

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

May 17, 2018

<u>Minute No.</u>	<u>Event/Action</u>
	General
	Chairman Longoria convened the meeting of the Port Commission and provided opening remarks
	Minutes
2018-0517-01	Approve the Minutes of the April 16, 2018 Port Commission Meeting
	Port Commission Committee Updates
2018-0517-02	Commissioner Branch reported on the Procurement and Small Business Task Force Meeting - May 14, 2018
2018-0517-03	Commissioner Fitzgerald reported on the Pension and Benefits Committee Meeting - May 15, 2018
	Appearances
2018-0517-04	Chairman Longoria introduced Galveston Bay Foundation, Haille Leija, Habitat Restoration Coordinator, who addressed the Port Commission
2018-0517-05	Approve a five-year lease agreement with the Galveston Bay Foundation for an approximately 1.5 acres oyster shell recycling site and .33 acres for a non-exclusive access road area, out of the Memorial Tract effective no earlier than July 1, 2018 at an annual rental of \$10
2018-0517-06	Chairman Longoria introduced Glenn Fallucca and Bruno Samuel, DNV GL, who addressed the Port Commission
2018-0517-07	Chairman Longoria asked if anyone else would like to address the Port Commission; there was no response
	Staff Reports

<u>Minute No.</u>	<u>Event/Action</u>
2018-0517-08	Roger Guenther, Executive Director, presented a summary of selected financial and operations matters
2018-0517-09	Approve the assignment from Ceres Gulf, Inc. to Texas Stevedoring Services LLC of its Barbours Cut Terminal Administration Building office lease no earlier than July 1, 2018
	G. Executive
2018-0517-10	Approve the Amended Vendor Protest Procedure
	H. Commercial
	Approve the assignment from Ceres Gulf, Inc. to Texas Stevedoring Services LLC of its Barbours Cut Terminal Administration Building office lease no earlier than July 1, 2018 (<i>see above – approved by Minute No. 2018-0517-09</i>)
	Approve a five-year lease agreement with the Galveston Bay Foundation for an approximately 1.5 acres oyster shell recycling site and .33 acres for a non-exclusive access road area, out of the Memorial Tract effective no earlier than July 1, 2018 at an annual rental of \$10 (<i>see above – approved by Minute No. 2018-0517-05</i>)
2018-0517-11	Approve a five-year lease agreement with the Port of Houston Credit Union for approximately 926 usable square feet of office space in the Executive Office Building effective no earlier than July 1, 2018 at an annual rental of \$10
	I. Finance
2018-0517-12	Authorize advertisement and receipt of responses for seven formal procurements
2018-0517-12(a)	Request for competitive sealed bids for purchase of a 50,000-lb vehicle lift for Bayport Container Terminal
2018-0517-12(b)	Request for competitive sealed bids for purchase of miscellaneous electrical cables for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal
2018-0517-12(c)	Request for competitive sealed bids to repair Wharf Nos. 11, 12, and 13 at Turning Basin Terminal – Damage Claim 1170
2018-0517-12(d)	Request for competitive sealed proposals for repair of motors, generators, and alternators for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal

<u>Minute No.</u>	<u>Event/Action</u>
2018-0517-12(e)	Request for competitive sealed proposals for replacement of forestays on Cemco wharf crane at Barbours Cut Terminal
2018-0517-12(f)	Request for competitive sealed proposals for berth maintenance dredging at Jacintoport and CARE Terminals
2018-0517-12(g)	Request for proposals for drydock maintenance and repair contract for six Port Authority vessels
2018-0517-13	Approve an order authorizing the sale of Port of Houston Authority of Harris County, Texas, Unlimited Tax Refunding Bonds, Series 2018A, in an aggregate principal amount not to exceed \$201,685,000, and matters incident thereto

J. Health, Safety, Security & Emergency Management

2018-0517-14	Enter into a Memorandum of Agreement among the Department of Homeland Security, Science and Technology Directorate and Houston-Area public safety organizations, including the Port Authority, for participation in the Next Generation First Responder Operational Experimentation exercise in December 2018
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K. Infrastructure

2018-0517-15	<p>Approve staff's ranking of vendors and award a professional services contract for the design of the expansion of gate facilities at Barbours Cut Terminal to the top-ranked proposers: staff ranking – first, Hatch Associates Consultants, Inc.; second, Moffatt & Nichol; and third, ISANI Consultants</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2018-0517-16	<p>Approve staff's ranking of vendors and award a two-year environmental consulting agreement for storm water quality program management to the top-ranked proposer: staff ranking - first, Spirit Environmental, LLC; second, Terra Nova Consulting, Inc.; and third, Atkins North America, Inc.</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2018-0517-17	Amend the professional services contract with CAVU International 1, LLC for continuous improvement, process execution checklists development, and operational excellence facilitation

<u>Minute No.</u>	<u>Event/Action</u>
2018-0517-18	Amend the professional services contract with Binkley & Barfield, Inc. for utilities coordination and design along Jacintoport Boulevard and Peninsula Street, from Beltway 8 to CARE and Jacintoport Terminals
2018-0517-19	Enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers for maintenance dredging of berths at the Bayport Container Terminal and Auto Terminal, Barbours Cut Terminal, JacintoPort Terminal, and CARE Terminal
2018-0517-20	Issue a pipeline license to Lone Star NGL Mont Belvieu Pipelines LLC for one 12-inch ethane pipeline across Cedar Bayou, Banana Bend property, and the San Jacinto River
2018-0517-21	Assign a pipeline license from INEOS USA LLC to INEOS Chocolate Bayou Pipeline LLC for one 8-inch ethylene pipeline across Southside Mainline and Pasadena Cut-Off railroad right-of-ways in Pasadena
2018-0517-22	Assign a pipeline license from INEOS USA LLC to INEOS Chocolate Bayou Pipeline LLC for one 16-inch liquefied petroleum products pipeline and a valve site across the Houston Ship Channel and Bulk Materials Handling Plant in Houston
2018-0517-23	Amend a license to Targa NGL Pipeline Company LLC to modify the location of a 20-inch liquefied petroleum gas pipeline across Greens Bayou, Hunting Bayou, Seymore Tract, and Northside Mainline railroad right-of-way

L. Operations

2018-0517-24	Award a two-year service contract to Shermco Industries for emergency electrical support for substations and switchgears at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2018-0517-25	Issue a purchase order to DARR Equipment Company for the purchase of one 10,000-lb. capacity Caterpillar forklift using the Local Government Purchasing Cooperative's Buyboard Program
2018-0517-26	Issue a purchase order to Doggett Heavy Machinery Services, LLC for the purchase of a 2018 John Deere Model 410L backhoe using the Houston-Galveston Area Council Cooperative Purchasing Program
2018-0517-27	Award a one-year contract to Ambassador Services LLC for cleaning services at Barbours Cut Terminal and Bayport Container Terminal, using the Harris County Department of Education's Choice Partner cooperative purchase program

<u>Minute No.</u>	<u>Event/Action</u>
2018-0517-28	<p>Authorize payment to Navis LLC for annual maintenance services for the Marine Terminal Management Software System for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal</p> <p>M. People (none)</p> <p>N. Technology</p>
2018-0517-29	Award a purchase order to NetSync Network Solutions, Inc. for the replacement of unsupported network equipment as provided for in the Information Technology Master Plan, using the State of Texas Department of Information Resources Cooperative Purchase program
2018-0517-30	Award a purchase order to NetSync Network Solutions, Inc. for network switching hardware to provide redundancy and high availability at the Port Authority's Disaster Recovery site, using a State of Texas Department of Information Resources Cooperative Purchase program
2018-0517-31	Award a purchase order to Solid Border, Inc. for redundant network firewalls to provide security, redundancy, and high availability at the Port Authority's Disaster Recovery site, using a State of Texas Department of Information Resources Cooperative Purchase program
2018-0517-32	Amend the professional services agreement with Total Network Solutions to perform additional database monitoring and support services for the Navis Terminal Operating System and Smart Tecs Gate Operating systems
	O. Recess Open Meeting and Convene Executive Session
	P. Reconvene Open Meeting
2018-0517-33	Motion to authorize the Port Authority to enter into a lease with Lansing Trade Group, LLC on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing
2018-0517-34	Motion to amend last month's Port Commission authorization to enter into licenses in connection with the construction of the Sam Houston Tollway Bridge 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
May 17, 2018**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on May 17, 2018 at 10:00 a.m., at the Port of Houston Authority Executive Offices, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following Commissioners, staff and counsel were present:

Janiece Longoria, Chairman
Theldon R. Branch, III, Commissioner
Dean E. Corgey, Commissioner
Stephen H. DonCarlos, Commissioner
Clyde E. Fitzgerald, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
J. Kent Friedman, Orrick, outside counsel

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

- On April 20, Port Houston and industry partners hosted the Maritime Youth Expo at the San Jacinto College Maritime Training Center. Over 600 students participated in the expo and engaged with exhibitors including the Houston Pilots, U.S. Coast Guard, Port Houston Fire Department, M/V Sam Houston crew, Kirby Inland Marine, LP, and others. The Port's Emergency Mobile Command Center and a Port Houston Fireboat were also on site for demonstrations.
- Chairman Longoria recognized the Small Business and Maritime Outreach Department for its work with the Port of Houston Partners in Maritime Education Program. The program began in 2009 and now has engaged more than 1,200 students. This spring four students graduated from the program from Jack Yates High School, Stephen F. Austin High School, Galena Park High School, and the Dr. Kirk Lewis Career and Technical High School in the Pasadena Independent School District. Chairman Longoria thanked Commissioners Branch, Kennedy, and Mease for attending the graduations and taking part as guest speakers. Chairman Longoria reiterated how important maritime education is to the community and was extremely pleased that local talent was pursuing maritime careers.
- May 15 was National Peace Officers Memorial Day, which recognizes law enforcement officers who have lost their lives in the line of duty. In memory of those fallen officers, the Port Police Department Honor Guard Team lowered the flags at the Executive Building and many staff stood with them and observed

a moment of silence. Chairman Longoria thanked Port Police officers for keeping us safe and secure.

- On May 12, twenty Port Houston team members joined with other volunteers at the Galveston Bay Foundation's Marsh Mania event. Thousands of stems of smooth cordgrass covering more than one half acre of eroding shorelines along Galveston Bay's Virginia Point were planted.
- Finally, Chairman Longoria recognized Chief Commercial Officer Ricky Kunz, who will be retiring in mid-June. She noted that when Mr. Kunz started work at Port Houston, it had zero all-water trade from Asia through the Panama Canal, but today, under his leadership, that trade makes up 45 percent of Port Houston's imports. Chairman Longoria thanked him for his dedicated service and wished him and his wife a very happy retirement, adding that he would be greatly missed. She asked if Mr. Guenther would like to say a few words.
- Mr. Guenther thanked Mr. Kunz for his dedication, noting that he had been a mentor to him and other staff members and was a large influence on the success of Port Houston. He also announced that John Moseley, Senior Director, Trade Development, had been named Chief Commercial Officer.

(2018-0517-01) Minutes

Chairman Longoria called for a motion to approve the minutes of the April 16, 2018 Port Commission meeting. Commissioner Corgey moved for approval, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. The minutes were approved as written.

(2018-0517-02) Commissioner Branch reported on the Procurement and Small Business Development Task Force Meeting - May 14, 2018.

Commissioner Branch reported that the Small Business Development Program continues to perform well. The first quarter of 2018 yielded an average utilization rate of 57%. Since its inception in 2002, the program has a cumulative 42% participation rate, well above the program goal of 35%.

The Procurement Services Department reported that first quarter activities versus the prior year showed a five percent growth in transactions.

Staff presented two recommendations to the Task Force:

- Expand the possible range of Small Business participation in Competitive Sealed Bids (“CSBs”) to 35%, from its current maximum of 15%, and evaluate the results on a project-by-project basis.
- Implement a pilot project to simplify the formulas associated with scoring price relative to small business participation rates for Competitive Sealed Proposals, and establish a “pass/fail” target for small business participation in proposals as is done with CSBs.

Commissioner Branch asked if there were any questions; there were none. Chairman Longoria thanked Commissioner Branch for his report.

(2018-0517-03) Commissioner Fitzgerald reported on the Pension and Benefits Committee Meeting - May 15, 2018.

Commissioner Fitzgerald reported that for the year ended December 31, 2017, the pension plan and Other Post-Employment Benefits (OPEB) Trust had returns of approximately 11%, which compared well against the actuarial assumption rate of 6.75%. As the markets were down in the first quarter of 2018, the performance for both plans was reduced to 5% for the 12 months ending March 31, 2018. The pension plan is currently 95% funded.

A presentation was made by Lockton Companies LLC, the Port Authority’s new benefits consultant, regarding moving from a “fully-insured” to a “self-funded” program. Self-funded programs have been adopted by many organizations the size of Port Houston and could save 4-8% in costs over a three-year period. The task force voted to support development of a self-funded program, and staff will prepare final recommendations and request Port Commission consideration in addition to the rest of the 2019 Employee Benefits Program at its September meeting.

Commissioner Fitzgerald asked if there were any questions; there were none. Chairman Longoria thanked Commissioner Fitzgerald for his report.

(2018-0517-04) Chairman Longoria introduced Haille Leija, Habitat Restoration Coordinator, Galveston Bay Foundation, who addressed the Port Commission.

Ms. Leija thanked the Port Commission and port staff for their assistance in helping recycle approximately 800 tons of oyster shells since 2013 to build new barrier reefs in Galveston Bay.

Chairman Longoria thanked Ms. Leija for an overview of the recycling program and called for Item H-2 on the agenda.

(2018-0517-05) RCA H2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA H2 PASSED.

(2018-0517-06) Chairman Longoria introduced Glenn Fallucca and Bruno Samuel, DNV GL, who addressed the Port Commission.

Mr. Samuel advised the attendees that his company was responsible for auditing and recertifying Port Houston to ISO 14001. ISO 14001 is the international standard that specifies requirements for an effective Environmental Management System (EMS). Mr. Samuel advised that his team was impressed with Port Houston's strong leadership commitment, strong culture of stewardship, and continued improvement. He presented a plaque to Port Houston for its recertification of ISO 14001 and congratulated them on this achievement.

(2018-0517-07) Chairman Longoria asked if anyone else would like to address the Port Commission; there was no response.

(2018-0517-08) Staff Reports

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

- Year to date, 13 million tons of cargo have passed through Port Houston terminals, a 2% gain for the year. Steel imports have increased 17% from 2017 and container activity has increased 3%. This increase continues to be driven by import loaded containers, especially in the East Asia trade lane.
- Port Houston recently was named "Best Seaport in North America" by *Asia Cargo News*. The Asian Freight and Logistics Supply Chain (AFLAS) awards recognizes industry organizations for demonstrating leadership, consistency in service quality, innovation, customer relationship, management and reliability. Port Houston's representative in Asia, Ben Line Agencies, accepted the award on Port Houston's behalf.
- Port Houston recently added two new weekly services, which are expected to increase business through Barbours Cut and Bayport Terminals:
 - The Gulf Ocean Express is operating a new service between the United States and Latin America. The service includes two vessels operated by SeaLand and one vessel operated by MSC. The direct all-water service connects Houston, New Orleans, Central America, Panama, and Columbia.

The first sailing under this new service arrived at Barbours Cut Terminal on April 18.

- Port Houston was added to MSC's existing Indus Service that calls on the east coast of the United States, India, and the Middle East via the Suez Canal. The service employs nine 8,400 twenty-foot equivalent unit vessels and will begin calling at Bayport Terminal in early June.

Mr. Guenther concluded his remarks by announcing that three cranes left the ZPMC manufacturing facility in Shanghai on their way to Wharf No. 2 at Bayport and are expected to arrive by the middle of June.

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."

(2018-0517-09) RCA H1 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA H1 PASSED.

(2018-0517-10) RCA G1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA H1 PASSED.

RCA H1 was approved (*see above – approved by Minute No. 2018-0517-09*).

RCA H2 was approved (*see above – approved by Minute No. 2018-0517-05*).

(2018-0517-11) RCA H3 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA H3 PASSED.

(2018-0517-12) RCA I1(a-g) was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA I1(a-g) PASSED.

(2018-0517-13) RCA I2 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA I2 PASSED.

(2018-0517-14) RCA J1 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA J1 PASSED.

(2018-0517-15) RCA K1 was presented. Commissioner Branch moved for staff ranking – first, Hatch Associates Consultants, Inc.; second, Moffatt & Nichol; and third, ISANI Consultants, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA K1 PASSED.

Commissioner DonCarlos asked for an explanation of this item. Mr. Guenther advised him that there is expected to be two additional lanes at Barbours Cut Terminal to accommodate the heavier traffic.

(2018-0517-16) RCA K2 was presented. Commissioner DonCarlos moved for staff ranking – first, Spirit Environmental, LLC; second, Terra Nova Consulting, Inc.; and third, Atkins North America, Inc., seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA K2 PASSED.

(2018-0517-17) RCA K3 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA K3 PASSED.

(2018-0517-18) RCA K4 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA K4 PASSED.

(2018-0517-19) RCA K5 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA K5 PASSED.

Chairman Longoria asked Mr. Guenther for an explanation of this item, and Mr. Guenther deferred to Mr. Byrnes. Mr. Byrnes explained that the U.S. Army Corps of Engineers (“Corps”) contracts with dredging companies to maintain the federal channel. When the dredging company comes close to our facilities Port Houston can “piggy back” on the contract for a month or two to have its berths dredged. In addition to the dredging, Port Houston needs to place the dredged material into federal placement areas. The

proposed Memorandum of Agreement with the Corps would enable Port Houston to utilize Section 217(b) of the Water Resources Development Act of 1996 whereby the tipping fees charged for use of the placement area would stay in the local Corps budget.

(2018-0517-20) RCA K6 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA K6 PASSED.

(2018-0517-21) RCA K7 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA K7 PASSED.

(2018-0517-22) RCA K8 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA K8 PASSED.

(2018-0517-23) RCA K9 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA K9 PASSED.

(2018-0517-24) RCA L1 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA L1 PASSED.

(2018-0517-25) RCA L2 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA L2 PASSED.

(2018-0517-26) RCA L3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA L3 PASSED.

Commissioner Branch asked Mr. Guenther if staff had considered working with one company for parts and repair purposes or if the purchase was considered a "best buy." Mr. Guenther responded that when Port Houston buys in bulk it purchases from one vendor, however for one-time purchases it purchases the "best buy."

(2018-0517-27) RCA L4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA L4 PASSED.

(2018-0517-28) RCA L5 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA L5 PASSED.

Chairman Longoria asked Mr. Thompson if this item was an agenda item at an earlier meeting. Mr. Thompson responded that the current RCA was for the annual maintenance agreement for the container terminals and general cargo.

(2018-0517-29) RCA N1 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA N1 PASSED.

(2018-0517-30) RCA N2 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA N2 PASSED.

(2018-0517-31) RCA N3 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA N3 PASSED.

(2018-0517-32) RCA N4 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald.

Commissioner DonCarlos questioned why the additional database monitoring and support services was not included in the original agreement. Mr. Thompson responded that due to the expanded gate hours it is necessary to have 24/7 on call support and active monitoring, and this amendment ensures that Port Houston will receive 24/7 service.

Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. RCA N4 PASSED.

At 10:40 a.m., Chairman Longoria advised that the Executive Session would follow and asked Mr. Eriksson to make the following announcement:

It is now 10:40 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*), to deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including deliberation regarding disposition of Woodhouse Terminal properties and Beltway 8 properties; (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open*

Meetings Act); (4) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*), 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 10:52 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, staff and counsel in attendance:

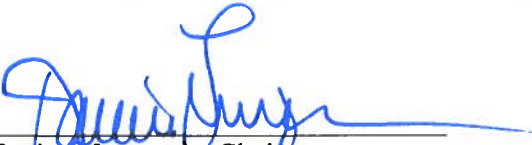
Janiece Longoria, Chairman
Theldon R. Branch, III, Commissioner
Dean E. Corgey, Commissioner
Stephen H. DonCarlos, Commissioner
Clyde E. Fitzgerald, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
J. Kent Friedman, outside counsel

(2018-0327-33) Commissioner DonCarlos moved to authorize the Port Authority to enter into a lease with Lansing Trade Group, LLC on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. MOTION PASSED.

(2018-0327-34) Commissioner Corgey moved to amend last month's Port Commission authorization to enter into licenses in connection with the construction of the Sam Houston Tollway Bridge on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Nays none. MOTION PASSED.

At 10:53 a.m., Chairman Longoria adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the May 17, 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 Amended Vendor Protest Procedure.
Meeting	May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 17, 2018 meeting, approve the Amended Vendor Protest Procedure, 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:
General

Department:
Executive

Staff Contact:
Erik Eriksson

Background:

The Port Commission, at its meeting on October 23, 2012, adopted a Vendor Protest Procedure (the Procedure), designed to provide a formal avenue for resolving the protest of a Port Authority solicitation, evaluation, or award, and to promote fairness and transparency in Port Authority procurement decisions.

Debriefings, in the context of the Procedure, mean oral briefings provided to an Interested Party or a Protesting Party (as defined in the Procedure) regarding the Port Authority's evaluation of a bid or proposal. The original Vendor Protest Procedure does not provide a time limit on how long after an award a debriefing could be requested, and the Procurement Services Department has had requests for debriefings that have been as late as eight months after an award, which may make it difficult to provide adequate feedback to a vendor.

At the March 26, 2018 Procurement and Small Business Development Task Force meeting, the Procurement Services Department recommended that a change be made to the Procurement Manual to provide a time limitation on the period in which debriefings under the Procedure could be requested.

Staff Evaluation/Justification:

The Amended Vendor Protest Procedure would revise Section 3 to require that requests for debriefing be made within 90 days of the award. Additionally, minor formatting changes have been made, and a policy material provision added.

The Procurement and Small Business Development Task Force indicated that it was in favor of this change. Accordingly, staff recommends that the Port Commission approve the Amended Vendor Protest Procedure in the form attached as Exhibit "A."

Port of Houston Authority
Amended Vendor Protest Procedure
May 2018



Purpose. The purpose of the Amended Port of Houston Authority Vendor Protest Procedure ("Vendor Protest Procedure") is to provide a formal avenue for resolving the protest of a Port Authority solicitation, evaluation, or award. The Vendor Protest Procedure is intended to promote fairness in Port Authority procurement decisions.

Procedure.

Section 1. Definitions. For the purposes of this Vendor Protest Procedure, capitalized terms used herein shall have the following meanings:

- (a) **Contract** – A contract, including purchase order, for the purchase by the Port Authority of any Items.
- (b) **Designee** – The person acting in the capacity of the Executive Director or General Counsel, as applicable.
- (c) **Executive Director** – The Port Authority's Executive Director or senior-most staff executive.
- (d) **Interested Party** – Any bidder, proposer, respondent, offeror, vendor, service provider, or contractor, other than a Protesting Party, who has submitted a bid, proposal, or other expression of interest for the Contract at issue.
- (e) **Items** – any service, equipment, goods, or other tangible or intangible personal property.
- (f) **General Counsel** – the Port Authority's senior-most staff attorney.
- (g) **Port Authority** – The Port of Houston Authority of Harris County, Texas, a political subdivision of the State of Texas.
- (h) **Port Commission** – The governing body of the Port Authority.
- (i) **Protest** – A Protest hereunder relating to the solicitation, evaluation, or award of a Contract.
- (j) **Protesting Party** – An actual or prospective bidder, proposer, respondent, offeror, vendor, service provider or contractor who is aggrieved in connection with the solicitation, evaluation, or award of a Contract.

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(k) **Purchasing Executive** – The Port Authority's senior-most purchasing executive.

Section 2. Protest Circumstances.

(a) A Protesting Party may Protest a Contract under the following circumstances:

(1) the solicitation, evaluation, or award was made under a publicly-advertised solicitation process, and the Protesting Party submitted a bid or proposal that was not selected; or

(2) the solicitation, evaluation, or award was for a sole source Contract or emergency procurement of a Contract, and the Protesting Party was therefore unable to submit a bid or proposal.

(b) This Vendor Protest Procedure does not apply to Contracts for:

(1) the award of grants;

(2) activities permitted with respect to the Promotion And Development Fund under Subchapter H, Chapter 60, Texas Water Code;

(3) subcontracts supporting the performance of a Contract;

(4) Items procured pursuant to the Interagency Cooperation Act, Chapter 771, Texas Government Code, or Interlocal Cooperation Act, Chapter 791, Texas Government Code; or

(5) Items procured under processes administered by the Texas Comptroller's Office, the Department of Information Resources, or other Texas state agencies.

Section 3. Access to Evaluation Materials

(a) Within ninety (90) calendar days of the Port Authority award of a Contract, an Interested Party or a Protesting Party may request a debriefing on the Port Authority's evaluation of its bid or proposal. The Port Authority will provide the debriefing within three business days or as soon as reasonably possible after the award, taking into consideration the size and scope of the procurement and number of debriefing requests received.

(b) The Port Authority will handle requests for access to evaluation materials and other vendors' proposals in accordance with the Texas Public Information Act, Chapter 552 of the Texas Government Code.

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(c) Requests for oral briefings about the Port Authority's evaluation of a bid or proposal must be sent to the Port Authority Purchasing Executive. Requests for records pursuant to this section must be sent to the Port Authority Public Information Officer.

Section 4. Notice of Protest.

(a) Any Protesting Party may Protest an action relating to the solicitation, evaluation, or award of a Contract by submitting such Protest no later than seven (7) calendar days after the earlier of: (i) the date the award or action is made or taken in a public meeting, (ii) the date the award or action is posted on the Port Authority's website, or (iii) the date the Protesting Party knows, or should have known, of the occurrence of the award or action that is Protested.

(b) Unless the Executive Director, the Executive Director's Designee, or the Port Commission determines that a Protest or Protest appeal raises issues significant to Port Authority procurement practices or Vendor Protest Procedures, a Protest or appeal that is not filed timely and in accordance with these Vendor Protest Procedures shall not be considered by the Port Authority hereunder.

(c) A Protesting Party shall submit its Protest to the Port Authority Purchasing Executive.

(d) A Protest shall not be considered by the Port Authority, unless it is:

(1) in writing, and sworn to and signed by the Protesting Party or the Protesting Party's authorized representative;

(2) delivered by hand, by certified mail, or other verifiable delivery service; and

(3) limited to matters relating to the Protesting Party's qualifications to perform the Contract, the suitability of the Items offered by the Protesting Party procured by the Contract, or alleged irregularities in the procurement process for the subject Contract.

Section 5. Content of Protest. A Protest shall not be considered by the Port Authority unless it contains:

(1) the Protesting Party's name and identification of the specific Contract that is being Protested;

(2) the legal and factual basis for the Protest with specific supporting information, and how the Protesting Party alleges the award or action regarding the Contract violated the relevant federal or state statutory or regulatory

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provision(s) governing the procurement, including, for each act that is complained of:

- (i) a specific description of the action alleged to have violated the federal or state statutory or regulatory provision(s); and
 - (ii) a specific identification of the federal or state statutory or regulatory provision(s) that the action complained of is alleged to have violated;
- (3) a precise statement of the relevant facts;
 - (4) identification of the issue(s) to be resolved;
 - (5) the argument and authorities in support of the Protest; and
 - (6) the action the Protesting Party is requesting to address its Protest.

Section 6. Suspension of Award.

(a) If a Protest or appeal of a Protest (as described in Section 8 below) has been submitted in accordance with this Vendor Protest Procedure and the Contract has not been awarded, then the Port Authority shall not proceed with the solicitation or the award of the Contract until there has been a final written determination of the Protest in accordance with Section 9.

(b) The above-described suspension of solicitation or award of a Contract may be waived by the Executive Director or his or her Designee, after consulting with the Purchasing Executive, and making a written determination that award without delay is required: (i) by state or federal law, (ii) to protect substantial interests of the Port Authority, or (iii) to address a bona fide emergency.

Section 7. Review and Disposition of Protest.

(a) Informal resolution. The Purchasing Executive may informally resolve the Protest by written agreement with the Protesting Party.

(b) Written determination.

(1) If the Protest is not resolved by agreement, the Purchasing Executive may forward copies of the Protest and solicit written response to the Protest from Interested Parties and from other parties. After reviewing the responses, the Purchasing Executive shall issue a written determination on the Protest. Upon written request to the Public Information Officer, the Protesting Party shall be provided with copies of any request for written responses solicited under this section and any responses received.

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(2) The General Counsel or his or her Designee shall review the Protesting Party's allegation that the award or action regarding the Contract violated the relevant federal or state statutory or regulatory provision(s) governing the procurement.

(i) If the General Counsel determines no violation of federal or state statutory or regulatory provision(s) governing the procurement occurred, the Purchasing Executive shall so inform the Protesting Party and each Interested Party in a writing that sets forth the reasons for the determination.

(ii) In instances in which the Contract has not been awarded, if the General Counsel determines that a violation of the federal or state statutory or regulatory provision(s) governing the procurement has occurred, the Purchasing Executive shall so inform the Protesting Party and each Interested Party. Such written response shall set forth the reasons for the determination and the appropriate remedial action.

(iii) In instances in which the Contract has been awarded, if the General Counsel determines that a violation of the federal or state statutory or regulatory provision(s) governing the procurement has occurred, the Purchasing Executive shall so inform the Protesting Party and each Interested Party. Such written response shall set forth the reasons for the determination and may declare the Contract void, set aside the award, order advertising with a revised solicitation, recommend that the Port Commission do the same, and/or take other remedial action.

(3) No setting aside, voiding, re-advertising, or other remedial action shall be required if a violation is determined to be harmless.

Section 8. Appeal.

(a) The determination of the Purchasing Executive regarding a Protest may be appealed by the Protesting Party to the Executive Director or his or her Designee. The appeal shall be limited to a review of the determination.

(b) An appeal of the Purchasing Executive's determination must be written and must be received in the Executive Director's office no later than seven (7) calendar days after the date of the determination. A copy of the appeal must be delivered or mailed by the Protesting Party to the Purchasing Executive. The Purchasing Executive shall provide copies to all Interested Parties.

(c) Failure of the Protesting Party to appeal the Purchasing Executive's determination within seven (7) calendar days after the date of the determination renders the determination the final administrative action regarding the Protest.

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(d) The Port Authority's General Counsel or his or her Designee shall review the Protest, the determination, and the appeal, and prepare a written opinion with recommendations to the Executive Director, provided however, that the attorney conducting such review shall not have participated in the review provided for in Section 7 above.

(e) The Executive Director or his or her Designee may issue a final written determination, or refer the matter to the Port Commission for consideration at a regularly scheduled open meeting.

(f) When an appeal has been referred to the Port Commission under subpart (e), above:

(1) Copies of the Protest, the determination, and the appeal shall be provided by the General Counsel to the Port Commission.

(2) The Port Commission may consider oral presentations and written documents presented by staff and any interested party, including the Protesting Party. The Port Commission Chair shall determine the order and length of time allowed for presentations.

(3) Any Interested Party, including the Protesting Party, who wishes to make an oral presentation at the open meeting at which the Port Commission is scheduled to consider the appeal, shall submit a Witness Affirmation Form (as maintained by the Port Authority) to the General Counsel at least thirty (30) minutes before the start of the meeting. Any Interested Party presenting written testimony shall provide ten (10) copies thereof to the Purchasing Executive at least thirty (30) minutes before the start of the meeting, which identifies the Interested Party submitting such materials, for distribution to the Port Commission, Executive Director, General Counsel, and Purchasing Executive. Written testimony received in response to a Protest is considered a public record.

(4) Any Port Commission determination of a Protest appeal shall be adopted by formal action reflected in the minutes of the meeting.

Section 9. Final Action.

(a) A determination of a Protest appeal by the Port Commission in open meeting is final.

(b) If the matter is not referred to the Port Commission by the Executive Director or his or her Designee, the written determination of the Executive Director or his or her Designee is final.

(c) A written determination by the Purchasing Executive that is not appealed in a timely manner and in accordance with these Vendor Protest Procedures is final.

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(d) The Port Authority shall provide the Protesting Party, and any Interested Party requesting the same, with a written copy of the final determination within ten (10) days after determination that the Protest is final.

Section 10. Records. The Port Authority shall maintain all records on the purchasing process that is the subject of a Protest in accordance with applicable retention schedules.

Section 11. General Provisions.

(a) These Vendor Protest Procedures shall be construed to supplement existing laws governing the Port Authority in procurement matters, including Chapter 60.408(d) of the Water Code dealing with competitive sealed bids, and nothing in these Vendor Protest Procedures shall be interpreted in a manner contrary to any applicable federal or state statute. The Port Authority may alter any provision herein to the extent necessary to meet a grant requirement.

(b) These Vendor Protest Procedures, and any standards and guidelines established to implement it, are a nonbinding statement of intent, which does not create a property interest in any person, does not constitute a contractual obligation of the Port Authority to others, and does not waive any of the Port Authority's immunities under law, including the Port Authority's immunity from suit and its immunity from liability. Nothing in these Vendor Protest Procedures prohibits the Port Authority from rejecting any and/or all offers received in response to a procurement solicitation. The Port Authority reserves the right to assert every defense to any claim that is available to it under law.

(c) Except as otherwise provided herein, all written communications required under these Vendor Protest Procedures must be addressed and delivered to:

**Purchasing Executive
Port of Houston Authority
111 East Loop North
Houston, Texas 77029**

(d) This Vendor Protest Procedure describes the procedure to be used by any actual or prospective bidder, proposer, respondent, offeror, vendor, service provider, or contractor desiring to Protest or appeal a Contract procurement decision of the Port Authority.

(e) This Vendor Protest Procedure does not constrain the discretion of the Port Commission, which may amend it at any time for any reason. In the absence of a contrary directive by the Executive Director, the Purchasing Executive is responsible for the implementation of this Vendor Protest Procedure, and is the contact for its interpretation.

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(f) This Amended Vendor Protest Procedure supersedes and replaces any prior policies and procedures adopted by the Port Commission regarding vendor protest, including the one adopted by the Port Commission as evidenced by Minute 2012-1023-23.

Section 12. Adoption.

This Amended Vendor Protest Procedure was adopted by the Port Commission on May 17, 2018 as evidenced by Minute No. 2018-0517-_____, and is effective as of the day of its adoption.

Policy Owner: Procurement Services
Policy Version: Amended 1.0

H. COMMERCIAL

Subject **1. Approve the assignment from Ceres Gulf, Inc. to Texas Stevedoring Services LLC of its Barbours Cut Terminal Administration Building office lease no earlier than July 1, 2018.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, approve the assignment from Ceres Gulf, Inc. to Texas Stevedoring Services LLC of its Barbours Cut Terminal Administration Building office lease no earlier than July 1, 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.

Goals STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:

Leases

Department:

Real Estate

Staff Contact:

R.D. Tanner

Background:

By Minute No. 2017-0725-08, the Port Commission approved a lease amendment to extend the lease with Ceres Gulf, Inc. for an additional three-years, effective September 1, 2017 for approximately 1,098 square feet of office space in the Barbours Cut Administration Building. On February 22, 2018, Ceres Gulf, Inc. and Hapag-Lloyd AG formed Texas Stevedoring Services LLC, and Ceres Gulf, Inc. has now requested that the Port Authority approve the assignment of that office lease to the new entity effective no earlier than July 1, 2018. Notwithstanding the assignment to Texas Stevedoring Services LLC, Ceres Gulf, Inc. would remain responsible for the lessee's obligations under the lease agreement.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve assignment of the lease agreement from Ceres Gulf, Inc. to Texas Stevedoring Services LLC.

H. COMMERCIAL

Subject **2. Approve a five-year lease agreement with the Galveston Bay Foundation for an approximately 1.5 acres oyster shell recycling site and .33 acres for a non-exclusive access road area, out of the Memorial Tract effective no earlier than July 1, 2018 at an annual rental of \$10.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, approve a five-year lease agreement with the Galveston Bay Foundation for an approximately 1.5 acres oyster shell recycling site and .33 acres for a non-exclusive access road area out of the Memorial Tract effective no earlier than July 1, 2018 at an annual rental of \$10, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

Background:
By Minute No. 2013-0625-31, the Port Commission approved a five-year lease agreement with the Galveston Bay Foundation for its oyster shell recycling program. The Galveston Bay Foundation has now requested that the Port Authority renew its lease for five years to continue to serve the program.

Staff Evaluation/Justification:
Staff recommends the Port Commission approve a five-year lease agreement with the Galveston Bay Foundation on the terms described above.

H. COMMERCIAL

Subject **3. Approve a five-year lease agreement with the Port of Houston Credit Union for approximately 926 usable square feet of office space in the Executive Office Building effective no earlier than July 1, 2018 at an annual rental of \$10.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, approve a five-year lease agreement with the Port of Houston Credit Union for approximately 926 usable square feet of office space in the Executive Office Building effective no earlier than July 1, 2018 at an annual rental of \$10, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:
Leases

Department:
Real Estate

Staff Contact:
R.D. Tanner

Background:

The Port of Houston Credit Union, which serves the Port of Houston, has been a tenant in the Executive Office Building since 1991. By Minute No. 2017-0321-12, the Port Commission approved a one-year extension of the lease with the Credit Union. The lease as extended expires on June 30, 2018.

The Credit Union has now requested that the Port Authority renew its lease for five years. The proposed lease would contain a generally accepted market period of time for relocation of the leased premises or termination of the lease, should the Port Authority need to change the use of the premises.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve a five-year lease agreement with the Port of Houston Credit Union on the terms described above.

I. FINANCE

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

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, authorize the Port Authority to advertise and receive responses for seven 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 bids for purchase of a 50,000-lb vehicle lift for Bayport Container Terminal
- (b) Request for competitive sealed bids for purchase of miscellaneous electrical cables for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal
- (c) Request for competitive sealed bids to repair Wharf Nos. 11, 12, and 13 at Turning Basin Terminal – Damage Claim 1170
- (d) Request for competitive sealed proposals for repair of motors, generators, and alternators for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
- (e) Request for competitive sealed proposals for replacement of forestays on Cemco wharf crane at Barbours Cut Terminal
- (f) Request for competitive sealed proposals for berth maintenance dredging at Jacintoport and CARE Terminals
- (g) Request for proposals for drydock maintenance and repair contract for six Port Authority vessels

Category:

Authority to Obtain Bids, Proposals, or Qualifications

Department:

Procurement Services

Staff Contact:

Yvette Camel-Smith

Background:

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

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

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

Staff Evaluation/Justification:

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

I. FINANCE

Subject **2. Approve an order authorizing the sale of Port of Houston Authority of Harris County, Texas, Unlimited Tax Refunding Bonds, Series 2018A, in an aggregate principal amount not to exceed \$201,685,000, and matters incident thereto.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, approve an "ORDER AUTHORIZING THE SALE OF PORT OF HOUSTON AUTHORITY OF HARRIS COUNTY, TEXAS, UNLIMITED TAX REFUNDING BONDS, SERIES 2018A (AMT), IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$201,685,000; CONFIRMING THE TERMS AND FORM THEREOF; CONFIRMING THE PAYMENT OF THE PRINCIPAL THEREOF AND INTEREST THEREON; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT TO BE USED IN CONNECTION WITH THE SALE OF THE BONDS; AND MAKING OTHER PROVISIONS REGARDING SUCH BONDS, INCLUDING USE OF THE PROCEEDS THEREOF, AND MATTERS INCIDENT THERETO;" and further authorize the Chairman of the Port Commission and the Executive Director to do any and all things reasonable or necessary, in the opinion of either person, 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 / Tim Finley

Background:
The Port Authority has previously issued unlimited tax general obligation bonds, some of which are currently callable and others which may be callable on or after October 1, 2018, with a current refunding opportunity available within 90 days prior to the call date. The Port Authority has received unsolicited proposals and inquiries from various financial institutions regarding the opportunity to refund such bonds.

In accordance with Section 5007.007(j) of the Texas Special District Local Laws Code, the Harris County Commissioners Court has the power to refund outstanding bonds of the Port Authority without the need for a bond election.

Staff Evaluation/Justification:
By Minute No. 2018-0416-14, the Port Commission: (i) approved and adopted the "Resolution Finding Necessity for the Issuance of Bonds and Providing for Certification to Commissioners Court" regarding the issuance of refunding bonds to purchase or refund and defease all or a portion of the outstanding Unlimited Tax Refunding Bonds, Series 2006B (AMT) and Series 2008A (AMT); (ii) affirmatively found and declared that the best interests of the taxpayers of the Port Authority will be served by such a refunding and that the Commissioners Court of Harris County, Texas, be petitioned to authorize the issuance thereof for and on behalf of the Port Authority and (iii) selected and appointed bond counsel, disclosure counsel, financial advisor, lead underwriter, and other underwriters to advise and assist in the issuance of these refunding bonds.

In order to complete the bond refunding, staff recommends that the Port Commission authorize various additional actions relating thereto, including approval of an "ORDER AUTHORIZING THE SALE OF PORT OF HOUSTON AUTHORITY OF HARRIS COUNTY, TEXAS, UNLIMITED TAX REFUNDING BONDS, SERIES 2018A (AMT) IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$201,685,000; CONFIRMING THE TERMS AND FORM THEREOF; CONFIRMING THE PAYMENT OF THE PRINCIPAL THEREOF AND INTEREST THEREON; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF AN OFFICIAL STATEMENT TO BE USED IN CONNECTION WITH THE SALE OF THE BONDS; AND MAKING OTHER PROVISIONS REGARDING SUCH BONDS, INCLUDING USE OF THE PROCEEDS THEREOF, AND MATTERS INCIDENT THERETO."

Based on current market conditions, which are subject to change, the refunding opportunity is expected to realize a significant debt service cost savings, on a net present value basis, of \$45-50 million.

Staff recommends the Port Commission approve an order authorizing sale of Port of Houston Authority of Harris County, Texas, Unlimited Tax Refunding Bonds, Series 2018A.

J. PORT SECURITY AND EMERGENCY OPERATIONS

Subject **1. Enter into a Memorandum of Agreement among the Department of Homeland Security, Science and Technology Directorate and Houston-Area public safety organizations, including the Port Authority, for participation in the Next Generation First Responder Operational Experimentation exercise in December 2018.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, authorize staff to enter into a Memorandum of Agreement among the Department of Homeland Security, Science and Technology Directorate and Houston-Area public safety organizations, including the Port Authority, for participation in the Next Generation First Responder Operational Experimentation exercise in December 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.

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

Category:
General

Department:
Emergency Management

Staff Contact:
Colin Rizzo

Background:

The Department of Homeland Security (DHS) and its Science and Technology Directorate (S&T) conducts research, development, testing, and evaluation to help increase first responder safety and effectiveness. Responders face increasingly dangerous threats as they protect lives and property and advanced technologies can help responders operate while staying safe. The Next Generation First Responder (NGFR) Operational Experimentation (OpEx) exercise will assess how existing first responder infrastructure can integrate with commercial public safety technologies and solutions using open standards and interfaces. The exercise is due to take place in December 2018 at the Port Authority Turning Basin Terminal and include responder agencies from the federal, state, and local level. During the exercise, S&T will evaluate how DHS-developed technologies, commercial technologies, and legacy public safety systems integrate using open standards, and how those integrated capabilities increase responder safety and efficiency.

The proposed Memorandum of Agreement (MOA) seeks to establish a collaborative relationship between DHS and Houston-area public safety organizations that would support the planning, execution, and after-action assessments of the exercise. This partnership would generate mutually beneficial improvements in the development of next generation first responder technologies in emergency management and public safety environments. The MOA would also increase the exchange of information between parties on technology capabilities, gaps, and challenges that both parties find beneficial for research and testing in simulated environments. By its terms, the MOA, once signed, would remain in effect for three years and can be terminated by either party upon 30 days notice by either party.

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve the MOA between the DHS and the Port Authority.

K. INFRASTRUCTURE

Subject **1. Approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$3,293,513 for the design of the expansion of gate facilities at Barbours Cut Terminal to the top-ranked proposers: staff ranking – first, Hatch Associates Consultants, Inc.; second, Moffatt & Nichol; and third, ISANI Consultants.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting:

- (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, Hatch Associates Consultants, Inc.; second, Moffatt & Nichol; and third, ISANI Consultants;
- (b) award a professional services contract to Hatch Associates Consultants, Inc. for the design of the expansion of gate facilities at Barbours Cut Terminal, in an amount not to exceed \$3,293,513;
- (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 engineering services from a qualified firm to design the expansion of the gate facilities at Barbours Cut Terminal, to handle expected growth. This plan would include relocating and adding new entry and exit driveways, expanding and reconfiguring the existing traffic flow lanes, implementing a new gate operation system, increasing the queuing capacity, and increasing the total number of truck lanes.

By Minute No. 2017-0926-17(k), 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 Procurement System and the project was advertised on the Port Authority's website and in a local newspaper. Twenty-six vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On December 13, 2017, four 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:

- Hatch Associates Consultants, Inc.
- Moffatt & Nichol
- ISANI Consultants

Staff recommends that the Port Commission award a contract to Hatch Associates Consultants, Inc. and act as otherwise described above.

K. INFRASTRUCTURE

Subject **2. Approve staff's ranking of vendors and award a two-year environmental consulting agreement in an amount not to exceed \$215,000 for storm water quality program management to the top-ranked proposer: staff ranking - first, Spirit Environmental, LLC; second, Terra Nova Consulting, Inc.; and third, Atkins North America, Inc.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018, meeting:

- (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order - first, Spirit Environmental, LLC; second, Terra Nova Consulting, Inc.; and third, Atkins North America, Inc.;
- (b) award a two-year environmental consulting agreement to Spirit Environmental, LLC for storm water quality program management in an amount not to exceed \$215,000;
- (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and
- (d) further, authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
General

Department:
Environmental Affairs

Staff Contact:
Trae Camble

Background:

The Port Authority is seeking to obtain an environmental consultant to assist the Port Authority's Environmental Affairs Department (EAD) staff with storm water quality program management including compliance with the Municipal Separate Storm Sewer System Permit, Storm Water Management Program, the Multi-Sector General Permits, and Construction General Permits; conducting storm water sampling throughout Port Authority facilities; identifying, implementing, and monitoring best management practices; and assisting with other activities related to storm water quality issues as directed by EAD staff.

By Minute No. 2018-0327-11, the Port Commission authorized the advertisement of a request for proposals (RFP) for storm water quality program management. The Port Authority notified vendors regarding its RFP using the Port Authority's BuySpeed Eprocurement System, and the project was advertised on the Port Authority's website and in a local newspaper. Nine vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On April 11, 2018 five RFP responses were received and opened. Staff evaluated and ranked the proposals in accordance with the selection criteria published in the RFP. Staff identified the following firms, listed in order of ranking, as most qualified to provide the required services:

- Spirit Environmental, LLC

- Terra Nova Consulting, Inc.
- Atkins North America, Inc.

Staff recommends that the Port Commission award the contract to Spirit Environmental, LLC.

K. INFRASTRUCTURE

Subject **3. Amend the professional services contract with CAVU International 1, LLC for continuous improvement, process execution checklists development, and operational excellence facilitation in an additional amount not to exceed \$130,000.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, award a professional services contract to CAVU International 1, LLC for continuous improvement, process execution checklists development, and operational excellence facilitation in an additional amount not to exceed \$130,000, and 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, through its Infrastructure Division and Project and Construction Management (PCM) department, manages about 115 projects at any given time, which are in various phases of development from conceptual design through construction and hand-over, and which involve approximately \$100-200 million in total contract value. The stated aspirations of the organization include delivering superior capital efficiency and effectiveness by developing "world-class" skilled people and efficient processes and systems. This goal requires continuous improvement and diligent focus on execution. This contract is intended to accelerate the organization's progress through active facilitation, identification, and prioritization of process improvements and associated behaviors, and implementation of same.

In December 2017, the Port Authority issued a purchase order for \$23,250 to CAVU International 1, LLC (CAVU) for diagnostic work, which engaged senior leadership, and staff in PCM and other departments to define priorities for continuous improvement. The diagnostic focused on PCM's team, major job functions, and key processes, and identified opportunities for better standardization, usability, quality, discipline, and reliability.

CAVU is a global provider of services applying proven leadership and operational excellence fundamentals from military and industrial frameworks to complex operating teams, to improve their process performance, compliance, and execution.

Based on the initial diagnostic, CAVU has designed a continuous performance improvement solution that combines:

- expectations setting and alignment,
- continuous improvement prioritization, process refinement, and application of "LEAN-Sigma" principles,
- process execution critical checklist development and performance indicators,
- situation awareness teamwork and related team behaviors development, and

- sustaining support and execution mentoring.

Staff Evaluation/Justification:

This program is expected to result in a more resilient, collaborative, and effective organization fueled by a strong focus on accountability and ownership.

Staff recommends that the Port Commission authorize the Port Authority to continue to engage the services of CAVU for the next phase of this continuous improvement program.

K. INFRASTRUCTURE

Subject **4. Amend the professional services contract with Binkley & Barfield, Inc. for utilities coordination and design along Jacintoport Boulevard and Peninsula Street, from Beltway 8 to CARE and Jacintoport Terminals, in an amount not to exceed \$98,000.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, amend the existing professional services contract with Binkley & Barfield, Inc., for utilities coordination and design along Jacintoport Boulevard and Peninsula Street, from Beltway 8 to CARE and Jacintoport Terminal, in an amount not to exceed \$98,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2017-1212-30, the Port Commission awarded a professional services contract to Binkley & Barfield, Inc., for utilities coordination and design along Jacintoport Boulevard and Peninsula Street, from Beltway 8 to CARE and Jacintoport Terminal. This amendment would include additional field work investigations and also include final construction design drawings to remove and replace approximately 2,200 linear feet of Port Authority duct bank and fiber that interferes with Harris County proposed outfall. In addition, because existing Port Authority manholes lie within the proposed new pavement some would have to be moved, and the lids, frames, and covers of others upgraded to handle heavy traffic.

Staff Evaluation/Justification:

Staff has reviewed Binkley & Barfield, Inc.'s proposal and found it to be fair and reasonable and recommends that the Port Commission approve the proposed amendments to the existing contract with Binkley & Barfield, Inc.

K. INFRASTRUCTURE

Subject **5. Enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers for maintenance dredging of berths at the Bayport Container Terminal and Auto Terminal, Barbours Cut Terminal, JacintoPort Terminal, and CARE Terminal for an amount not to exceed \$1,730,000.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, authorize Port Authority staff to enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers for maintenance dredging of berths at the Bayport Container Terminal and Auto Terminal, Barbours Cut Terminal, JacintoPort Terminal, and CARE Terminal for an amount not to exceed \$1,730,000, 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:

General

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

The Port Authority has requested permission to place dredged material into federal placement areas for its next planned dredging contracts.

Section 217(b) of the Water Resources Development Act of 1996 (33 U.S.C. 2326a(b)) authorizes the Secretary of the Army to permit the use of dredged material placement facilities under the Secretary's jurisdiction by Non-Federal Interests and to impose fees to recover capital, operation, and maintenance costs associated with such use. In accordance with the U.S. Army Corps of Engineers (Corps) recent implementing guidance and the Project Cooperation Agreement that governs the Houston-Galveston Navigation Channels (45-foot) project, the Port Authority may contract with the Corps to carry out these purposes. This procedure would significantly reduce placement area federal fees, and also allow the federal fees collected to be returned to the Corps for use on the Houston Ship Channel placement areas.

Staff Evaluation/Justification:

Use of Section 217(b) would reduce the Port Authority's cost of placing material into a federal placement area as compared to the conventional Section 401(c) agreement, and increase federal operations and maintenance funds allocated to the Houston Ship Channel.

Staff recommends that the Port Commission authorize this agreement.

K. INFRASTRUCTURE

Subject **6. Issue a pipeline license to Lone Star NGL Mont Belvieu Pipelines LLC for one 12-inch ethane pipeline across Cedar Bayou, Banana Bend property, and the San Jacinto River.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, authorize the Port Authority to issue a pipeline license to Lone Star NGL Mont Belvieu Pipelines LLC for one 12-inch ethane pipeline across Cedar Bayou, Banana Bend property, and the San Jacinto River, 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 Pipelines LLC, Port Authority File No. 2018-0097, has applied for a pipeline license for one 12-inch ethane pipeline across Cedar Bayou in the Hannah Nash Surveys, A-20 & A-54, Banana Bend property in the George White Survey, A-82, and the San Jacinto River in the George White Survey, A-82, and Hannah Nash Survey, A-81, in Harris and Chambers Counties, Texas.

The pipeline would transport ethane between Lone Star's Mont Belvieu facility and Equistar Chemicals' Channelview facility.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development department and the Bayou Land Conservancy. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$23,379. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

K. INFRASTRUCTURE

Subject **7. Assign a pipeline license from INEOS USA LLC to INEOS Chocolate Bayou Pipeline LLC for one 8-inch ethylene pipeline across Southside Mainline and Pasadena Cut-Off railroad right-of-ways in Pasadena.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, authorize the Port Authority to assign a pipeline license from INEOS USA LLC to INEOS Chocolate Bayou Pipeline LLC for one 8-inch ethylene pipeline across Southside Mainline and Pasadena Cut-Off railroad right-of-ways 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:

INEOS USA LLC, Port Authority File No. 2001-0112, has applied to assign a pipeline license to INEOS Chocolate Bayou Pipeline LLC for one 8-inch ethylene pipeline under and across Southside Mainline and Pasadena Cut-Off railroad right-of-ways in Pasadena, in the James Seymore Survey, A-46, in Harris County, Texas.

Staff Evaluation/Justification:

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

Staff recommends approval.

K. INFRASTRUCTURE

Subject **8. Assign a pipeline license from INEOS USA LLC to INEOS Chocolate Bayou Pipeline LLC for one 16-inch liquefied petroleum products pipeline and a valve site across the Houston Ship Channel and Bulk Materials Handling Plant in Houston.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, authorize the Port Authority to assign a pipeline license from INEOS USA LLC to INEOS Chocolate Bayou Pipeline LLC for one 16-inch liquefied petroleum products pipeline and a valve site across the Houston Ship Channel and Bulk Materials Handling Plant 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:

INEOS USA LLC, Port Authority File No. 2004-0283, has applied to assign a pipeline license to INEOS Chocolate Bayou Pipeline LLC for one 16-inch liquefied petroleum products pipeline across the Houston Ship Channel and Bulk Materials Handling Plant and a valve site at the Bulk Materials Handling Plant, in the Thomas Earle Survey, A-18, and Richard & Robert Vince Survey, A-76, in Harris County, Texas.

The license was originally issued to INEOS Pipeline Investment Company and subsequently merged into INEOS USA LLC. The Licensee then sold its interest in the pipeline and valve site to INEOS Chocolate Bayou Pipeline LLC and now wishes to transfer the license to the new owner.

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. The \$675 application fee has been paid.

Staff recommends approval.

K. INFRASTRUCTURE

Subject **9. Amend a license to Targa NGL Pipeline Company LLC to modify the location of a 20-inch liquefied petroleum gas pipeline across Greens Bayou, Hunting Bayou, Seymore Tract, and Northside Mainline railroad right-of-way.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, authorize the Port Authority to amend a license to Targa NGL Pipeline Company LLC to modify the location of a 20-inch liquefied petroleum gas pipeline across Greens Bayou, Hunting Bayou, Seymore Tract, and Northside Mainline railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

Targa NGL Pipeline Company LLC (Targa), Port Authority File No. 2017-0145, has applied to amend a pipeline license to modify the location of a 20-inch liquefied petroleum gas pipeline across Greens Bayou in the Reels & Trobough Survey, A-59, Hunting Bayou in the C. Martinez Survey, A-545, and Seymore Tract and Northside Mainline railroad right-of-way in the Ezekiel Thomas Survey, A-73, Harris County, Texas.

The existing license was issued for one 20-inch pipeline across various Port Authority properties and submerged lands that connects Targa's Mont Belvieu facility to its Galena Park facility. Targa identified potential impediments with the originally proposed pipeline alignment and now proposes to modify four crossings to accommodate changes in the alignment. The changes would not require the relocation of any previously installed segments of pipeline.

Staff Evaluation/Justification:

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

Staff recommends approval.

L. OPERATIONS

Subject **1. Award a two-year service contract to Shermco Industries for emergency electrical support for substations and switchgears at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$200,000.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting:
 (a) award a two-year contract to Shermco Industries for emergency electrical support for substations and switchgears at Barbours Cut Terminal, Bayport Container Terminal and Turning Basin Terminal in an amount not to exceed \$200,000; and
 (b) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
 Awards, Amendments & Change Orders

Department:
 Maintenance

Staff Contact:
 Paulo Soares

Background:
 The Port Authority currently owns many distribution substations and switchgears that require routine and emergency maintenance repair, and range in voltage from 110 volts to 138,000 volts. A qualified electrical contractor is needed to assist staff in restoring electrical service within Port Authority terminals in the event of an emergency involving this equipment.

By Minute No. 2018-0130-19(b), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for emergency electrical support for substations and switchgears at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin 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. One vendor downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:
 On February 21, 2018, one CSB was received and opened. The response was reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendor as qualified to provide the required services:

- Shermco Industries

Staff recommends that the Port Authority award a two-year contract to Shermco Industries for emergency electrical support for substations and switchgears.

L. OPERATIONS

Subject **2. Issue a purchase order to DARR Equipment Company for the purchase of one 10,000-lb. capacity Caterpillar forklift in an amount not to exceed \$60,250, using the Local Government Purchasing Cooperative's Buyboard Program.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, issue a purchase order to DARR Equipment Company for the purchase of one 10,000-lb. capacity Caterpillar forklift in an amount not to exceed \$60,250, using the Local Government Purchasing Cooperative's Buyboard Program, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Award, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns a 1992 Clark forklift operating at Central Maintenance that has become costly to maintain. Many of its replacement components are no longer available. Forklifts are used daily in Port Authority maintenance shops to move various objects, load and unload trucks, and transport heavy objects.

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 authorized 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 has determined that procuring equipment such as a 10,000-lb capacity Caterpillar forklift through the BuyBoard Cooperative Purchasing Program is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

The BuyBoard website listed several pre-approved providers of equipment. Central Maintenance staff looked at several such providers and determined that the DP50CN1-10K Capacity Diesel Pneumatic Tire Lift Truck is the model that best meets the Port Authority's requirements, that DARR Equipment Company is the vendor

with the best price for that model, and its pricing for the selected model was reviewed and approved by BuyBoard.

Staff recommends the Port Commission approve a purchase order to DARR Equipment Company for the purchase of a Caterpillar forklift using the above Cooperative, at providing best value to the Port Authority.

L. OPERATIONS

Subject **3. Issue a purchase order to Doggett Heavy Machinery Services, LLC for the purchase of a 2018 John Deere Model 410L backhoe in a total amount not to exceed \$120,000, using the Houston-Galveston Area Council Cooperative Purchasing Program.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, issue a purchase order to Doggett Heavy Machinery Services, LLC for the purchase of a 2018 John Deere Model 410L backhoe in an amount not to exceed \$120,000, using the Houston-Galveston Area Council Cooperative Purchasing Program, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Award, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns a 1983 John Deere backhoe operating at Turning Basin Terminal that has reached the end of its useful life. Replacement parts are difficult to obtain and maintenance costs have increased. Backhoes are used for smaller trenching and back filling projects that an excavator is too large for, as well as to aid in finding underground water leaks, cleaning debris, and completing small construction projects.

By Minute No. 99-1129-29, the Port Commission authorized the Port Authority to enter into an interlocal agreement with the Houston-Galveston Area Council (H-GAC) to participate in its Cooperative Purchasing Program (the Program). The Program was established in 1973, pursuant to the Texas Interlocal Cooperation Act, to enable governmental entities to obtain purchasing services that offer expedited procurement, volume purchasing discounts, contract administration, and research services. All products and services offered by the Program have been subjected to competitive procurement processes in accordance with statutory requirements.

Staff Evaluation/Justification:

Staff has compared heavy equipment prices obtained from non-Program local dealerships and Program providers. Staff has determined that procuring heavy equipment through the Program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Program website lists several pre-approved vendors. Staff has reviewed the backhoe specifications from Program providers and determined that Doggett Heavy Machinery Services, LLC is the vendor with the best price for the John Deere Model 410L and meets the Port Authority's requirements. Doggett Heavy Machinery Services, LLC pricing for the selected model was reviewed and approved by H-GAC.

Staff recommends the Port Commission approve the purchase of a 2018 John Deere Model 410L backhoe using the H-GAC Program, as providing best value to the Port Authority.

L. OPERATIONS

Subject	4. Award a one-year contract to Ambassador Services LLC for cleaning services at Barbours Cut Terminal and Bayport Container Terminal, using the Harris County Department of Education's Choice Partner cooperative purchase program, in an amount not to exceed \$300,000.
Meeting	May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 17, 2018 meeting, award a one-year contract to Ambassador Services LLC for cleaning services for Barbours Cut Terminal and Bayport Container Terminal, using the Harris County Department of Education's Choice Partner cooperative purchase program, in an amount not to exceed \$300,000, 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:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2016-0322-36, the Port Commission awarded a two-year contract to Hospitality Cleaning Solutions in the amount not to exceed \$400,000 for cleaning services for Barbours Cut Terminal and Bayport Container Terminal. This contract is due to expire May 31, 2018.

Approximately 120,000 square feet of Port Authority office building space and facilities require daily professional cleaning services. Buildings include terminal administration buildings, maintenance facilities, gate operations offices, driver services buildings, and other terminal support offices. Port Authority staff has determined that continuing the past practice of combining services for both terminals into a one-year contract is economically and administratively beneficial to the Port Authority.

By Minute No. 2012-1115-25, the Port Commission granted authority to amend and renew its interlocal agreement for purchasing services with the Harris County Department of Education (HCDE) including its Choice Partners cooperative purchase program (the Program), and to use its Program contracts for certain purchases. Staff has determined that securing a janitorial service through the Program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

Staff Evaluation/Justification:

Staff determined that HCDE's Program has a contract with Ambassador Services LLC that offers competitive pricing for the required janitorial services, and that the price and availability provide best value to the Port Authority, and it therefore recommends the use of this interlocal agreement purchasing program to procure this item at the stated interlocal agreement cooperative contract price.

Staff recommends the Port Commission approve entering into a one-year contract with Ambassador Services LLC for cleaning services using HCDE Program, as providing best value to the Port Authority.

L. OPERATIONS

Subject **5. Authorize payment to Navis LLC for annual maintenance services for the Marine Terminal Management Software System for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$612,428.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, authorize payment to Navis LLC for annual maintenance services for the Marine Terminal Management Software System for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal pursuant to the current contract between Navis LLC and the Port Authority, for a one-year term beginning July 1, 2018 in an amount not to exceed \$612,428, 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:
General

Department:
Operations

Staff Contact:
Mike Shaffner

Background:

By Minute No. 2001-0326-32, the Port Commission first awarded a contract to Navis LLC to provide for the implementation and maintenance of a marine terminal management software system (Management Software System) for use at Port Authority terminals. The Management Software System is currently used by the Operations Department to manage the Port Authority's Barbours Cut Terminal, Bayport Container Terminal, Turning Basin Terminal, and the Accounting Department for billing at these terminals. Since expiration of the initial one-year maintenance term, the Port Commission has approved each subsequent annual maintenance renewal. The current annual maintenance term is due to expire on June 30, 2018.

The contract describes the year-to-year maintenance services that are required to be performed and sets forth the maintenance fee for each one-year maintenance term. The maintenance fee for each one-year term is based upon the combined annual through-put (TEU) at the container terminals and tonnage for the general cargo facilities for the immediately preceding year.

Staff Evaluation/Justification:

Staff has been advised that based upon the through-put for the immediately preceding year, the maintenance fee for July 1, 2018 through June 30, 2019 will be in an amount not to exceed \$612,427.47.

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

N. TECHNOLOGY

Subject	1. Award a purchase order to NetSync Network Solutions, Inc. for the replacement of unsupported network equipment as provided for in the Information Technology Master Plan, using the State of Texas Department of Information Resources Cooperative Purchase program, in an amount not to exceed \$300,000.
Meeting	May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 17, 2018 meeting, award a purchase order to Netsync Network Solutions, Inc. for the replacement of unsupported network equipment as provided for in the Information Technology Master Plan, using the State of Texas Department of Information Resources Cooperative Purchase program, in an amount not to exceed \$300,000; 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	<p>Strategic Objective 1c. - Implement streamlined processes supported by technology</p> <p>Strategic Objective 2b. - Deliver cost and service advantages through innovation and efficiency</p> <p>Strategic Objective 4c. - Operate safely and securely</p>

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

As the Information Technology (IT) Department continues to work to ensure reliable network and infrastructure services, it is imperative that all network equipment continue to be supported, and therefore the IT master plan provides that, unsupported equipment be replaced in order to ensure network reliability and resilience.

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

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

Staff Evaluation/Justification:

Staff has determined that the price and availability from NetSync Network Solutions, Inc. (DIR-TSO-2542) to provide needed replacement network equipment provides the best value to the Port Authority, and accordingly requests that the Port Commission approve this contract as providing such best value.

N. TECHNOLOGY

Subject **2. Award a purchase order to NetSync Network Solutions, Inc. for network switching hardware to provide redundancy and high availability at the Port Authority's Disaster Recovery site, using a State of Texas Department of Information Resources Cooperative Purchase program, in an amount not to exceed \$190,000.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, award a purchase order to NetSync Network Solutions, Inc. for network switching hardware to provide redundancy and high availability at the Port Authority's Disaster Recovery site using a State of Texas Department of Information Resources Cooperative Purchase program, in an amount not to exceed \$190,000; 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 Objective 1c. - Implement streamlined processes supported by technology
Strategic Objective 2b. - Deliver cost and service advantages through innovation and efficiency

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

Since the Port Authority now operates a remote Disaster Recovery Data Center site, it is important that this site provide high availability and redundancy in the event of a disaster, as all Port Authority operations are dependent on the functioning of this location.

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:

Staff has determined that purchasing the network switching hardware from NetSync Solutions, Inc. based on price and availability, and using Texas Department of Information Resources cooperative purchasing

program, would provide the best value to the Port Authority.

Staff recommends the Port Commission approve this purchase with NetSync Solutions, Inc. as providing such best value.

N. TECHNOLOGY

Subject **3. Award a purchase order to Solid Border, Inc. for redundant network firewalls to provide security, redundancy, and high availability at the Port Authority's Disaster Recovery site, using a State of Texas Department of Information Resources Cooperative Purchase program, in an amount not to exceed \$125,000.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, award a purchase order to Solid Border, Inc. for redundant network firewalls to provide security, redundancy, and high availability at the Port Authority's Disaster Recovery site using a State of Texas Department of Information Resources Cooperative Purchase program, 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 Objective 1c. - Implement streamlined processes supported by technology
Strategic Objective 2b. - Deliver cost and service advantages through innovation and efficiency
Strategic Objective 4c. - Operate safely and securely

Category:
Awards, Amendments & Change Orders

Department:
Information Technology

Staff Contact:
Charles Thompson

Background:
Since the Port Authority now operates a remote Disaster Recovery Data Center site, it is important that this site provide network security, redundancy, and high availability in the event of a disaster as all Port Authority operations are dependent on the functioning of this location.

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:
Staff has determined that purchasing the redundant Network Firewalls from Solid Border, Inc. based on price and availability, and using Texas Department of Information Resources cooperative purchasing program,

would provide the best value to the Port Authority.

Staff recommends the Port Commission approve this purchase with Solid Border, Inc. as providing such best value.

N. TECHNOLOGY

Subject **4. Amend the professional services agreement with Total Network Solutions to perform additional database monitoring and support services for the Navis Terminal Operating System and Smart Tecs Gate Operating systems, in an amount not to exceed \$84,000.**

Meeting May 17, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its May 17, 2018 meeting, authorize amending the professional services agreement with Total Network Solutions, to perform additional database monitoring and support services for the Navis Terminal Operating System and Smart Tecs Gate Operating systems, in an amount not to exceed \$84,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

By Minute No. 2017-0627-21, the Port Commission awarded a 24-month maintenance and support services agreement to Total Network Solutions for the Navis Terminal Operating System, electronic data interchange (EDI) processing, and custom code extension development for Barbour's Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

While the original agreement did not provide database support services, Port Authority staff has now identified a need for such services. The additional database services included in the amendment are expected to further support the stability of the terminal and gate operating systems with 24/7 on-call support and active monitoring. These additional services greatly enhance the Port Authority's goal to provide a high level of service and help eliminate system outages.

Staff Evaluation/Justification:

Total Network Solution has submitted a proposal for the additional work in the amount not to exceed \$84,000, staff has reviewed this proposal and found it to be fair and reasonable, and therefore staff recommends that the contract with Total Network Solutions be amended to include database monitoring and support services.