore, an additional sum of \$1,700,000 is required to fund the current contract which runs through July 31, 2018.

Allied Universal has provided outstanding service during the current contract period, partnering with the Port Authority in meeting the ISO 28000 standard, U.S. Coast Guard Facility Security Plan requirements, and Customs Trade Partnership Against Terrorism standards. Staff recommends activating the two one-year option terms to carry the Port Authority through August 1, 2020.

If the activation of the option years is approved, authorization of a new purchase order in an amount not to exceed \$13,200,000 would be required based on the rates quoted by Allied Universal Security Service in the original 2015 proposal.

Staff recommends the Port Commission approve the above amendments to the contract with Allied Universal.

K. INFRASTRUCTURE

Subject 1. Approve staff's ranking of vendors and award a two-year services contract in an amount not to exceed \$1,039,854 for maintenance of dredged material placement areas to the top-ranked proposer: staff ranking – first, Yellowstone Landscape; and second, Angel Lady Services.

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting:

- (a) approve staff's ranking of vendors that offer the best value to the Port Authority, based on the selection criteria, in the following order – first, Yellowstone Landscape; and second, Angel Lady Services;
- (b) award a services contract to Yellowstone Landscape for maintenance of dredged material placement areas in an amount not to exceed \$1,039,854;
- (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and
- (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

The Port Authority must actively maintain all public confined dredged material disposal placement areas for the Houston Ship Channel, and is therefore seeking a vendor to continue to perform this maintenance.

By Minute No. 2017-1212-22(b), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for dredged material placement area maintenance. 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. Nine vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On January 24, 2018, two CSPs were received and opened. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as offering the best value to provide the required services:

- Yellowstone Landscape
- Angel Lady Services

Staff recommends that the Port Commission award a contract to Yellowstone Landscape and act as otherwise described above.

K. INFRASTRUCTURE

Subject **2. Approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$703,397 for the design of rehabilitation and repair of Wharf 9 at Turning Basin Terminal to the top-ranked proposers: staff ranking – first, CH2M Hill Engineers, Inc.; second, Dannenbaum Engineering Corporation; and third, BergerABAM, Inc.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting:

- (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, CH2M HILL Engineers, Inc.; second, Dannenbaum Engineering Corporation; and third, BergerABAM, Inc.;
- (b) award a professional services contract to CH2M Engineers, Inc. to analyze and design the rehabilitation and repair of Wharf 9 at Turning Basin Terminal, in an amount not to exceed \$703,397;
- (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and
- (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Awards, Amendments & Change Orders

Department:
Project and Construction Management

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

Background:
The Port Authority is seeking to obtain professional services from a qualified firm to design the rehabilitation and repair of Wharf 9 at the Turning Basin.

By Minute No. 2017-1023-23(c), the Port Commission authorized the advertisement of a request for qualifications (RFQ) for professional services. The Port Authority notified vendors regarding its RFQ using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Eleven vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:
On December 13, 2017, six RFQ responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFQ. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required services:

- CH2M HILL Engineers, Inc.
- Dannenbaum Engineering Corporation
- BergerABAM, Inc.

Staff recommends that the Port Commission award a contract to CH2M HILL Engineers, Inc. and act as otherwise described above.

K. INFRASTRUCTURE

Subject **3. Award a construction contract to Alpha Mar Group Inc. for the installation of tie-downs at Wharves 4 and 5 for Crane Nos. 3 and 4 at Barbours Cut Terminal in an amount not to exceed \$362,600.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, award the construction contract to Alpha Mar Group Inc. for the installation of tie-downs at Wharves 4 and 5 for Crane Nos. 3 and 4 at Barbours Cut Terminal in an amount not to exceed \$362,600, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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:
Prior to the start of rehabilitation of Wharf 3 (projected to be the 3rd quarter of 2018), the existing Cranes 3 and 4 currently located on Wharf 3 need to be moved to Wharves 4 and 5, respectively. This project consists of the installation of ship-to-shore crane tie-downs and stowage pins on Wharves 4 and 5 so that the existing Cranes 3 and 4 can be properly secured once they are moved.

By Minute No. 2017-1212-22(a), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the installation of tie-downs at Wharves 4 and 5 for Crane Nos. 3 and 4 at Barbours Cut Terminal. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Eighty nine vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:
On February 14, 2018, three CSBs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Authority award a contract to Alpha Mar Group Inc., the responsible bidder submitting the lowest and best bid, for the installation of tie-downs at Wharves 4 and 5 for Crane Nos. 3 and 4 at Barbours Cut Terminal.

K. INFRASTRUCTURE

Subject **4. Award professional services contract to Omega Engineering for construction management and field inspection services at various projects port-wide in an amount not to exceed \$130,000.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 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 \$130,000, 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 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.

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 January 1, 2018 through December 31, 2018 in an amount not to exceed \$130,000.

Staff believes that this firm is the most highly qualified provider for the additional services, based on its work to date under previous agreements, 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 **5. Award a construction contract to Electra Link Inc. for Wharf 3 telecommunications pre-outage facilities at Barbours Cut Terminal, using the Local Government Purchasing Cooperative's BuyBoard Program, in an amount not to exceed \$110,734.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, award a construction contract to Electra Link Inc. for Wharf 3 telecommunications pre-outage facilities at Barbours Cut Terminal, using the Local Government Purchasing Cooperative's BuyBoard Program, in an amount not to exceed \$110,734, 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:
Project and Construction Management

Staff Contact:
Project and Construction Management

Background:

The proposed project consists of the construction of a new communications network and installation of equipment at Barbours Cut Terminal, that redirects all communications flow away from the C3 Amenities building, which will be demolished when the rehabilitation of the Wharf 3 starts. The new construction will ultimately create new routes to redirect all communications to the Pre-Check building located on the south side of Barbours Cut Boulevard.

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. By Minute No. 2006-1023-43, the Port Commission approved entering into an interlocal agreement with the Cooperative to become a member participant, and since that time has used 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 various potential economies, including administrative cost savings.

Staff Evaluation/Justification:

Staff has determined that contracting services through the BuyBoard Cooperative Purchasing Program is the method that both satisfies competitive requirements and provides the best value to the Port Authority.

The BuyBoard website listed several pre-approved providers of the required services. Electra Link Inc. pricing for the Wharf 3 telecommunications pre-outage facilities at Barbours Cut Terminal was reviewed and approved by BuyBoard.

Therefore, staff recommends that the Port Commission determine to use the Cooperative and award a job order construction contract to this firm, as providing best value to the Port Authority.

K. INFRASTRUCTURE

Subject **6. Award a contract to Yellowstone Landscape to vegetate the sight-and-sound berm at Bayport Container Terminal, using the Local Government Purchasing Cooperative's Choice Partners Contract, in an amount not to exceed \$994,868.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, award a contract to Yellowstone Landscape to vegetate the sight-and-sound berm at Bayport Container Terminal, using the Local Government Purchasing Cooperative's Choice Partners Contract, in an amount not to exceed \$994,868, 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:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

The objective of this project is to comply with the U.S. Army Corps of Engineers' Permit No. SWG-1998-01818 for Bayport Container Terminal, which requires construction of a vegetated berm to provide an enhanced level of sound, noise, and aesthetic mitigation for both the El Jardin and Seabrook communities. This project will vegetate the completed middle berm segment, and provide 80% survivability of the plants in year one.

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. By Minute No. 2006-1023-43, the Port Commission approved entering into an interlocal agreement with the Cooperative to become a member participant, and since that time has used the Cooperative and its Choice Partners 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 various potential economies, including administrative cost savings.

Staff Evaluation/Justification:

Staff has determined that contracting services through the Choice Partners Cooperative Purchasing Program is the method that both satisfies competitive requirements and provides the best value to the Port Authority.

The Choice Partners website listed several pre-approved providers of the required services. The quote from Yellowstone Landscape to vegetate the sight-and-sound berm at Bayport Container Terminal was reviewed and approved by Choice Partners.

Therefore, staff recommends that the Port Commission determine to use the Cooperative and award a construction contract to this firm, as providing best value to the Port Authority.

K. INFRASTRUCTURE

Subject **7. Rescind the previous award to Dowley Security Systems Inc., and award a construction contract for the 12.47 kV electrical switchyard security at Barbours Cut Terminal to Convergent Technologies LLC, using the Local Government Purchasing Cooperative's BuyBoard Program, in an amount not to exceed \$61,681.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, rescind the award of a construction contract for the 12.47 kV electrical switchyard security at Barbours Cut Terminal awarded to Dowley Security Systems, Inc. and award the contract to Convergent Technologies LLC, using the Local Government Purchasing Cooperative's BuyBoard Program, in an amount not to exceed \$61,681, 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:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2017-0627-14, the Port Commission awarded Dowley Security Systems, Inc., the top-ranked service proposer, a construction contract for the 12.47 kV electrical switchyard security at Barbours Cut Terminal. After being notified of the award, Dowley Security Systems, Inc. informed the Port Authority it was unable to obtain the necessary bonds required by the construction contract.

This project consists of the installation of security cameras, card readers, and access control equipment at Buildings A and B of the 12.47 kV switchyard located on the west side of the Wharf 7 at Barbours Cut Terminal.

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. By Minute No. 2006-1023-43, the Port Commission approved entering into an interlocal agreement with the Cooperative to become a member participant, and since that time has used 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 various potential economies, including administrative cost savings.

Staff Evaluation/Justification:

Staff has determined that contracting services through the BuyBoard Cooperative Purchasing Program is the method that both satisfies competitive requirements and provides the best value to the Port Authority.

The BuyBoard website listed several pre-approved providers of the required services. Convergent Technologies LLC pricing for the purchase and installation of security cameras, access control equipment, and other associated equipment for the Port Authority electrical switchyard facility at Barbours Cut Terminal was reviewed and approved by BuyBoard.

Staff has analyzed the rescission and recommends that the Port Commission award this contract to Convergent Technologies LLC.

Staff recommends that the Port Commission determine to use the Cooperative and award a construction contract to this firm, as providing best value to the Port Authority.

K. INFRASTRUCTURE

Subject 8. Approve a change order to CYMI, Inc. to perform additional work associated with the construction of Container Yard 6 South at Bayport Container Terminal in an amount not to exceed \$172,742.

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, approve a change order to CYMI, Inc. to perform additional work associated with the construction of Container Yard 6 at Bayport Container Terminal in an amount not to exceed \$172,742, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2016-0523-09, the Port Commission awarded a construction contract to CYMI, Inc. for the construction of Container Yard 6 South at Bayport Container Terminal.

The change order will consist of the installation of new 12.47 kv medium voltage cable, at two different locations: a) from the reefer substation RSS-4 to manhole 45 to connect it to the existing feeder, and b) from the reefer substation RSS-2 to the reefer substation RSS-6S1 and RSS-6S2 Container Yard 6 South.

Staff Evaluation/Justification:

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

K. INFRASTRUCTURE

Subject **9. Approve a change order to McCarthy Building Companies, Inc. to perform additional work associated with the construction of Container Yard 1 and East End at Barbours Cut Terminal in an amount not to exceed \$300,953.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, approve a change order to McCarthy Building Companies, Inc. to perform additional work associated with construction of Container Yard 1 and East End Terminal in an amount not to exceed \$300,953, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2016-0523-10, the Port Commission awarded a construction contract to McCarthy Building Companies, Inc. to construct Container Yard 1 and East End, which consists of the repaving of approximately 41 acres of pavement for the storage of containers, as well as the traffic lanes to maintain circulation into and around the storage areas. It also included the construction of yard grading and drainage facilities, utilities, reefer station areas, and high mast lighting.

So far a total of six change orders have been issued for a total amount of \$282,012.32; this change order 7 for \$300,953 will increase the total change order amount to \$582,965 which would represent 1.24% of the original contract amount.

This change order covers the following items:

Item 1: Temporary installation of 1,500 feet of 6-inch pipe and pumps, to dewater an area of approximately 6 acres of the Container Yard 1 South, as the current high water in the area prevents the preparation of the sub-base for pavement, at a proposed cost of \$231,593.

Item 2: Replacement of 9 inches of joint-reinforced concrete pavement by a 9-inch layer of asphalt at the west bridge of the Lash Dock. The change is necessary due to the conflict of existing water lines encroaching into the designed sub-base materials. The change would be a credit of (\$2,582).

Item 3: The Port Authority requested the modification of the construction of 32 RTG tie-down manholes at Container Yard 1 South, following its experience with similar tie-downs at the Bayport Container Terminal, at a proposed cost of \$71,942.

Staff Evaluation/Justification:

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

K. INFRASTRUCTURE

Subject **10. Approve a change order to Forde Construction Company, Inc. to perform additional work associated with structural concrete and fender repairs at Wharf No. 23 at Turning Basin Terminal in an amount not to exceed \$759,861.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, approve a change order to Forde Construction Company, Inc. to perform additional work associated with structural concrete and fender repairs at Wharf No. 23 at Turning Basin Terminal in an amount not to exceed \$759,861, 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. to perform structural concrete and fender repairs at Wharf No. 23 at Turning Basin Terminal.

This project will improve structural condition and capacity and re-enable train transportation on the wharf, by replacing train rails and rail switches, rehabilitating the deck, and performing fender work including removal, repair, painting, and reinstallation of the fenders, sheet pile repair, and coating. It also includes repair and rehabilitation of the structural frame supporting the deck, i.e. beams, columns, piles, etc., including jacketing existing beams, installing new beams, rehabilitating frame members using fiber reinforced polymer, epoxy crack injections, full-depth rebuilding of pile cap, etc.

The change order also includes material overrun due to repair to the deck.

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 **11. Amend the professional services contracts with CH2M HILL Engineers, Inc., Moffatt & Nichol, and Wiss, Janney Elstner Associates, Inc. for the facility inspection and condition assessment program 2017-2019, in respective not-to-exceed amounts of \$526,682, \$476,366, and \$528,600.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, amend the existing professional services contracts with CH2M HILL Engineers, Inc., Moffatt and Nichol, and Wiss, Janney, Elstner Associates, Inc. for the facility inspection and condition assessment program 2017-2019, in respective not-to-exceed amounts of \$526,682, \$476,366, and \$528,600, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2017-1023-28, the Port Commission awarded professional services contracts to CH2M HILL Engineers, Inc., Moffatt and Nichol, and Wiss, Janney, Elstner Associates, Inc. for the facility inspection and condition assessment program 2017-2019.

This amendment is contemplated by the program, and would amend the professional services contracts with CH2M HILL Engineers, Inc., Moffatt & Nichol, and Wiss, Janney Elstner Associates, Inc. for facility inspection and condition assessment program 2017-2019, in respective not-to-exceed amount of \$526,682, \$476,366, and \$528,600.

Staff Evaluation/Justification:

Staff has reviewed the amendment proposal of CH2M HILL Engineers, Inc., Moffatt & Nichol, and Wiss, Janney Elstner Associates, Inc., and found them to be fair and reasonable and recommends that the Port Commission approve the proposed amendments to the existing contracts with CH2M HILL Engineers, Inc., Moffatt & Nichol, and Wiss, Janney Elstner Associates, Inc.

K. INFRASTRUCTURE

Subject **12. Amend the professional services contract with HDR Engineering, Inc. to provide planning, engineering, and technical services for channel development support for year 5 of 5 in an additional amount not to exceed \$700,000.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, authorize the Port Authority to amend the professional services contract with HDR Engineering, Inc. to provide planning, engineering, and technical services for channel development support for year 5 of 5 in an additional amount not to exceed \$700,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

By Minute No. 2013-0521-05, the Port Commission awarded a professional services contract to HDR Engineering, Inc. for planning, engineering, and other technical support services for ship channel projects for a five-year period, with a first-year cost not to exceed \$700,000. The contract was subsequently amended for year 2 services for a cost not to exceed \$700,000, for year 3 services for a cost not to exceed \$700,000, and for year 4 services for a cost not to exceed \$700,000.

In order to provide for specific tasks scheduled for year 5, the contract requires an amendment. These services would continue the planning, engineering, and technical work necessary to support the Houston Ship Channel system. Work, including special studies, would be conducted as task orders negotiated by Port Authority staff.

Staff Evaluation/Justification:

HDR Engineering, Inc. has proposed the amount of \$700,000 for year 5 services. Staff has reviewed the proposal and found it to be fair and reasonable.

Staff recommends approval.

K. INFRASTRUCTURE

Subject **13. Enter into an Interlocal Agreement with Harris County to provide wage rate compliance services for a one-year term in an amount not to exceed \$71,587.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, authorize the Port Authority to enter into an Interlocal Agreement with Harris County to provide wage rate compliance services, for a one-year term effective March 1, 2018 in an amount not to exceed \$71,587, 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:
Government Code Chapter 2258 requires that workers employed on public works projects by or on behalf of political subdivisions of the state be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed.

The Port Authority undertakes various efforts to provide that construction of its public works projects adheres to the provisions of Government Code Chapter 2258. In connection with those efforts, for each of the past eight years, the Port Commission has authorized an Interlocal Agreement with Harris County to provide wage rate compliance services, for a one-year term.

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

Staff recommends that the Port Commission approve the agreement.

K. INFRASTRUCTURE

Subject **14. Enter into an agreement with LBC Houston, L.P. to accept approximately 650,000 cubic yards of fill material and acknowledge such gift.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, authorize Port Authority staff to enter into an agreement with LBC Houston, L.P. to accept approximately 650,000 cubic yards of fill material and acknowledge such gift, authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing, and further authorize the Secretary to record the name of the donor, a description of the gift, and a statement of the purpose of the gift in the minutes of the Port Commission.

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

Category:
General

Department:
Project and Construction Management

Staff Contact:
Roger H. Hoh

Background:
LBC Houston, L.P. needs to relocate up to approximately 650,000 cubic yards of fill material from its existing stockpile area to prepare for the development of Wharf 5, in two phases. The Port Authority has a need for this fill material in connection with the construction of wharves and facilities at the Bayport Container Terminal. LBC Houston, L.P. has agreed, at its sole cost and expense to prepare a site for acceptance of the fill material and provide the fill material to the Port Authority. The work includes developing a drainage system and hydromulching the stockpile of fill material in accordance with all Port Authority environmental and geotechnical requirements.

The Port Authority's Environmental Affairs and Project & Construction Management departments have reviewed the approximately 250,000 cubic yards of fill material available in Phase 1 and found it to be suitable for Port Authority needs.

Staff Evaluation/Justification:
Staff believes that entering into an agreement with LBC Houston, L.P. for the acceptance of fill material at no cost to the Port Authority could result in substantial cost savings to the Port Authority on future construction at or near the Bayport Container Terminal, and therefore requests permission to enter into such an agreement.

Section 5007.228 of the Special District Local Laws Code provides that the Port Authority may accept a gift valued at \$500 or more if the Port Commission acknowledges the acceptance of the gift within 90 days of its receipt. The statute additionally provides that the Port Authority must record the name of the donor, a description of the gift, and a statement of the purpose of the gift in the minutes of the Port Commission.

Accordingly, the Legal Department additionally recommends that the Port Commission acknowledge acceptance of this gift as provided above.

K. INFRASTRUCTURE

Subject **15. Approve the renewal of expiring Port Authority licenses for new ten-year terms: Dow Hydrocarbons and Resources LLC, ExxonMobil Pipeline Company, Southwestern Bell Telephone Company, Lone Star NGL Mont Belvieu LP, Equistar Chemicals, LP, and TPC Group, LLC.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, authorize the Port Authority to approve the renewal of expiring licenses for new ten-year terms: Dow Hydrocarbons and Resources LLC, ExxonMobil Pipeline Company, Southwestern Bell Telephone Company, Lone Star NGL Mont Belvieu LP, Equistar Chemicals, LP, and TPC Group, LLC, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

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

<u>Company</u>	<u>File number</u>	<u>License fee</u>
Dow Hydrocarbons and Resources LLC	1996-0061	\$78,653
ExxonMobil Pipeline Company	1998-0152	\$70,933
ExxonMobil Pipeline Company	1997-0188	\$3,062
ExxonMobil Pipeline Company	1997-0276	\$88,097
Southwestern Bell Telephone Company	1998-0035	\$6,124
Lone Star NGL Mont Belvieu LP	2003-0112	\$12,264
Equistar Chemicals, LP	1999-0055	\$83,508
TPC Group, LLC	2013-0156	\$98,960
	Total	\$441,601

Staff Evaluation/Justification:

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

Staff recommends approval.

K. INFRASTRUCTURE

Subject **16. Issue a distribution/transmission line license to AT&T for one fiber optic line across Industrial Park East in Houston.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, authorize the Port Authority to issue a distribution/transmission line license to AT&T for one fiber optic line across Industrial Park East in Houston, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

AT&T, Port Authority File No. 2018-0054, has applied for a distribution/transmission line license for one fiber optic line across Industrial Park East in Houston, in the John Brown Survey, A-8, in Harris County, Texas.

This application is for an existing fiber optic line for which a license was not obtained. The line was installed in September 2015 and was recently identified while coordinating a separate project in the same area. Channel Development staff seek to issue a new license to AT&T effective September 1, 2015, when the line was installed.

The line provides service to Port Authority tenant Ranger Steel and is associated with Port Authority File No. 2016-0248.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development, Real Estate, Operations, and IT departments. The license is to be issued subject to the Port Authority's usual terms and conditions. The line provides service to Port Authority tenant Ranger Steel; therefore, staff recommends the license fee be waived. The \$675 application fee has been paid.

Staff recommends approval.

K. INFRASTRUCTURE

Subject **17. Issue a pipeline license to Magellan Pipeline Company, L.P. for one 20-inch refined products pipeline under and across Southside Mainline railroad right-of-way and Pasadena Cut-Off railroad right-of-way in Pasadena.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, authorize the Port Authority to issue a pipeline license to Magellan Pipeline Company, L.P. for one 20-inch refined products pipeline under and across Southside Mainline railroad right-of-way and Pasadena Cut-Off 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:

Magellan Pipeline Company, L.P. (Magellan), Port Authority file No. 2018-0053, has applied for a pipeline license for one 20-inch refined products pipeline under and across Southside Mainline railroad right-of-way and Pasadena Cut-Off railroad right-of-way in Pasadena, in the Thomas Earle Survey, A-18, in Harris County, Texas.

The pipeline would transfer product between Magellan's Pasadena terminal and an Exxon facility located south of Pasadena Cut-Off railroad right-of-way.

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 \$7,038. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

K. INFRASTRUCTURE

Subject **18. Issue a pipeline license to Lone Star NGL Mont Belvieu LP for two 12-inch natural gas liquids pipelines under and across the Peggy Lake Access road property, Peggy Lake, the Houston Ship Channel, Goat Island, and Scott Bay in La Porte and Baytown.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, authorize the Port Authority to issue a pipeline license to Lone Star NGL Mont Belvieu LP for two 12-inch natural gas liquids pipelines under and across the Peggy Lake Access road property, Peggy Lake, the Houston Ship Channel, Goat Island, and Scott Bay in La Porte and Baytown, 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:

Lone Star NGL Mont Belvieu LP, Port Authority File No. 2018-0063, has applied for a pipeline license for two 12-inch natural gas liquids pipelines under and across the Peggy Lake Access road property, Peggy Lake, the Houston Ship Channel, Goat Island, and Scott Bay in La Porte and Baytown, in Harris County, Texas.

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 \$110,608. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

K. INFRASTRUCTURE

Subject **19. Issue a pipeline license to FLST LLC dba Lavaca LST Pipeline LLC for one 16-inch ethane pipeline under and across the Peggy Lake Access road property, Peggy Lake, the Houston Ship Channel, Goat Island, and Scott Bay in La Porte and Baytown.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, authorize the Port Authority to issue a pipeline license to FLST LLC dba Lavaca LST Pipeline LLC for one 16-inch ethane pipeline under and across the Peggy Lake Access road property, Peggy Lake, the Houston Ship Channel, Goat Island, and Scott Bay in La Porte and Baytown, 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:

FLST LLC dba Lavaca LST Pipeline LLC, Port Authority File No. 2018-0064, has applied for a pipeline license for one 16-inch ethane pipeline under and across the Peggy Lake Access road property, Peggy Lake, the Houston Ship Channel, Goat Island, and Scott Bay in La Porte and Baytown, in Harris County, Texas.

FLST LLC dba Lavaca LST Pipeline LLC is an affiliate of Lone Star NGL Mont Belvieu LP.

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 \$55,304. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

L. OPERATIONS

Subject	1. Award a three-year contract to Petro Pangea, Inc. for the purchase of grease and miscellaneous engine, transmission, and hydraulic oils for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$750,000.
Meeting	Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 27, 2018 meeting, award a three-year contract to Petro Pangea, Inc. for the purchase of grease and miscellaneous engine, transmission, and hydraulic oils for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$750,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2014-0624-32, the Port Commission awarded a three-year contract to Petro Pangea, Inc. in the amount not to exceed \$727,439 for purchase of grease and miscellaneous engine, transmission, and hydraulic oils for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. Funds are nearly depleted. The Port Authority owns numerous equipment that require grease and miscellaneous oils for daily operations. A reliable supply of these commodities would ensure adequate performance and reliability thus minimizing equipment downtime.

By Minute No. 2017-0524-09(a), the Port Commission authorized the advertisement and receipt of competitive sealed bid (CSBs) for the purchase of grease and miscellaneous engine, transmission, and hydraulic oils for Barbours Cut, Bayport Container, and Turning Basin Terminals. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed System and the project was advertised on the Port Authority's website and in a local newspaper.

Staff Evaluation/Justification:

On January 24, 2018, seven CSBs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Commission award a three-year contract to Petro Pangea, Inc., the responsible bidder submitting the lowest and best bid.

L. OPERATIONS

Subject **2. Award a three-year contract to Northline NC for the purchase of new and repaired printed circuit boards for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,500,000.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, award a three-year contract to Northline NC for the purchase of new and repaired printed circuit boards for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,500,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Awards, Amendments & Change Orders

Department:
Maintenance

Staff Contact:
Paulo Soares

Background:
By Minute No. 2014-0624-33, the Port Commission awarded a three-year contract to Advanced Electronic Services, Inc. in the amount not to exceed \$1,500,000 for purchase of new and repaired printed circuit boards for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal. However, funds are nearly depleted, and circuit boards are necessary for the routine maintenance and repair of the Port Authority's numerous cranes. Specifications have now been prepared reflecting the largest discount anticipated for the purchase and repair of these circuit boards.

By Minute No. 2018-0130-19(a), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the purchase of new and repaired printed circuit boards for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed System and the project was advertised on the Port Authority's website and in a local newspaper.

Staff Evaluation/Justification:
On February 21, 2018, two CSBs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Commission award a three-year contract to Northline NC, the responsible bidder submitting the lowest and best bid.

L. OPERATIONS

Subject **3. Award a two-year contract to Konecranes, Inc., the sole source provider, for the purchase of captive replacement parts and repair services for motor control drives for Kone cranes at the Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$2,500,000.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, award a two-year contract to Konecranes, Inc., the sole source provider, for the purchase of captive replacement parts and repair services for motor control drives for Kone cranes at the Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$2,500,000, 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:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns a total of eighty-four Kone cranes including forty-two RTGs and four wharf cranes at Barbours Cut Terminal, and thirty-eight RTGs at Bayport Container Terminal. These units are used daily by the Port Authority and leased to stevedoring companies for container handling activities. In addition, ten new units are scheduled to arrive at Bayport Container Terminal later this year. Therefore, the ability to expedite procurement of spare and replacement parts for these cranes is critical to efficient terminal operation.

By Minute No. 2016-1213-34, the Port Commission awarded a two-year contract to Konecranes, Inc. in an amount not to exceed \$2,000,000 for the purchase of replacement parts and repair services for motor control drives for Kone RTG cranes at Barbours Cut Terminal and Bayport Container Terminal. Funds are nearly depleted due to larger than expected volume of repairs to motor control drives.

Staff Evaluation/Justification:

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that Konecranes, Inc. is the sole authorized source of replacement Kone parts in the United States.

Staff recommends that the Port Authority enter into a two-year contract with Konecranes, Inc. for the purchase of spare and replacement parts for Kone RTG cranes, beginning on April 1, 2018 and ending on March 31, 2020, and recommends that the new contract amount be increased to \$2,500,000 due to larger volume of control drives repair and eight RTG cranes that will no longer be under warranty during the term of this new contract. Replacement and spare parts will be purchased through this contract as needed to properly maintain these cranes and minimize operational downtime.

L. OPERATIONS

Subject **4. Approve an amendment to the Maersk Line A/S Marine Terminal Services Agreement to add Hamburg Süd and Aliança as included carrier entities and approve the termination of prior Marine Terminal Services Agreements with Hamburg Süd and Aliança.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, approve an amendment to the Maersk Line A/S Marine Terminal Services Agreement to add Hamburg Südamerikanische Dampfschiffahrts-Gesellschaft KG (Hamburg Süd) and Aliança Navegação e Logística Ltda. (Aliança) as included carrier entities and approve the termination of prior Marine Terminal Services Agreements with Hamburg Süd and Aliança, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Operations

Staff Contact:

Jeff Davis

Background:

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

The Port Authority has previously entered into an MTSA with Hamburg Süd and an MTSA with Aliança, and more recently by Minute No. 2015-0127-33, the Port Commission authorized an MTSA (the Maersk MTSA) with Maersk Line A/S by its agent Maersk Agency USA, Inc. (Maersk). Aliança is a wholly owned subsidiary of Hamburg Süd. The MTSAs with Hamburg Süd and Aliança expire by their terms later this year.

Effective November 30, 2017, Maersk acquired Hamburg Süd and its subsidiaries, including Aliança. Maersk has now requested that the Port Authority's MTSAs with Hamburg Süd and Aliança be terminated, and that the Maersk MTSA be amended to include the newly-acquired container carrier entities.

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve the proposed amendment to the Maersk MTSA.

L. OPERATIONS

Subject **5. Authorize a Facility Use Agreement with Buffalo Marine Service, Inc., effective May 1, 2018, for layberth of barges at Turning Basin Terminal wharves CDs 02 through 04, CDs 08 through 26, and CDs 27 through 31, at an annual dockage rate of \$120,000 for a term of two years with a two-year renewal option at an annual dockage rate of \$138,000, plus security and other fees under Tariff No. 8.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, authorize enter into a Facility Use Agreement with Buffalo Marine Service, Inc., effective May 1, 2018, for layberth of barges at Turning Basin Terminal wharves CDs 02 through 04, CDs 08 through 26, and CDs 27 through 31, at an annual dockage rate of \$120,000 for a term of two years with a two-year renewal option at an annual dockage rate of \$138,000, plus security and other fees under Tariff No. 8, 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:

General Cargo Terminals

Staff Contact:

Jeff Davis

Background:

The Port Authority previously entered into Facility Use Agreements with Buffalo Marine Service, Inc. (Buffalo Marine) to help address a shortage of barge fleeting space in the Turning Basin Terminal area. Buffalo Marine has requested that the Port Authority renew its existing Facility Use Agreement, which is due to expire on April 30, 2018.

Prior to the Facility Use Agreements, the shortage of barge fleeting space resulted in potential navigational safety issues for the Houston Pilots when turning vessels in the Turning Basin area. The Facility Use Agreement will continue to address these safety issues by allowing for the layberth of no more than four 297 foot by 54 foot barges at Port Turning Basin Terminal wharves CD 2-4 and CD 8-31, with the payment of the proposed monthly dockage fees and any dockage security or other fees due under Tariff No. 8. The Facility Use Agreement will also require that the barges be attended by tugboats crewed at all times, to facilitate movement of the barges as may be needed for operational efficiency.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the Facility Use Agreement with Buffalo Marine.

M. PEOPLE

Subject **1. Issue a purchase order and enter into a two-year agreement with SumTotal Systems, LLC, the sole source provider for an automated Learning Management System and Talent Suite including an Applicant Tracking system, Performance Management system, and Succession Module, and to increase the number of user licenses to 650, in an amount not to exceed \$201,283.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, issue a purchase order and enter into a two-year agreement with SumTotal, LLC, the sole source provider for an automated Learning Management System and Talent Suite including an Applicant Tracking system, Performance Management system, and Succession Module, and to increase the number of user licenses to 650, in an amount not to exceed \$201,283, 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)
Strategic Objective 1b. - Implement a workforce development program

Category:
Awards, Amendments & Change Orders

Department:
People

Staff Contact:
Jessica Shaver

Background:
The Port Authority uses JD Edwards as its financial software system, and uses a learning management system (LMS) application by SumTotal Systems, LLC (SumTotal). SumTotal's LMS was selected because it integrates with JD Edwards (JDE) and with the current LMS. Staff has determined that systems that provide automated interactive performance management, and applicant tracking applications are critical in identifying, onboarding, and managing top talent, which in turn provides critical strategic direction for the Port Authority. Staff researched available options and systems and determined that SumTotal is the only system that supports JDE and our current LMS. The Applicant Tracking system and other modules in SumTotal's Talent Suite were identified as the only application that fully integrates with the Port Authority's current systems. These systems require a license for each employee. Due to an increase in staffing, it is necessary to increase the number of user licenses from 600 to 650.

Staff Evaluation/Justification:
Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that SumTotal, LLC is the sole source provider of the SumTotal Talent Suite modules and related training services required by the Port Authority.

Staff recommends that the Port Commission approve a purchase order for and enter into a two-year agreement with SumTotal, LLC for the Learning Management System (LMS), Applicant Tracking system, Performance Management system, and Succession Module, and to increase the number of licenses to 650, in an amount not to exceed \$201,283. Staff believes the cost of the system is less than the cost would be to hire additional staff to perform these functions.

M. PEOPLE

Subject **2. Issue a purchase order to Pitney Bowes Global Financial Services LLC, using the Local Government Purchasing Cooperative's BuyBoard program, for the lease of a mailing system and the purchase of consumable supplies for the mailing system at the Port Authority's Executive Office Building for a period of five years in an amount not to exceed \$126,385.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, issue a purchase order to Pitney Bowes Global Financial Services LLC, using the Local Government Purchasing Cooperative's BuyBoard program, for the lease of a mailing system and the purchase of consumable supplies for the mailing system at the Port Authority's Executive Office Building for a period of five years in an amount not to exceed \$126,385, 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 #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:

Awards, Amendments & Change Orders

Department:

Office and Building Services

Staff Contact:

Jessica Shaver

Background:

By Minute No. 2013-0521-32, the Port Commission authorized a purchase order to Pitney Bowes Global Financial Services LLC (Pitney Bowes) in an amount not to exceed \$135,000 for a five-year mailing system lease agreement, which is due to expire July 31, 2018. Staff recommends upgrading the existing system to a system that offers the ability to capture more complete receiving information and to allow for the flexibility to strategically implement better internal controls at various Port Authority delivery points. The upgraded system would allow Office and Building Services to continue to perform its mail functions with uninterrupted service and provide the Port Authority the ability to interchange package delivery and receipt information with existing and future asset tracking and management systems via electronic extraction and interfaces.

Leasing mailing equipment and software using interlocal agreements and cooperative purchasing programs has proven to be cost and time effective in order to obtain the best prices on mailing equipment, SendSuite Tracking, shipping software and workstation hardware currently needed by the Port Authority.

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. By Minute No. 2006-1023-43, the Port Commission approved entering 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:

Staff believes that upgrading to this new system from the current system for a cost not to exceed \$126,385, including consumable supplies, for the mailing equipment over the five-year agreement term would be a reasonable cost to improve efficiency and internal controls in the Port Authority's package intake function.

Staff has determined that contracting services through the BuyBoard Cooperative Purchasing program is the method that both satisfies competitive requirements and provides the best value to the Port Authority. Pitney Bowes, the premier service provider in the mailroom equipment category, is the vendor currently providing the best price using the BuyBoard Cooperative Purchasing program.

Therefore, staff recommends that the Port Commission approve a purchase order to Pitney Bowes for the lease of mailing equipment and purchase of consumable supplies for the mailing equipment using the Local Government Purchasing Cooperative's BuyBoard program as providing the best value of the Port Authority.

M. PEOPLE

Subject **3. Authorize an interlocal agreement with the University of Houston Graduate Design/Build Studio, Gerald D. Hines College of Architecture and Design, to design and construct an open-air shade structure at the Turning Basin Terminal's Sam Houston Landing, in an amount not to exceed \$50,000.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27 meeting, authorize an interlocal agreement with the University of Houston Graduate Design/Build Studio, Gerald D. Hines College of Architecture and Design, to design and construct an open-air shade structure at the Turning Basin Terminal's Sam Houston Landing, in an amount not to exceed \$50,000, 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 #4 - STEWARDSHIP (Sustain the business for the long-term)
Strategic Objective 4a. - Be an environmental leader

Category:
General

Department:
Community Relations & Events

Staff Contact:
Leslie Herbst

Background:

A small shade covering/canopy at the Turning Basin Terminal's Sam Houston Landing is proposed by staff to protect visitors from the elements when embarking/disembarking from M/V Sam Houston tours. The area previously had a pavilion, with a large cover to protect guests from the elements; however, the roof was removed several years ago for safety reasons. There is currently no covered waiting area for guests at the Sam Houston Landing area.

Staff has recently engaged in conversations with representatives of the University of Houston, Gerald D. Hines College of Architecture and Design, regarding a proposed project to design and build an open-air shade structure. The college's Graduate Design/Build Studio has years of experience with student projects developing sun and rain-protected shade structures in a variety of settings, including projects carried out on behalf of local government agencies. This group also constructed the entry canopy at the Turning Basin Terminal main gate.

The director of the Graduate Design/Build Studio has proposed a 2018 student project to design, fabricate, and erect this structure at the Sam Houston Landing. The Port Authority would be responsible for survey, soils boring, site and electrical work, engineering review, miscellaneous fees, and costs if any options were incorporated.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize the proposed interlocal agreement. The project would offer a cost-effective pathway for the construction of an open-air shade structure, provide educational opportunities for local graduate students, and better acquaint those students and others at the University of Houston with the operations of the Port Authority.

Staff believes that both parties are authorized under the Texas Government Code Section 791 (the Interlocal Cooperation Act) to enter into an interlocal contract for such project.

N. TECHNOLOGY

Subject **1. Award a purchase order to CDW Government LLC for the purchase of miscellaneous computer parts and accessories, using the Texas Cooperative Purchasing Network cooperative purchase program, in an amount not to exceed \$100,000.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, authorize a purchase order to CDW Government LLC for the purchase of miscellaneous computer parts and accessories, using the Texas Cooperative Purchasing Network, cooperative purchase program, in an amount not to exceed \$100,000, determine that the proposed procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 1c. - Implement streamlined processes supported by technology
STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Ron Farrow

Background:

The Port Authority routinely purchases small, low cost technology items such as cables (power, video, and USB), chargers (phone, tablet, and laptop), keyboards, mice, etc., when these items are damaged or no longer functional. The number and type of items purchased varies depending upon the circumstances; therefore, the Port Authority does not maintain an inventory of these parts and accessories, and purchases the necessary items on an as-needed basis. Liquid Crystal Display (LCD) monitors are also procured using this method, because LCD monitors are not included in the purchase of a new computer, and existing monitors can be reused with a new or replacement computer.

By Minute No. 2008-0219-49, the Port Commission granted authority to join the Texas Cooperative Purchasing Network (TCPN), and to use its cooperative purchase program for certain purchases. TCPN members, including local governmental entities, purchase items under the terms of cooperative contracts procured in compliance with applicable State of Texas procurement laws. Pursuant to Texas Government Code, a local government that purchases goods and services under Section 791.025 satisfies the requirement of the local government to seek competitive bids for such purchases. The Port Authority joined the TCPN by entering into an interlocal contract with the Region 4 Education Service Center, as provided by Government Code Section 791.025; therefore the use of a TCPN contract is an acceptable purchasing method for the Port Authority in accordance with Texas Water Code Section 60.454.

Staff Evaluation/Justification:

Staff has determined that the Texas Cooperative Purchasing Network cooperative purchase program has a contract with CDW Government LLC, that offers competitive pricing for miscellaneous computer parts and accessories, and that the price and availability provides best value to the Port Authority, and recommends the Port Commission approve the use of this cooperative purchasing program as the best value method to procure these items at the stated cooperative contract price.

N. TECHNOLOGY

Subject **2. Award a purchase order to SHI Government Solutions, Inc., using the BuyBoard cooperative purchase program, to provide cybersecurity tools and support to the current Port Authority Information Technology infrastructure in an amount not to exceed \$70,000.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, award of a contract to SHI Government Solutions, Inc., using the BuyBoard cooperative purchase program, for cybersecurity tools and support in an amount not to exceed \$70,000, find that the use of this procurement method for the contract provides best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 4c. - Operate safely and securely
Strategic Objective 1c. - Implement streamlined processes supported by technology

Category:
Awards, Amendments & Change Orders

Department:
Information Technology

Staff Contact:
Charles Thompson

Background:
Staff has determined to contract with Government Solutions, Inc. (SHI) to purchase cybersecurity tools and support. SHI has been a vendor for several years, assisting the Information Technology (IT) department through support contracts to provide needed IT and vendor support. Such support would primarily include hardware and software licensing, allowing the IT department to provide the cybersecurity services that the Port Authority requires on a daily basis.

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

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

Staff Evaluation/Justification:
Staff has determined that the BuyBoard cooperative contract program provider, SHI, offers CyberSecurity tools and support, which price and availability provide best value to the Port Authority.

Staff recommends that the Port Commission approve the purchase of CyberSecurity tools and support in an amount not to exceed \$70,000 to SHI, through the Texas DIR cooperative agreement, which provides best value to the Port Authority.

N. TECHNOLOGY

Subject **3. Award a purchase order to SHI Government Solutions, Inc., using the State of Texas Department of Information Resources cooperative purchase program, to provide software support for the Port Authority's virtual environment in an amount not to exceed \$125,000.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, award a purchase order to SHI Government Solutions, Inc., using a State of Texas Department of Information Resources cooperative purchase program, to provide software support for the Port Authority's virtual environment in an amount not to exceed \$125,000, 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 #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:
Awards, Amendments & Change Orders

Department:
Information Technology

Staff Contact:
Charles Thompson

Background:
The Port Authority leverages VMware software for server and client virtualization. Virtualization allows the Information Technology Department (IT) to reduce hardware expenses and benefit from centralized management of servers. IT has been utilizing VMware software for over 8 years and considers the technology reliable and proven.

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

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

Staff Evaluation/Justification:
Staff recommends the Port Commission approve this cooperative contract offered by SHI Government Solutions, which provides best value to the Port Authority.

N. TECHNOLOGY

Subject **4. Award a purchase order to Amazon Business for the purchase of miscellaneous computer parts and accessories, using the U.S. Communities Government Purchasing Alliance, in an amount not to exceed \$50,000.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, award a purchase order to Amazon Business for the purchase of miscellaneous computer parts and accessories, using the U.S. Communities Government Purchasing Alliance, in an amount not to exceed \$50,000, determine that the proposed procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 1c. - Implement streamlined processes supported by technology
STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:
Awards, Amendments & Change Orders

Department:
Information Technology

Staff Contact:
Ron Farrow

Background:
The Port Authority routinely purchases small, low cost technology items such as cables (power, video, and USB), chargers (phone, tablet, and laptop), keyboards, mice, etc., when these items are damaged or no longer functional. The number and type of items purchased varies depending upon the circumstances; therefore, the Port Authority does not maintain an inventory of these parts and accessories, and purchases the necessary items on an as-needed basis. Liquid Crystal Display (LCD) monitors are also procured using this method, because LCD monitors are not included in the purchase of a new computer, and existing monitors can be reused with a new or replacement computer.

By Minute No. 2004-0628-35, the Port Commission granted authority to enter into an intergovernmental cooperative purchasing agreement with U.S. Communities Government Purchasing Alliance (U.S. Communities) and to use its cooperative purchasing program for certain Port Authority purchases. U.S. Communities is a nonprofit instrumentality of government, and the Port Authority is authorized to enter into agreements with it under the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The use of this interlocal agreement is a purchasing method acceptable under Water Code Section 60.454. A local government that purchases goods and services under Government Code 791.025 satisfies the requirement of the local government to seek competitive bids for such purchases. Government Code 791.025(b) allows a local government to enter into agreements for the purchase of goods and services with nonprofit corporations created and operated to provide purchasing functions. Staff has determined that using this purchasing method provides the best value to the Port Authority and recommends that this method be used to procure these items.

Staff Evaluation/Justification:
U.S. Communities Government Purchasing Alliance cooperative contract provider Amazon Business, offers various parts and accessories that are expected to greatly improve the Port Authority's ability to quickly and

easily procure these items at a reasonable cost, without having to maintain a large parts inventory.

Accordingly, staff recommend that the Port Commission approve this proposed contract and use of this cooperative purchasing program as providing best value for the Port Authority.

N. TECHNOLOGY

Subject **5. Award a purchase order to Microsoft Corporation, for Microsoft Premier Support Services for Microsoft Office 365 technical planning and support, using a Texas Department of Information Resources cooperative purchasing program, in a total amount not to exceed \$151,183.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, award a purchase order to Microsoft Corporation, for Microsoft Premier Support Services for Microsoft Office 365 technical planning and support, using a Texas Department of Information Resources cooperative purchasing program, in a total amount not to exceed \$151,183, determine that the use of this procurement method for the contract provides best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 2b. - Deliver cost and service advantages through innovation and efficiency
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 has identified an upgrade path to migrate from on premise Microsoft solutions to the cloud-based Microsoft Office 365. To assist the Port Authority with a rapid and efficient migration, Microsoft offers Premier Support Services, for planning and support (both proactive and reactive) needs for Office 365 and all additional Microsoft technologies. These services allow for direct contact with senior engineers, who will aid in a successful implementation, achievement of business priorities, and full organizational transition to Microsoft Office 365.

The Texas Legislature enacted Government Code Chapter 2054 (the Information Resources Management Act) which established the State of Texas Department of Information Resources (DIR). DIR has a cooperative purchasing program (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 procurement requirements. Additionally, DIR is an agency of the state of Texas, therefore the use of a DIR contract is a purchasing method acceptable for the Port Authority pursuant to Texas Water Code Section 60.454.

Staff Evaluation/Justification:

Accordingly, staff has determined that the price, availability and direct access to senior Microsoft engineers for planning and incident/crisis management provided by Microsoft Premier Services, using the Texas Department of Information Resources agreement, provides the best value to the Port Authority.

Staff recommends the Port Commission approve the purchase order with Microsoft Corporation.

N. TECHNOLOGY

Subject **6. Enter into a three-year Interconnection Security Agreement with United States Customs and Border Protection for maintaining an Electronic Data Interface link.**

Meeting Mar 27, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its March 27, 2018 meeting, enter into a three-year Interconnection Security Agreement with United States Customs and Border Protection for maintaining an Electronic Data Interface (EDI) link, 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:
Information Technology

Staff Contact:
Charles Thompson

Background:
The Port Authority electronically communicates data on a daily basis with the United States Customs and Border Protection (CBP) to identify the contents of freight. The foundation of this communication is a Virtual Private Network (VPN) connection. Referred to as a "VPN Tunnel," the connection allows the Port Authority to send/receive Automated Commercial System and/or Automated Export System data, to/from CBP.

The proposed Interconnection Security Agreement establishes the Port Authority as a trusted connection for CBP.

Staff Evaluation/Justification:
Staff recommends approval of a three-year agreement with CPB as described above.