

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

September 25, 2018

Minute No.

Event/Action

**General**

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

**Minutes**

2018-0925-01 Approve the Minutes of the June 26, 2018 and July 31, 2018 Port Commission Meetings and the July 31, 2018 Special Port Commission Meeting

**Port Commission Committee Updates**

2018-0925-02 Commissioner Fitzgerald reported on the Pension and Benefits Committee Meeting – September 18, 2018

2018-0925-03 Authorize renewal of the agreement with Aetna Life Insurance Company for group Medicare Advantage medical insurance for the Port Authority's Medicare-eligible retirees and dependents to include coverage for calendar year 2019

2018-0925-04 Authorize amendment of the agreement with Aetna Life Insurance Company to provide professional third-party administration services for the Port Authority's group medical self-funded insurance program for active employees, retirees who are not Medicare-eligible, and dependents, for calendar year 2019

2018-0925-05 Authorize renewal of group insurance agreements with the following carriers to include coverage for calendar year 2019: (a) Aetna Life Insurance Company, for dental coverage; (b) Ameritas Life Insurance Corp., for vision coverage; (c) Minnesota Life Insurance Company, for basic life coverage; (d) Minnesota Life Insurance Company, for voluntary life coverage; (e) Minnesota Life Insurance Company, for accidental death and dismemberment coverage; and (f) Aetna Life Insurance Company, for long term disability coverage

**Appearances**

2018-0925-06(a) Chairman Longoria recognized Cyndy Garza-Roberts, Director of Community Impact, Comcast, who addressed the Port Commission

2018-0925-06(b) Chairman Longoria asked if anyone else would like to address the Port Commission; there was no response

Minute No.

Event/Action

**Staff Reports**

2018-0925-07 Roger Guenther, Executive Director, presented a summary of selected financial and operations matters

**G. Executive**

2018-0925-08 Renew the Port Authority's corporate membership in the American Association of Port Authorities, authorize the Executive Director and the Chief Operating Officer, as alternate, to represent the Port Authority at the annual American Association of Port Authorities conferences, and pay fiscal 2018-2019 dues

**H. Commercial**

2018-0925-09 Approve a two-year and three-month contract with Flensburg and Associates GmbH for trade development activities on behalf of the Port Authority in Europe, the Mediterranean, and selected countries in Africa and the Middle East

2018-0925-10 Approve an Agreement for Permit for Use and Occupancy of Public Street Right-of-Way with the City of Houston for five existing crossings under City of Houston street rights-of-way to accommodate dredge pipelines for a thirty-year period

2018-0925-11 Approve a ten-year lease agreement with the United States Department of Agriculture for approximately 1,345 square feet of office space within the old Gate Services Building at the Bayport Container Terminal effective no earlier than November 1, 2018, at an annual rental of \$33,624 subject to an annual increase of 3%

2018-0925-12 Approve a lease agreement with American Maritime Services of N.J., Inc. dba Integrated Industries Corp., for approximately 6.21 acres of improved property and an approximately .243 acre non-exclusive access road at Barbours Cut Terminal, effective no earlier than October 1, 2018, for a three-year term, with an additional five year extension upon mutual agreement, at an annual rental of \$266,023, subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index

2018-0925-13 Approve an access license agreement with the Harris County Toll Road Authority for approximately 1.84 acres at the Beltway 8 property, effective no earlier than October 1, 2018, for a ten-year term

2018-0925-14 Ratify a month-to-month lease with Apollo Environmental Strategies, Inc. for approximately one acre out of Block 7 at Spilman Island commencing November 1, 2018

2018-0925-15 Ratify a month-to-month lease with Scohil Construction Services, LLC for approximately 2.2 acres out of Block 19 of Harrisburg, Harris County, Texas, Lots 1 thru 12 and 13 thru 24, commencing October 1, 2018

<u>Minute No.</u>	<u>Event/Action</u>
	<b>I. Finance</b>
2018-0925-16	Authorize advertisement and receipt of responses for nineteen formal procurements
2018-0925-16(a)	Request for competitive sealed bids for a two-year contract for purchase of traffic paint for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2018-0925-16(b)	Request for competitive sealed bids utilizing job orders for the annual concrete replacement at Turning Basin Terminal in 2019
2018-0925-16(c)	Request for competitive sealed bids utilizing job orders for the annual pavement replacement at Barbours Cut and Bayport Container Terminals in 2019
2018-0925-16(d)	Request for competitive sealed bids for the annual fender system maintenance at Barbours Cut Terminal and Bayport Container Terminal in 2019
2018-0925-16(e)	Request for competitive sealed bids for a two-year contract for purchase of unleaded gasoline and ultra-low sulfur diesel fuel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2018-0925-16(f)	Request for competitive sealed proposals for the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal
2018-0925-16(g)	Request for competitive sealed proposals for the relocation of communications infrastructure along Peninsula Boulevard at Jacintoport Terminal
2018-0925-16(h)	Request for competitive sealed proposals utilizing job orders for the annual wharf crane and rubber tire gantry crane painting at Barbours Cut and Bayport Container Terminals in 2019
2018-0925-16(i)	Request for competitive sealed proposals to remodel the gate services building for the U.S. Department of Agriculture at Bayport Container Terminal
2018-0925-16(j)	Request for competitive sealed proposals for gate interchange tickets for Barbours Cut Terminal and Bayport Container Terminal
2018-0925-16(k)	Request for competitive sealed proposals for West Clinton placement area ditching
2018-0925-16(l)	Request for competitive sealed proposals for an automated electronic accounts payable processing solution
2018-0925-16(m)	Request for proposals for Port Authority's Property and Casualty insurance program, including workers' compensation, marine, property, terrorism, equipment, liability (general, auto, public officials, and environmental), business interruption, and such other policies deemed necessary or advisable
2018-0925-16(n)	Request for proposals for temporary employment firms to supply up to six contract employees to assist in the migration of archived engineering data into the central records system

<u>Minute No.</u>	<u>Event/Action</u>
2018-0925-16(o)	Request for proposals for security cameras, and video management software and analytics
2018-0925-16(p)	Request for qualifications for the development of a Corrosion Management Program including a Facility Inspection and Conditioning Assessment Program manual and field data collection
2018-0925-16(q)	Request for qualifications for the development of an Electrical and Communications Program including a Facility Inspection and Conditioning Assessment Program manual and field data collection
2018-0925-16(r)	Request for qualifications for the design for the rehabilitation of Wharves 4 and 5 at Bayport Container Terminal
2018-0925-16(s)	Request for qualifications to perform construction material testing services during the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal
2018-0925-17	Authorize the Port Authority to enter into a Master Intergovernmental Cooperative Purchasing Agreement with the National Intergovernmental Purchasing Alliance Company to join its cooperative purchasing program
2018-0925-18	Adopt an amended investment policy for the Port Authority Restated Retirement Plan
2018-0925-19	Adopt an amended investment policy for the Port Authority's irrevocable trust established for other post-employment benefits
2018-0925-20	Approve changes to the Port Authority's Deferred Compensation 457(b) Plan and Defined Contribution 401(a) Plan, including amendments to the current agreements with Nationwide Retirement Solutions, Inc. and its affiliates, and delegating authority to staff to implement a new investment menu for the plans

#### **J. Port Security and Emergency Operations**

2018-0925-21	Rescind the prior award to BEARCOMWireless, and award the purchase and installation of a Broadband Antenna Tracking System to Comprehensive Communication Services, using the Texas Department of Information Resources cooperative purchasing program, with an estimated net cost to the Port Authority after Federal Emergency Management Agency Port Security Grant reimbursement, of \$24,000 (25% of total cost)
2018-0925-22	Enter into an Intergovernmental Agreement with the City of Morgan's Point for security services for one year

#### **K. Infrastructure**

2018-0925-23	Reject and re-advertise for competitive sealed proposals for the renovation of the Executive Office Building at Turning Basin Terminal
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<u>Minute No.</u>	<u>Event/Action</u>
2018-0925-24	Reject and re-advertise for competitive sealed proposals for the rehabilitation of Wharf 3 at Barbours Cut Terminal and include the construction of electrical and telecommunications infrastructure at Container Yards 4, 5, and 6 at Barbours Cut Terminal
2018-0925-25	Approve staff's ranking of vendors and award a professional services contract to perform construction material testing services during the construction of Container Yard 7 at Bayport Container Terminal to the top-ranked proposer – first, Terracon Consultants, Inc.; second, Aviles Engineering Corporation; and third, HVJ Associates, Inc.  Port Commission adopted the staff-recommended ranking and authorized award
2018-0925-26	Approve staff's ranking of vendors and award a professional services contract to plan and design the construction of the East End at Bayport Container Terminal to the top- ranked proposers: staff ranking – first, Lockwood, Andrews & Newnam, Inc.; second, RPS Group, Inc.; and third, TSC Engineering  Port Commission adopted the staff-recommended ranking and authorized award
2018-0925-27	Approve staff's ranking of vendors and award a professional services contract for analysis and design for rehabilitation and repair of Wharf 2 at Manchester Terminal to the top- ranked proposers: staff ranking – first, Dannenbaum Engineering Corporation; second, CH2M Hill Engineers, Inc.; and third, BergerABAM  Port Commission adopted the staff-recommended ranking and authorized award
2018-0925-28	Approve staff's ranking of vendors and award a construction contract to construct a rail spur at Bayport Container Terminal to the top-ranked proposer: staff ranking – first, Fused Industries, Ltd.; and second, McCarthy Building Companies, Inc.  Port Commission adopted the staff-recommended ranking and authorized award
2018-0925-29	Amend the professional services contract with Lockwood, Andrews & Newnam, Inc. to perform construction phase services for the construction of rail spur at Bayport Container Terminal
2018-0925-30	Award a construction contract to Forde Construction Company, Inc. to repair the deck and backup pavement at Wharf Nos. 1, 2, and 3 at Jacintoport Terminal
2018-0925-31	Authorize an interlocal agreement with Texas Commission on Environmental Quality to receive grant funding, in an amount not to exceed \$500,000, under the Port Authority Studies and Pilot Program, not obligating the Port Authority to provide matching funds
2018-0925-32	Authorize an agreement with ExxonMobil Pipeline Company to provide inspection and oversight work associated with the Praxair, Inc. pipeline corridor relocation at Bayport Container Terminal

<u>Minute No.</u>	<u>Event/Action</u>
2018-0925-33	Approve for filing in the public records a restrictive covenant for groundwater maintenance and monitoring on 545.69 acres of Port Authority property located at Beltway 8 and Jacintoport Boulevard, as required by the Texas Commission on Environmental Quality
2018-0925-34	Enter into month-to-month lease agreements with 2Plus of Texas, Inc. dba STAR to lease vans under the Houston-Galveston Area Council METROVan Program for an additional one-year period
2018-0925-35	Issue a marine construction permit to Texas Lehigh Cement Company, L.P. to construct a dock facility along the Houston Ship Channel in Houston
2018-0925-36	Issue a pipeline license to Magellan Crude Oil Pipeline Company, L.P. for one 20-inch refined petroleum products pipeline under and across Northside Mainline railroad right-of-way and Clinton and Seymore tracks in Galena Park
2018-0925-37	Amend a pipeline license to Targa Downstream LLC to add two 6-inch natural gas liquids pipelines across a portion of Southside Mainline railroad right-of-way in Pasadena
2018-0925-38	Amend pipeline licenses to both ExxonMobil Pipeline Company and Air Products LLC to relocate their respective pipelines, at Port Terminal Railroad Association's request, along the Southside Mainline railroad right-of-way in Pasadena
<b>L. Operations</b>	
2018-0925-39	Reject the bid and authorize the re-advertisement for competitive sealed bids for purchase of one 50,000-lb. vehicle lift for Bayport Container Terminal
2018-0925-40	Approve staff's ranking of vendors and award a two-year contract for purchase of structural inspection services for seventeen wharf cranes at Barbours Cut Terminal and Bayport Container Terminal to the top-ranked proposer: staff ranking – first, World International Testing, Inc.; second, Alatas Americas, Inc.; and third, Dunham Engineering, Inc.  Port Commission adopted the staff-recommended ranking and authorized award
2018-0925-41	Approve staff's ranking of vendors and award a two-year contract for purchase of replacement and spare parts for Kalmar Ottawa yard tractors at Barbours Cut Terminal and Bayport Container Terminal to the top-ranked bidder: staff ranking – first, Yard Mule Specialists, Inc.; and second, Marine Tekno Services LLC  Port Commission adopted the staff-recommended ranking and authorized award
2018-0925-42	Award a two-year contract to Power Line Solutions, Inc. to perform electrical repair services to high mast poles at Bayport Container Terminal
2018-0925-43	Award a two-year service contract to Kempco Inspections Services, Inc. to perform occupational and safety inspection services for equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal

<u>Minute No.</u>	<u>Event/Action</u>
2018-0925-44	Award a contract to Cargotec CHS PTE., Ltd., Bromma for purchase of four telescopic spreader bars and one over-height attachment for Barbours Cut Terminal and Bayport Container Terminal
2018-0925-45	Rescind the prior award of a three-year contract for purchase of miscellaneous electrical cables for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal
2018-0925-46	Issue a purchase order to Associated Supply Company for purchase of one Global Model M3 street sweeper for Bayport Container Terminal, using Houston-Galveston Area Council's cooperative purchase program
2018-0925-47	Issue a purchase order to Aries Building Systems, LLC for purchase of a modular office space for Central Stores, using Harris County Department of Education's Choice Partners, a cooperative purchase program
2018-0925-48	Authorize payment to Navis LLC for support services in execution of a version upgrade to the Navis Marine Terminal Management Software System for Barbours Cut Container Terminal, Bayport Container Terminal, and Turning Basin Terminal
2018-0925-49	Issue a purchase order to Netsync Network Solutions, Inc. for purchase of software licenses and computer hardware to support the upcoming Navis N4 upgrade, using the Texas Department of Information Resources, cooperative purchase program
2018-0925-50	Approve a change order to Texas Air Systems for monthly rental of 50-ton air-cooled chiller units for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2018-0925-51	Approve a change order to A.J. Hurt, Jr. Inc. dba Reladyne for purchase of unleaded gasoline and ultra- low sulfur diesel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2018-0925-52	Amend Port Authority Tariff Nos. 14 and 15 to implement rules for container draying services between Barbours Cut Terminal rail ramp and the Bayport Container Terminal, and the applicable rates for such new service, effective October 1, 2018

#### **M. People**

Authorize renewal of the agreement with Aetna Life Insurance Company for group Medicare Advantage medical insurance for the Port Authority's Medicare-eligible retirees and dependents to include coverage for calendar year 2019 (*see above – approved by Minute No. 2018-0925-03*)

Authorize amendment of the agreement with Aetna Life Insurance Company to provide professional third- party administration services for the Port Authority's group medical self-funded insurance program for active employees, retirees who are not Medicare-eligible, and dependents, for calendar year 2019 (*see above – approved by Minute No. 2018-0925-04*)

Minute No.

Event/Action

Authorize renewal of group insurance agreements with the following carriers to include coverage for calendar year 2019 in a total amount not to exceed \$1,206,758: (a) Aetna Life Insurance Company, for dental coverage; (b) Ameritas Life Insurance Corp., for vision coverage; (c) Minnesota Life Insurance Company, for basic life coverage; (d) Minnesota Life Insurance Company, for voluntary life coverage; (e) Minnesota Life Insurance Company, for accidental death and dismemberment coverage; and (f) Aetna Life Insurance Company, for long term disability coverage (*see above – approved by Minute No. 2018-0925-05*)

2018-0925-53

Amend the agreement with ProView Advanced Solutions, Inc., dba ProView, to extend the term for one year through December 31, 2019, for employee and retiree benefits and payroll integration services

**N. Technology**

2018-0925-54

Issue a purchase order to AT&T Wireless for purchase of wireless voice and data (LTE) services, using Texas Department of Information Resources' cooperative purchase program through December 31, 2023

2018-0925-55

Issue a purchase order to Verizon Wireless for purchase of wireless voice and data (LTE) services, using Texas Department of Information Resources' cooperative

2018-0925-56

Issue a purchase order to Netsync Network Solutions, Inc. for purchase of consulting services, software licenses, and computer hardware to create a Virtual Desktop Infrastructure environment at the new Disaster Recovery Site, using Texas Department of Information Resources' cooperative purchase program

**O. Recess Open Meeting and Convene Executive Session**

**P. Reconvene Open Meeting**

2018-0925-57

Motion to authorize the Port Authority to purchase property in the vicinity of the Turning Basin Terminal from MJ Partners, Ltd., Milo L. Strickland, and Janyth E. Strickland, and separate property in the same vicinity from Port Steel Land Properties LLC, on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing

2018-0925-58

Motion to authorize the Port Authority to amend its agreements for legal services with Andrews Myers PC, 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  
September 25, 2018**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on September 25, 2018 at 9:01 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  
Clyde E. Fitzgerald, Commissioner  
John D. Kennedy, Commissioner  
Roy D. Mease, Commissioner  
Roger Guenther, Executive Director  
Erik Eriksson, Chief Legal Officer  
J. Kent Friedman, outside counsel

Chairman Longoria convened the meeting of the Port Commission, welcomed everyone, and provided remarks as follows.

- On July 21, Port Houston's team of volunteers participated in the 3<sup>rd</sup> Annual Oyster Reef Restoration Project, where 55 feet of new oyster bar was constructed; volunteers also planted over 750 stems of cordgrass to create a new marsh habitat in Galveston's Sweetwater Preserve. Chairman Longoria thanked the staff and volunteers for their time and efforts.
- On July 30, the M/V Sam Houston celebrated its 60<sup>th</sup> Anniversary. The M/V Sam Houston offers 10 free tours a week along the Houston Ship Channel and approximately 30,000 visitors a year experience an up-close look at one of the busiest ports in the country.
- Since the completion of the Bayport flare and the widening and deepening of the Bayport Channel, Port Houston has seen a rapid growth in the size of ships calling on the container facilities. The Mediterranean Shipping Company's Indus service, which serves India and the Middle East through the Suez Canal, brought in an 8,450 twenty-foot equivalent unit ("TEU") vessel to Bayport, which has an overall length of more than 1100 feet. Later in the week Port Houston is expecting a 9,500 TEU vessel in CMA CGM's PEX 3 service from East Asia. Chairman Longoria emphasized that these are a sign of the future for the container industry, and the Port Commission must continue to make the investments to handle the next generation of vessels.
- Given the growth in larger vessels, Chairman Longoria and staff members met with leadership in the U.S. Army Corps of Engineers ("Corps") to stress the

importance of widening and deepening the busiest waterway in the nation to serve the industry and maintain efficient two-way traffic. Chairman Longoria announced that in the past few months Port Houston has hosted, on separate occasions, Major General Scott Spellmon, the Corps Deputy Commanding General for Civil and Emergency Operations, Mr. Ryan Fisher, the Corps Principal Deputy Assistant Secretary, and Mr. R.D. James, Assistant Secretary of the Army for Civil Works. The Port Houston's partnership with the Corps in the current Mega Study, which will conclude in 2019, highlights the need to widen and deepen the channel through the entire reach of Galveston Bay, to handle increasing vessel sizes; the economic security of our nation is dependent upon safe, two-way traffic through the busiest waterway in the nation.

- Chairman Longoria announced that the next Port Commission meeting would be held on October 30, 2018.

(2018-0925-01) Minutes

Chairman Longoria called for a motion to approve the minutes of the June 26, 2018 and July 31, 2018 Port Commission meetings and the July 31, 2018 Special Port Commission meeting. Commissioner Corgey moved for approval, seconded by Commissioner Fitzgerald. The minutes were approved as written.

(2018-0925-02) Commissioner Fitzgerald reported on the Pension and Benefits Committee Meeting – September 18, 2018.

Commissioner Fitzgerald reported that Grant Thornton LLP presented plans for the 2018 Restated Retirement Plan (“Pension Plan”) audit.

The committee reviewed the performance for the second quarter of 2018 for both the Pension Plan and the Other Post-Employment Benefits (“OPEB”) Trust. As of June 30, 2018, the Pension Plan had assets of \$181.1 million and the OPEB Trust had assets of \$67.6 million. Commissioner Fitzgerald noted that the Pension Plan remains well funded, with a funded ratio of 95.1% as of the last valuation performed in 2017.

Staff and pension consultants reviewed the current investment policies, and recommended minor revisions. The committee concurred with the proposed revisions, which are on the agenda as Items I3 and I4.

Commissioner Fitzgerald stated that proposed changes to the 457(b) Deferred Compensation Plan and the 401(a) Defined Contribution Plan were also discussed with the committee and are reflected in Item I5 on the agenda.

Staff and the Port Authority's outside benefits consultant, Lockton, presented an analysis comparing the current fully-insured program for 2019 employee and retiree medical benefits to a self-funded program: total expected annual savings in a self-funded plan would be approximately \$582,000. The committee concurred with the staff recommendation to move to a self-funded program, and this was Item M2 on the agenda. Commissioner Fitzgerald also noted that future action items would be brought to the Port Commission for stop loss insurance and funding for anticipated claims in 2019.

Commissioner Fitzgerald advised that the committee had also discussed proposed adoption of a Plan Document and a Summary Plan Description for Port Houston's OPEB plan, which would be presented to the Port Commission at a later date.

In closing, Commissioner Fitzgerald thanked Port Authority staff members on behalf of the Pension and Benefits Committee for their excellent job bringing the policy for self-funding to fruition and for their excellent job on the Pension Plan and OPEB Trust. Chairman Longoria and Commissioner Corgey concurred with Commissioner Fitzgerald's comments.

Commissioner Fitzgerald asked if there were any questions. There were none.

Chairman Longoria asked that agenda Items M1, M2, and M3 be taken out of order.

(2018-0925-03) RCA M1 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2018-0925-04) RCA M2 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA M2 PASSED.

(2018-0925-05) RCA M3 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA M3 PASSED.

(2018-0925-06) Appearances

(a) Chairman Longoria recognized Cyndy Garza-Roberts, Director of Community Impact, Comcast, who addressed the Port Commission. Ms. Garza-Roberts stated that September 15 thru October 15 is National Hispanic Heritage Month throughout the United States, and during this time recognition is given to Hispanic-Americans who have positively influenced and enriched our nation and society. Ms. Garza-Roberts announced that on September 21, 2018, Chairman Longoria was presented with the

Outstanding Hispanic Heroes Award on behalf of Comcast for her commitment to Port Houston and the City of Houston, and for her representation of Port Houston and the city throughout the country. Ms. Garza-Roberts congratulated Chairman Longoria and thanked her for her service.

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

(2018-0925-07) Staff Reports

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

- Mr. Guenther announced that overall tonnage for the year was 27.6 million tons, an 8% increase over 2017. Steel tonnage had increased 29% year-to-date.
- Container activity continued to be strong, with a port-wide increase of 11% overall in TEUs. Loaded units increased 10% compared to last year, and recently more than 5,700 lifts were completed very productively and efficiently for one of Port Houston's East Asian services. This trend should continue with the larger vessels calling on Port Houston.
- Mr. Guenther announced that since July, Port Houston had received three new ship-to-shore cranes and ten rubber-tired gantry cranes at Bayport Container Terminal, to ensure its ability to handle increasing demand.
- Mr. Guenther noted that on the agenda for Port Commission consideration was an advertisement for proposals to redevelop container yards at Barbours Cut terminal, a recommendation to award the planning and design of the next phase of terminal development at Bayport, and a recommendation to construct the rail spur in the Bayport container facility.
- Mr. Guenther concluded his report by announcing that Port Houston is a sponsor of the Breakbulk Conference being held on October 2-4, which attracts approximately 5,000 companies from across the world and is an excellent opportunity to network with different companies to bring additional business to Houston.

Chairman Longoria commended the Commercial Division and staff for having secured the annual Breakbulk Conference in Houston and noted that it would be held in Houston each year in the future.

Chairman Longoria commented that she was not aware of any private or public organization experiencing a growth rate of 12% a year, which was the overall growth in Port Houston tonnage last year, including containers, and it appeared that that Port Houston was on track to meet or exceed that. She credited Mr. Guenther and his staff for their efforts in making Port Houston successful and for making recommendations to the commission for strategic investments, so that Port Houston can continue opportunities for prosperity for our region, state and the nation.

Noting that there were a number of container carrier and general cargo representatives present at the meeting, Commissioner Fitzgerald announced that the International Longshoremen's Association had extended its master contract with the United States Maritime Alliance for six additional years through 2024.

Commissioner Corgey reported that tug boat workers had also agreed to a new, three-year, contract, and 12 new vessels would be added to the local fleet, which will result in the most modern, efficient fleet of tugs in the world.

Chairman Longoria recognized the container carrier and general cargo representatives and thanked them for their continued support and business, and also thanked the Houston Pilots for ensuring navigational safety for the growing number of container vessels in the channel.

Chairman Longoria asked if there were any questions for the Port Commission. There was no response.

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

(2018-0925-08) RCA G1 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2018-0925-09) RCA H1 was presented, moved by Commissioner Kennedy, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2018-0925-10) RCA H2 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H2 PASSED.

Mr. John Moseley introduced Mr. Anders Flensburg of Flensburg and Associates GmbH. Mr. Flensburg commented he was excited to be a part of Port Houston's team and

was looking forward to acquiring additional customers for Port Houston in Europe, the Mediterranean, and select countries in Africa and the Middle East.

(2018-0925-11) RCA H3 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H3 PASSED.

(2018-0925-12) RCA H4 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H4 PASSED.

(2018-0925-13) RCA H5 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H5 PASSED.

(2018-0925-14) RCA H6 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H6 PASSED.

(2018-0925-15) RCA H7 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H7 PASSED.

(2018-0925-16) RCA I1 (a-s) was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I1 (a-s) PASSED.

(2018-0925-17) RCA I2 was presented, moved by Commissioner Kennedy, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2018-0925-18) RCA I3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2018-0925-19) RCA I4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2018-0925-20) RCA I5 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I5 PASSED.

(2018-0925-21) RCA J1 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey.

Commissioner Mease inquired why the previous award was rescinded. Mr. Woodring explained that the original contract was awarded in 2017 and Port Houston was “piggy-backed” onto Harris County’s contract. Harris County has since rescinded that contract and staff is asking permission to award the contract using the Texas Department of Information Resources cooperative purchasing program.

Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2018-0925-22) RCA J2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2018-0925-23) RCA K1 was presented, moved by Commissioner Kennedy, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2018-0925-24) RCA K2 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch.

Commissioner Mease inquired why the item was on the agenda. Mr. Guenther stated that the scope of work had been expanded.

Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2018-0925-25) RCA K3 was presented. Commissioner Branch moved for staff ranking – first, Terracon Consultants, Inc.; second, Aviles Engineering Corporation; and third, HVJ Associates, Inc., seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K3 PASSED.

(2018-0925-26) RCA K4 was presented. Commissioner Fitzgerald moved for staff ranking – first, Lockwood, Andrews & Newnam, Inc.; second, RPS Group, Inc.; and third, TSC Engineering, seconded by Commissioner Kennedy. Chairman Longoria,

and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K4 PASSED.

(2018-0925-27) RCA K5 was presented. Commissioner Mease moved for staff ranking – first, Dannenbaum Engineering Corporation; second, CH2M Hill Engineers, Inc.; and third, BergerABAM, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K5 PASSED.

(2018-0925-28) RCA K6 was presented. Commissioner Corgey moved for staff ranking – first, Fused Industries, Ltd.; and second, McCarthy Building Companies, Inc., seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K6 PASSED.

(2018-0925-29) RCA K7 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K7 PASSED.

(2018-0925-30) RCA K8 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K8 PASSED.

(2018-0925-31) RCA K9 was presented, moved by Commissioner Kennedy, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K9 PASSED.

(2018-0925-32) RCA K10 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K10 PASSED.

(2018-0925-33) RCA K11 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K11 PASSED.

(2018-0925-34) RCA K12 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Kennedy.

Commissioner Corgey inquired if this was the program that assisted in getting employees to work, and Mr. Guenther replied in the affirmative, noting that currently 25 employees participated in the van pool program which furnished four vans.



Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K12 PASSED.

(2018-0925-35) RCA K13 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K13 PASSED.

(2018-0925-36) RCA K14 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K14 PASSED.

(2018-0925-37) RCA K15 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K15 PASSED.

(2018-0925-38) RCA K16 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K16 PASSED.

(2018-0925-39) RCA L1 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2018-0925-40) RCA L2 was presented. Commissioner Fitzgerald moved for staff ranking – first, World International Testing, Inc.; second, Alatas Americas, Inc.; and third, Dunham Engineering, Inc., seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L2 PASSED.

(2018-0925-41) RCA L3 was presented. Commissioner Corgey moved for staff ranking – first, Yard Mule Specialists, Inc.; and second, Marine Tekno Services LLC, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L3 PASSED.

(2018-0925-42) RCA L4 was presented, moved by Commissioner Kennedy, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L4 PASSED.

(2018-0925-43) RCA L5 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L5 PASSED.

(2018-0925-44) RCA L6 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L6 PASSED.

(2018-0925-45) RCA L7 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L7 PASSED.

(2018-0925-46) RCA L8 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L8 PASSED.

(2018-0925-47) RCA L9 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L9 PASSED.

(2018-0925-48) RCA L10 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L10 PASSED.

(2018-0925-49) RCA L11 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L11 PASSED.

(2018-0925-50) RCA L12 was presented, moved by Commissioner Corgey, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L12 PASSED.

(2018-0925-51) RCA L13 was presented, moved by Commissioner Kennedy, seconded by Commissioner Branch.

Commissioner Mease asked if the contract was being extended. Mr. Guenther explained that more gasoline and diesel was being used with the addition of more cranes and due to the rise in fuel costs, and staff was asking for additional funds to cover the cost of fuel through the contract expiration date of December 31.

Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L13 PASSED.

(2018-0925-52) RCA L14 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch.

Commissioner Kennedy asked for additional information on the agenda item. Mr. Guenther explained that Barbours Cut Terminal had a rail facility which permits the Union Pacific Railroad to ship containers to Dallas, but the Bayport Container Terminal did not. Since a strategic initiative of Port Houston was to better serve inland destinations by rail, staff had proposed a way to move the containers to that rail from Bayport at a very competitive rate.

Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L14 PASSED.

RCA M1 was approved (*see above – approved by Minute No. 2018-0925-03*).

RCA M2 was approved (*see above – approved by Minute No. 2018-0925-04*).

RCA M3 was approved (*see above – approved by Minute No. 2018-0925-05*).

(2018-0925-53) RCA M4 was presented, moved by Commissioner Mease, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA M4 PASSED.

(2018-0925-54) RCA N1 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N1 PASSED.

(2018-0925-55) RCA N2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N2 PASSED.

(2018-0925-56) RCA N3 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA N3 PASSED.

At 9:40 a.m., Chairman Longoria called for a brief recess and advised that the Executive Session would follow. At 9:45 a.m., Chairman Longoria instructed Mr. Eriksson to make the following announcement:

It is now 9:45 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted

by the Texas Open Meetings Act and Government Code (1) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultations regarding (i) the Industrial District Agreement and Water Supply Agreement with the City of Pasadena, Texas, and (ii) proposed amendment to the agreement for legal services with Andrews Myers PC; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including deliberations regarding disposition of Turning Basin Terminal vicinity properties; (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*), 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 10:06 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:

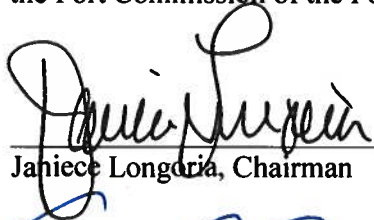
Janiece Longoria, Chairman  
Theldon R. Branch, III, Commissioner  
Dean E. Corgey, Commissioner  
Clyde E. Fitzgerald, Commissioner  
John D. Kennedy, Commissioner  
Roy D. Mease, Commissioner  
Roger Guenther, Executive Director  
Erik Eriksson, Chief Legal Officer  
J. Kent Friedman, outside counsel

(2018-0925-57) Commissioner Mease moved to authorize the Port Authority to purchase property in the vicinity of the Turning Basin Terminal from MJ Partners, Ltd., Milo L. Strickland, and Janyth E. Strickland, and separate property in the same vicinity from Port Steel Land Properties LLC, on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

(2018-0925-58) Commissioner Fitzgerald moved to authorize the Port Authority to amend its agreements for legal services with Andrews Myers PC, on the terms discussed in Executive Session, and authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

At 10:07 a.m., Chairman Longoria adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the September 25, 2018 meeting of the Port Commission of the Port of Houston Authority.



\_\_\_\_\_  
Janiece Longoria, Chairman



\_\_\_\_\_  
Erik A. Eriksson, Secretary

## G. EXECUTIVE

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**Subject** 1. Renew the Port Authority's corporate membership in the American Association of Port Authorities, authorize the Executive Director and the Chief Operating Officer, as alternate, to represent the Port Authority at the annual American Association of Port Authorities conferences, and pay fiscal 2018-2019 dues in the amount of \$82,434.

**Meeting** Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, authorize the Port Authority to renew its corporate membership in the American Association of Port Authorities (AAPA), authorize the Executive Director and the Chief Operating Officer, as alternate, to represent the Port Authority at annual AAPA conferences, and pay fiscal 2018-2019 dues in the amount of \$82,434, 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 3c. - Leverage key partnerships to influence regional infrastructure investment

**Category:**  
Awards, Amendments & Change Orders

**Department:**  
Executive

**Staff Contact:**  
Roger Guenther

**Background:**  
The AAPA is a trade association which represents public port authorities in the Americas. AAPA was organized to promote common interests of the port community, helps provide leadership on trade, transportation, environment, and other issues related to port development and operations, and works to educate the public, the media, and government officials regarding the role ports play within the global transportation system. It also provides forums through its committee structure for sharing and collaborating on issues of common interest, and attempts as well to address industry issues with education and training programs and webinars.

The Port Authority is a long-time member of the AAPA, and Port Commissioners and staff have taken leadership roles in many of its activities, including those during its annual conferences. Attendees of AAPA national conferences generally include port executives, maritime industry customers, governmental officials, and economic development leaders.

**Staff Evaluation/Justification:**  
Staff recommends that the Port Authority renew its corporate membership in the AAPA through June 30, 2019 by remittance of dues for the latest 2018-2019 fiscal year in the amount of \$82,434.

Staff also recommends that the Port Commission authorize the Executive Director, and the Chief Operating Officer, as alternate empowered in case of the absence of the original delegate from any session, to represent the Port Authority at the annual AAPA national conferences.

## H. COMMERCIAL

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**Subject** 1. Approve a two-year and three-month contract with Flensburg and Associates GmbH for trade development activities on behalf of the Port Authority in Europe, the Mediterranean, and selected countries in Africa and the Middle East in an amount not to exceed \$281,250.

**Meeting** Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, approve a two-year and three-month contract with Flensburg and Associates GmbH, for trade development activities on behalf of the Port Authority in Europe, the Mediterranean, and selected countries in Africa and the Middle East in an amount not to exceed \$281,250, 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:**  
Awards, Amendments & Change Orders

**Department:**  
Trade Development

**Staff Contact:**  
John Moseley

**Background:**  
Flensburg and Associates GmbH, an independent contractor domiciled in Germany with 30 years experience in the shipping industry in Europe, the Mediterranean, Africa and the Middle East, has proven abilities in representation of U.S.- based firms and in maritime and port-related business development activities in the Trans-Atlantic trade, and has deep relationships with beneficial cargo owners, ocean carriers, freight forwarders, and other maritime related entities in both the container and break-bulk sectors in those regions.

In 2017, loaded containerized imports and exports through the Port Authority container facilities to and from Europe, the Mediterranean, Africa, and the Middle East represented 41% of loaded container throughput or 824,000 TEUs. Containerized trade with the region grew 7% from 2016 levels, aboard 9 of 23 regular container liner services calling Port Authority facilities. General cargo trade (excluding liquids) between the greater Port of Houston complex and Europe, the Mediterranean, Africa, and the middle East represented 33% of the total or 8 Million short tons, carried aboard 6 of 17 regular general cargo services calling the greater Port of Houston complex.

Four of the top five container ocean carriers and the majority of the world's top break bulk ocean carriers are headquartered in Europe. With the significant and ongoing expansion of Houston's regional petrochemical complex, the Port Authority's strong links with Europe's petrochemical, consumer products, and automotive sectors, the addition of the MSC Indus service (launched in June 2018), increasing vessel sizes, and high beneficial cargo owner demand for cargo routing through the Port of Houston, transatlantic volumes are expected to continue to trend upward.

**Staff Evaluation/Justification:**  
Based on these circumstances, staff recommends the Port Authority advance its strategic positioning in Europe, the Mediterranean, Africa and the Middle East (i.e., Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy,

Kazakhstan, Kosovo, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malta, Moldova, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russia, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom, and Vatican City), Eastern Mediterranean (Israel and Jordan), Middle East (United Arab Emirates, Saudi Arabia, Oman, Bahrain, Qatar, and Kuwait) and Africa (Nigeria, South Africa, Kenya, Equatorial Guinea, Ghana, and Angola) through, and recommends the award of a new two-year and three-month contract with Flensburg and Associates GmbH, not to exceed \$281,250 during the entire term of this Agreement, which amount includes fees totaling \$225,000 (\$8,333.33 per month for 27 months) and reimbursement of Port Authority related travel and business expenses not to exceed a total of \$56,250 (\$25,000 for each of the first two years and \$6,250 for the three months ending December 31, 2020). The additional three months of this term are requested in order to start the contract immediately and put the contract on a calendar-year basis.



## H. COMMERCIAL

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**Subject**                    **2. Approve an Agreement for Permit for Use and Occupancy of Public Street Right-of-Way with the City of Houston for five existing crossings under City of Houston street rights-of-way to accommodate dredge pipelines, in an amount not to exceed \$20,000 for a thirty-year period.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, approve an Agreement for Permit for Use and Occupancy of Public Street Right-of-Way with the City of Houston for five existing crossings under City of Houston street rights-of-way to accommodate dredged material pipelines, in an amount not to exceed \$20,000 for a thirty-year period, 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:**

A continuous program of dredging, performed by United States Army Corps of Engineers (USACE) contractors, is required to maintain the Houston Ship Channel. As local sponsor, the Port Authority is required to provide all necessary lands and easements for the USACE for dredged materials placement. The system of pipelines that transport dredged material during dredging operations must cross several public streets within the City of Houston's corporate limits. The City of Houston (City) requires the Port Authority to obtain permission for the Port Authority's pipelines to cross the City's streets.

The Intergovernmental Joint Use Agreement dated April 5, 1984 between the City and the Port Authority that permitted multiple crossings of City street rights-of-way (ROW) of dredged material pipelines (1984 Agreement) has expired. The City has informed the Port Authority that it will not renew the 1984 Agreement and that an Agreement for Permit for Use and Occupancy of Public Street Right-of-Way (sometimes referred to as an Encroachment Agreement) is now required for such ROW crossings. For each encroachment permit issued under an Encroachment Agreement, the City charges an annual fee based on the dimensions of the encroachment and the number of crossings. The longest period for which the City would issue a permit is thirty years.

The existing ROW crossings required by the Port Authority are culvert-like "sleeves" into which temporary pipelines are inserted when dredging operations are occurring in that area. Three City Encroachment Agreements are needed for the five ROW crossings, based on the separate dredged material pipeline alignment. The three Encroachment Agreements would permit the following street crossings: (i) Clinton Dr. (between 610 Loop and N. Wayside Dr.); (ii) Clinton Dr. (east of 610 Loop) and Mississippi St. at 610 Loop; and (iii) N. Allen Genoa Rd. and Starmount Blvd.

**Staff Evaluation/Justification:**

Staff has determined that it is in the best interest of the Port Authority to obtain the required Agreement for Permit for Use and Occupancy of Public Street Right-of-Way from the City for the road crossings of existing dredge pipeline sleeves in order to meet our commitment to the maintenance dredging of the Houston Ship

## H. COMMERCIAL

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**Subject**                    **3. Approve a ten-year lease agreement with the United States Department of Agriculture for approximately 1,345 square feet of office space within the old Gate Services Building at the Bayport Container Terminal effective no earlier than November 1, 2018, at an annual rental of \$33,624 subject to an annual increase of 3%.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, approve a ten-year lease agreement with the United States Department of Agriculture for approximately 1,345 square feet of office space within the old Gate Services Building at the Bayport Container Terminal effective no earlier than November 1, 2018, at an annual rental of \$33,624 subject to an annual increase of 3%, 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 United States Department of Agriculture (USDA) has requested the Port Authority lease it approximately 1,345 square feet within the old Gate Services Building (the Building) at the Bayport Container Terminal. The space would be used as a laboratory by USDA and its Animal and Plant Health Inspection Service (APHIS) and Plant Protection and Quarantine (PPQ) divisions, to aid the agencies in more quickly and efficiently inspecting cargo arriving at the container terminals for pests and diseases and compliance with federal import regulations and permitting requirements. The USDA currently provides these services for the terminals from an off-site location, requiring the unnecessary expenditure of time and money to bring samples to and from the container terminals.

The Building would need to be remodeled to conform with USDA laboratory requirements prior to occupation of the Building by USDA, APHIS, and PPQ. In accordance with federal law, the lease term would commence upon completion of construction. A separate request for commission action relating to the construction on the Building has been submitted concurrently with this request.

**Staff Evaluation/Justification:**

Staff recommends approval of a ten-year lease agreement with USDA, on the terms described above.

## H. COMMERCIAL

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<b>Subject</b>	<b>4. Approve a lease agreement with American Maritime Services of N.J., Inc. dba Integrated Industries Corp., for approximately 6.21 acres of improved property and an approximately .243 acre non-exclusive access road at Barbours Cut Terminal, effective no earlier than October 1, 2018, for a three-year term, with an additional five year extension upon mutual agreement, at an annual rental of \$266,023, subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting, approve a lease agreement with American Maritime Services of N.J., Inc. dba Integrated Industries Corp., a New Jersey corporation, for approximately 6.21 acres of improved property and an approximately .243 acre non-exclusive access road at Barbours Cut Terminal, effective no earlier than October 1, 2018, for a three-year term, with an additional five year extension upon mutual agreement, at an annual rental of \$266,023, subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)
<b>Category:</b> Leases	
<b>Department:</b> Real Estate	
<b>Staff Contact:</b> R.D. Tanner	
<b>Background:</b>	American Maritime Services of N.J., Inc. dba Integrated Industries Corp. of New Jersey (Integrated) has proposed to lease approximately 6.21 acres along with an approximately .243 acre non-exclusive access road at Barbours Cut Terminal. The property is currently improved with stabilized material. Integrated would use the property to repair containers and chassis. Integrated works with MSC Shipping Lines equipment.
<b>Staff Evaluation/Justification:</b>	Staff reviewed the request by Integrated and recommends approval of a lease agreement.

**H. COMMERCIAL**

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**Subject**                    **5. Approve an access license agreement with the Harris County Toll Road Authority for approximately 1.84 acres at the Beltway 8 property, effective no earlier than October 1, 2018, for a ten-year term.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, approve an access license agreement with the Harris County Toll Road Authority for approximately 1.84 acres at the Beltway 8 property, effective no earlier than October 1, 2018, for a ten-year term, 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 Harris County Toll Road Authority (HCTRA) has requested the issuance of a license, for a ten-year term, permitting access to and use of a 25 foot strip (approximately 1.6010 acres) of the Port Authority's land adjacent to the Sam Houston Toll Road in order to facilitate construction activities pertaining to the expansion of the Sam Houston Tollway Bridge.

**Staff Evaluation/Justification:**

Staff reviewed the request by HCTRA and recommends approval of an access license agreement.

**H. COMMERCIAL**

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**Subject**                    **6. Ratify a month-to-month lease with Apollo Environmental Strategies, Inc. for approximately one acre out of Block 7 at Spilman Island commencing November 1, 2018.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, ratify a month-to-month lease with Apollo Environmental Strategies, Inc. for approximately one acre out of Block 7 at Spilman Island commencing November 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:**

The Port Authority currently has a month-to-month lease with Apollo Environmental Strategies, Inc. (Apollo) that will have been in effect for more than a year after October 31, 2018. Apollo's current monthly rental is \$1,663, or \$19,965 per year.

By Minute No. 2018-0327-09, the Port Commission authorized a 3% increase to all month-to-month leases in effective as of May 1, 2018.

The property is currently being used by Apollo as a laydown storage yard as Apollo works on raising the levees at Spilman Island. Apollo has an office trailer on site for the U.S. Army Corps of Engineers and also uses the Leased Premises for equipment and employee parking, supply trailers, and a diesel fuel tank. Apollo is requesting another six to eight months to complete the work which was originally anticipated to not exceed one-year.

**Staff Evaluation/Justification:**

Staff recommends ratification of the Apollo Environmental Strategies, Inc. month-to-month lease. The monthly rental would increase by 3% from \$1,663 to \$1,713 per month or \$20,556 annually under the ratified lease.

## H. COMMERCIAL

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**Subject**                    **7. Ratify a month-to-month lease with Scohil Construction Services, LLC for approximately 2.2 acres out of Block 19 of Harrisburg, Harris County, Texas, Lots 1 thru 12 and 13 thru 24, commencing October 1, 2018.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, ratify a month-to-month lease with Scohil Construction Services, LLC for approximately 2.2 acres out of Block 19 of Harrisburg, Harris County, Texas, Lots 1 thru 12 and 13 thru 24, commencing October 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:**

The Port Authority currently has a month-to-month lease with Scohil Construction Services, LLC (Scohil) that will have been in effect for more than a year after September 30, 2018. Scohil's current monthly rental is \$2,000 monthly, or \$24,000 annually.

The property is currently being used to stage equipment used to complete Scohil's contract with the City of Houston to install new waterlines, fire hydrants, and residential/commercial service lead re-connects for the Harrisburg area. Scohil also has an office trailer on site. Scohil is requesting an additional estimated three months to complete its work for the City of Houston.

**Staff Evaluation/Justification:**

Staff recommends ratification of the Scohil Construction Services, LLC month-to-month lease.

## I. FINANCE

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

**Meeting** Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, authorize the Port Authority to advertise and receive responses for nineteen 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 a two-year contract for purchase of traffic paint for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
- (b) Request for competitive sealed bids utilizing job orders for the annual concrete replacement at Turning Basin Terminal in 2019
- (c) Request for competitive sealed bids utilizing job orders for the annual pavement replacement at Barbours Cut and Bayport Container Terminals in 2019
- (d) Request for competitive sealed bids for the annual fender system maintenance at Barbours Cut Terminal and Bayport Container Terminal in 2019
- (e) Request for competitive sealed bids for a two-year contract for purchase of unleaded gasoline and ultra-low sulfur diesel fuel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
- (f) Request for competitive sealed proposals for the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal
- (g) Request for competitive sealed proposals for the relocation of communications infrastructure along Peninsula Boulevard at Jacintoport Terminal
- (h) Request for competitive sealed proposals utilizing job orders for the annual wharf crane and rubber tire gantry crane painting at Barbours Cut and Bayport Container Terminals in 2019
- (i) Request for competitive sealed proposals to remodel the gate services building for the U.S. Department of Agriculture at Bayport Container Terminal
- (j) Request for competitive sealed proposals for gate interchange tickets for Barbours Cut Terminal and Bayport Container Terminal
- (k) Request for competitive sealed proposals for West Clinton placement area ditching
- (l) Request for competitive sealed proposals for an automated electronic accounts payable processing solution
- (m) Request for proposals for Port Authority's Property and Casualty insurance program, including workers' compensation, marine, property, terrorism, equipment, liability (general, auto, public officials, and environmental), business interruption, and such other policies deemed necessary or advisable
- (n) Request for proposals for temporary employment firms to supply up to six contract employees to assist in the migration of archived engineering data into the central records system
- (o) Request for proposals for security cameras, and video management software and analytics
- (p) Request for qualifications for the development of a Corrosion Management Program including a Facility Inspection and Conditioning Assessment Program manual and field data collection
- (q) Request for qualifications for the development of an Electrical and Communications Program including a Facility Inspection and Conditioning Assessment Program manual and field data collection
- (r) Request for qualifications for the design for the rehabilitation of Wharves 4 and 5 at Bayport Container Terminal
- (s) Request for qualifications to perform construction material testing services during the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal

**Category:**

Authority to Obtain Bids, Proposals, or Qualifications

**Department:**  
Procurement Services

**Staff Contact:**  
Yvette Camel-Smith

**Background:**

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

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

- Solicitation of "Competitive Sealed Proposals" or "Competitive Sealed Bids," for construction, repair, rehabilitation, or alteration of facilities, and for non-construction items;
- Solicitation of "Requests for Proposals," for procurement of 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 nineteen new Formal Procurements. Staff has evaluated and recommends the customary best value methods for each procurement.



## I. FINANCE

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<b>Subject</b>	<b>2. Authorize the Port Authority to enter into a Master Intergovernmental Cooperative Purchasing Agreement with the National Intergovernmental Purchasing Alliance Company to join its cooperative purchasing program.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting, authorize the Port Authority to enter into a Master Intergovernmental Cooperative Purchasing Agreement with the National Intergovernmental Purchasing Alliance Company (National IPA) to join its cooperative purchasing program, and further authorize the Executive Director to do any and all things in his opinion reasonable and necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

**Category:**  
General

**Department:**  
Procurement Services

**Staff Contact:**  
Yvette Camel-Smith

**Background:**

The Port Authority is generally subject to Texas Water Code Chapter 60, Subchapters N and O for procurement of goods and services. That statute permits the Port Authority to use interlocal and cooperative purchasing agreements, pursuant to Texas Government Code Chapter 791 (The Interlocal Cooperative Act), as a purchasing method when the Port Commission determines that such method provides the best value.

By Minute No. 2008-0219-49, the Port Commission authorized the Port Authority to enter into an interlocal agreement with Region 4 Education Service Center to make purchases using its purchasing program known as The Cooperative Purchasing Network (TCPN). Since then, TCPN has become affiliated with the National Intergovernmental Purchasing Alliance Company (National IPA). In order to take full advantage of the available purchasing contracts of the combined programs, a participating public agency must join National IPA, in addition to TCPN.

**Staff Evaluation/Justification:**

National IPA is an alliance of state and local governmental entities, educational institutions, and nonprofit organizations, which offers cooperative contract solutions that provide valuable product and service purchasing options for items ranging from office supplies to heavy equipment. All items offered through National IPA have been awarded by a public governmental entity "lead agency" using competitive solicitation. The Texas Region 4 Education Service Center is a lead agency of National IPA. Procurements made utilizing the National IPA satisfy the State of Texas competitive bidding requirements.

There are no membership fees and no minimum contract purchasing requirement. Procurements of more than \$50,000 would continue to require Port Commission approval. The Port Authority's Director of Procurement and Legal Department staff have reviewed the arrangement and have given their approval.

Staff recommends the Port Commission approve the Port Authority entering into the required agreement with the National IPA to join its cooperative purchasing program.

## I. FINANCE

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**Subject**                    **3. Adopt an amended investment policy for the Port Authority Restated Retirement Plan.**

Meeting                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access                    Public

Type                    Action

Recommended Action    The Port Commission, at its September 25, 2018 meeting, adopt an amended investment policy for the Port Authority Restated Retirement Plan (Pension Plan), and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**  
General

**Department:**  
Treasury

**Staff Contact:**  
Ray Yi

**Background:**  
By Minute No. 2017-0725-12, the Port Commission adopted an amended investment policy for the Pension Plan, which states:

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

**Staff Evaluation/Justification:**

Staff and the Port Authority’s pension consultant, AndCo Consulting, LLC, proposed several revisions to the investment policy at a meeting of the Pension and Benefits Committee on September 18, 2018, including the following:

- Recognition that the need for balancing the portfolio may also be due to contributions and distributions.
- Staff authorization to rebalance the portfolio, consistent with the Asset Allocation guidelines, and maintain portfolio assets in money market accounts or other cash equivalents as deemed appropriate or necessary to cover expenses and monthly benefit payment requirements.
- A requirement that investment manager performance be reviewed over three, five, and ten year periods.

These proposed Policy changes would comply with applicable statutes, including Chapter 802, Texas Government Code.

The Committee and staff recommend that the Port Commission adopt an amended investment policy for the Pension Plan, as proposed.

## I. FINANCE

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

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, adopt an amended investment policy for the Port Authority's irrevocable trust established for other post-employment benefits (OPEB Trust), and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**  
General

**Department:**  
Treasury

**Staff Contact:**  
Ray Yi

**Background:**  
By Minute No. 2017-0725-13, the Port Commission adopted an amended investment policy for the OPEB Trust, which states:

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

**Staff Evaluation/Justification:**

Staff and the Port Authority's consultant, AndCo Consulting, LLC, proposed several revisions to the investment policy at a meeting of the Pension and Benefits Committee on September 18, 2018, including the following:

- Recognition that the need for balancing the portfolio may also be due to contributions and distributions.
- Staff authorization to rebalance the portfolio, consistent with the Asset Allocation guidelines, and maintain portfolio assets in money market accounts or other cash equivalents as deemed appropriate or necessary to cover expenses and monthly benefit payment requirements.
- Recognition that investment manager performance should be reviewed over three, five, and ten year periods.

These proposed Policy changes would comply with applicable statutes.

The Committee and staff recommend that the Port Commission adopt an amended investment policy for the OPEB Trust, as proposed.

## I. FINANCE

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<b>Subject</b>	<b>5. Approve changes to the Port Authority's Deferred Compensation 457(b) Plan and Defined Contribution 401(a) Plan, including amendments to the current agreements with Nationwide Retirement Solutions, Inc. and its affiliates, and delegating authority to staff to implement a new investment menu for the plans.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting, approve changes to the Port Authority's Deferred Compensation 457(b) Plan and Defined Contribution 401(a) Plan, including amendments to the current agreements with Nationwide Retirement Solutions, Inc. and its affiliates, and delegating authority to staff to implement a new investment menu for the plans, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

**Category:**  
General

**Department:**  
Treasury

**Staff Contact:**  
Ray Yi

**Background:**

By Minute No. 1979-0702-22, the Port Commission authorized the establishment of a Deferred Compensation program for Port Authority employees through United Savings of Texas. That plan was never implemented. However, by Minute No. 1982-0510-36, the Port Commission amended the prior action, and established such a plan through the National Association of Counties, structured as an Internal Revenue Code Section 457(b) plan, allowing Port Authority employees to save their own funds toward retirement on a pre-tax basis. The Deferred Compensation 457(b) Plan is administered by Nationwide Retirement Solutions, Inc. and affiliates.

By Minute No. 2012-0724-25, the Port Commission additionally authorized the establishment of a Defined Contribution retirement benefit plan (DC Plan) for Port Authority employees hired on or after August 1, 2012, structured as an Internal Revenue Code Section 401(a) plan, funded entirely by the Port Authority. The DC Plan is administered by Nationwide Retirement Solutions, Inc. and affiliates.

**Staff Evaluation/Justification:**

Staff and the Port Authority's consultant, AndCo Consulting, LLC, reviewed the current structures of the two plans with Nationwide, the administrative service provider, for possible enhancements. The latter has proposed several changes to the plans which would benefit plan participants, including:

- Reduction of annual administrative fees to 10 basis points (0.10%) on plan assets, inclusive of any revenue sharing from investment fund managers.
- Establishment of open architecture, allowing the Port Authority to select "best-in-class" investment options and the number of options that it desires to offer, and no longer be restricted to the options offered by the National Association of Counties.
- Designation of the "Fixed Account" as the "stable value" option, with the minimum guaranteed interest rate (currently at 3.5% per annum) reduced over time to a level that approximates money market rates generally offered in 401(k) plans.

- Migration of the plans to one recordkeeping platform, so a participant only needs to access one system and receive one statement each quarter showing his or her investments in the two plans, if applicable.

The proposed changes were presented to the Pension and Benefits Committee on September 18, 2018.

The Committee and staff recommend that the Port Commission approve the proposed changes to the Deferred Compensation 457(b) Plan and the Defined Contribution 401(a) Plan, including amending/executing agreements with Nationwide as necessary to incorporate these changes for up to a five-year term, and delegating authority to staff to implement a new investment menu for the plans consistent with two primary objectives: (1) facilitate diversification and better investment decision-making by participants; and (2) improve participant value with inclusion of investment options that are superior from a cost/performance perspective.

## **J. PORT SECURITY AND EMERGENCY OPERATIONS**

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**Subject**                    **1. Rescind the prior award to BEARCOM Wireless, and award the purchase and installation of a Broadband Antenna Tracking System to Comprehensive Communication Services, using the Texas Department of Information Resources cooperative purchasing program, in an amount not to exceed \$96,000, with an estimated net cost to the Port Authority after Federal Emergency Management Agency Port Security Grant reimbursement, of \$24,000 (25% of total cost)**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, rescind the prior award to BEARCOM Wireless, and award the purchase and installation of a Broadband Antenna Tracking System (BATS) to Comprehensive Communication Services, using the Texas Department of Information Resources' (DIR) cooperative purchasing program, in an amount not to exceed \$96,000 with an estimated net cost to the Port Authority after Federal Emergency Management Agency Port Security Grant reimbursement, of \$24,000 (25% of total cost), and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Goals**                      Strategic Objective 4c. - Operate safely and securely  
                                      STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)  
                                      Strategic Objective 4b. - Cultivate productive relationships with all stakeholders

**Category:**  
 Awards, Amendments, & Change Orders

**Department:**  
 Emergency Management

**Staff Contact:**  
 Colin Rizzo

**Background:**  
 The Port Authority has been awarded a 2017 Federal Emergency Management Agency (FEMA) Port Security Grant (PSG) to install a BATS atop the grain elevator at Turning Basin. This system is part of a joint effort with Harris County to support the regional roll-out of an enhanced Public Safety communications system, and would act as a receiving and relay point for wireless, high-capacity data, voice, and video communications, linking regional Emergency Operations Centers to deployed mobile command centers, and directly supporting the Port Authority Mobile Command Center (MCC).

The BATS system is a stabilized microwave system that enables point-to-multipoint wireless links which automatically adjust to vehicle movements. The system provides regional secure high-bandwidth private communications for first responders. Because the system is private, it does not incur usage fees.

This project would include all equipment and installation costs.

In December 2017, by Minute Number 2017-1212-25, the Port Commission authorized the award of this procurement via the Port Authority's interlocal agreement with Harris County. It has since been determined that Harris County is discontinuing its BATS contract with BEARCOM, and therefore staff now seeks to award this contract utilizing the DIR cooperative purchasing program.

**Staff Evaluation/Justification:**

The Director of Procurement Services has determined that procuring a BATS system through Texas DIR's cooperative purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

To further regional first responder communications and support Port Authority Emergency Management, staff recommends the Port Commission approve this best value determination and purchasing and installing this equipment as described above using the 2017 FEMA PSG funding and Port Authority funds. FEMA is expected to reimburse the Port Authority for 75% of the total cost (\$72,000) upon completion of the project, resulting in a net cost to the Port Authority of \$24,000.

## **J. PORT SECURITY AND EMERGENCY OPERATIONS**

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**Subject**                    **2. Enter into an Intergovernmental Agreement with the City of Morgan's Point for security services for one year in an amount not to exceed \$24,720.**

Meeting                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access                    Public

Type                        Action

Recommended Action    The Port Commission, at its September 25, 2018 meeting, authorize the Port Authority to enter into an Intergovernmental Agreement with the City of Morgan's Point for security services for one year in an amount not to exceed \$24,720, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals                        Strategic Objective 4c. - Operate safely and securely  
STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

**Category:**  
General

**Department:**  
Police

**Staff Contact:**  
Mark Smith

**Background:**  
The Port Authority's Police Department has primary law enforcement jurisdiction within Barbours Cut Terminal, with the City of Morgan's Point providing primary police services within the city jurisdiction that surrounds the terminal.

The current one-year Intergovernmental Agreement expires on September 30, 2018. The cost is paid in 12 monthly amounts of \$2,060, for a total annual cost of \$24,720. If approved by the Port Commission, the agreement would be required to be approved by the Morgan's Point City Council.

**Staff Evaluation/Justification:**  
The Port Authority and the City of Morgan's Point each stands to benefit from an Intergovernmental Agreement which fosters cooperation in responding to crime in and around Barbours Cut Terminal.

Staff recommends that the Port Commission approve the above agreement.



## K. INFRASTRUCTURE

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**Subject** 1. Reject and re-advertise for competitive sealed proposals for the renovation of the Executive Office Building at Turning Basin Terminal.

**Meeting** Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its September 25, 2019 meeting, (i) reject the proposal received by the Port Authority for the renovation of the Executive Office Building at the Turning Basin Terminal; (ii) authorize the Port Authority to re-advertise a request for competitive sealed proposals and receive responses for the renovation of the Executive Office Building at the Turning Basin Terminal; (iii) determine that this purchasing method provides best value to the Port Authority; and (iv) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**  
Reject & Other Actions

**Department:**  
Project and Construction Management

**Staff Contact:**  
Brenda Trevino, P.E.

**Background:**  
This project consists of the selective demolition and renovation of each floor of the four-story Executive Office Building at the Turning Basin Terminal. The project's objective is to make the space more energy efficient and to replace systems/features in the building that are beyond their useful life. The work is also expected to create space that is flexible enough to grow and change with the organization in the future.

By Minute No. 2018-0731-19, the Port Commission authorized staff to rescind the award and re-advertise for proposals for this project. Staff has again determined to recommend that the Port Authority reject the proposal and re-advertise, in order to expand competition and potentially address the scope of the project.

**Staff Evaluation/Justification:**  
Staff recommends that the Port Commission reject the proposal and re-advertise a request for the competitive sealed proposals for the renovation of the Executive Office Building at the Turning Basin Terminal. Staff recommends use of the customary competitive sealed proposal method to provide best value to the Port Authority.

## **K. INFRASTRUCTURE**

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<b>Subject</b>	<b>2. Reject and re-advertise for competitive sealed proposals for the rehabilitation of Wharf 3 at Barbours Cut Terminal and include the construction of electrical and telecommunications infrastructure at Container Yards 4, 5, and 6 at Barbours Cut Terminal.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting, (i) reject the proposal received for the rehabilitation of Wharf 3 at Barbours Cut Terminal; (ii) authorize the Port Authority to re-advertise a request for competitive sealed proposals and receive responses for the rehabilitation of Wharf 3 at Barbours Cut Terminal; (iii) include the construction of electrical and telecommunications infrastructure at Container Yards 4, 5, and 6 at Barbours Cut Terminal; (iv) determine that this purchasing method provides best value to the Port Authority; and (v) 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 rehabilitation of Wharf 3 consists of work to accommodate new 100-gage dock cranes. The work consists of upgrades to 1,000 feet of wharf, including deck and new shaft foundations, fenders, deck hardware, 100-gage crane features (rail, tie-downs, cable trays, cable horns, and electrical distribution system infrastructure), storm water, potable water, and other utilities and connections.

The electrical and telecommunications infrastructure at Container Yards 4, 5, and 6 consists of the installation of concrete duct banks, power and fiber optics cables and equipment from the 12.47 kV switchyard to the C6 Administration Building and to Wharf 3. The project will bring electrical power to the cranes on Wharf 3 and telecommunications capabilities to the C6 Administration Building.

By Minute No. 2018-0130-19(d), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for the rehabilitation of Wharf 3 at Barbours Cut Terminal. Staff has determined to recommend that the Port Authority reject the proposal and re-advertise, in order to expand competition and address the scope of the project.

By Minute No. 2018-0731-16(f), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for the construction of electrical and telecommunications infrastructure at Container Yards 4, 5, and 6 at Barbours Cut, which after staff review it was determined that it would be advantageous to combine these two projects into one.

**Staff Evaluation/Justification:**

Staff recommends that the Port Commission reject the proposal and re-advertise a request for the competitive sealed proposals for the rehabilitation of Wharf 3, to also include the construction of electrical and telecommunications infrastructure at Container Yards 4, 5, and 6 at Barbours Cut Terminal. Staff recommends use of the customary competitive sealed proposal method to provide best value to the Port Authority.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>3. Approve staff's ranking of vendors and award a professional services contract in the amount not to exceed \$800,000 to perform construction material testing services during the construction of Container Yard 7 at Bayport Container Terminal to the top-ranked proposer – first, Terracon Consultants, Inc.; second, Aviles Engineering Corporation; and third, HVJ Associates, Inc.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting: <ul style="list-style-type: none"> <li>(a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Terracon Consultants, Inc.; second, Aviles Engineering Corporation; and third, HVJ Associates, Inc.;</li> <li>(b) award a professional services contract to Terracon Consultants, Inc. to perform construction material testing services for the construction of Container Yard 7 at Bayport Container Terminal in an amount not to exceed \$800,000;</li> <li>(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</li> <li>(d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.</li> </ul>
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Project and Construction Management

**Staff Contact:**

Roger H. Hoh, P.E.

**Background:**

This procurement includes construction material testing services during the construction of Container Yard 7 at Bayport Container Terminal. Per Section 60.463(c) of the Texas Water Code, in certain circumstances the Port Authority is required to hire a third-party inspection firm to independently test the acceptability of construction material installed by the contractor. This procurement would provide the third party inspection services.

By Minute No. 2018-0130-19(h), the Port Commission authorized the advertisement of a request for qualifications (RFQ) for these professional services. The Port Authority notified vendors regarding its RFQ using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Seventeen vendors downloaded the project materials from BuySpeed.

**Staff Evaluation/Justification:**

On August 8, 2018, eight 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:

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>4. Approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$5,932,558, to plan and design the construction of the East End at Bayport Container Terminal to the top-ranked proposers: staff ranking – first, Lockwood, Andrews &amp; Newnam, Inc.; second, RPS Group, Inc.; and third, TSC Engineering.</b>
<b>Meeting</b>	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
<b>Access</b>	Public
<b>Type</b>	Action
<b>Recommended Action</b>	The Port Commission, at its September 25, 2018 meeting: <ol style="list-style-type: none"> <li>(a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, Lockwood, Andrews &amp; Newnam, Inc.; second, RPS Group, Inc.; and third, TSC Engineering;</li> <li>(b) award a professional services contract to the top-ranked proposer to plan and design the construction of the East End at Bayport Container Terminal, in an amount not to exceed \$5,932,558;</li> <li>(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</li> <li>(d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.</li> </ol>
<b>Goals</b>	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 for the following:

1. Planning for future infrastructure needs including drainage and site utilities on the east end of Bayport Container Terminal;
2. Design of Container Yard 1 North and Container Yard 2 South; and
3. Design of Container Yard 1 Middle and Container Yard 1 South.

By Minute No. 2018-0416-12(d), the Port Commission authorized the advertisement of a request for qualifications (RFQ) for these professional services. The Port Authority notified vendors regarding its RFQ using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Thirty-two vendors downloaded the project materials from BuySpeed.

**Staff Evaluation/Justification:**

On May 16, 2018, three 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:

- Lockwood, Andrews & Newnam, Inc.
- RPS Group, Inc.

- TSC Engineering

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Lockwood, Andrews & Newnam, Inc. and act as otherwise described above.

## **K. INFRASTRUCTURE**

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<b>Subject</b>	<b>5. Approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$850,290 for analysis and design for rehabilitation and repair of Wharf 2 at Manchester Terminal to the top-ranked proposers: staff ranking – first, Dannenbaum Engineering Corporation; second, CH2M Hill Engineers, Inc.; and third, BergerABAM.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting: <ul style="list-style-type: none"> <li>(a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, Dannenbaum Engineering Corporation; second, CH2M Hill Engineers, Inc.; and third, BergerABAM;</li> <li>(b) award a professional services contract to the top-ranked proposer for analysis and design for rehabilitation and repair of Wharf 2 at Manchester Terminal, in an amount not to exceed \$850,290;</li> <li>(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</li> <li>(d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.</li> </ul>
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 for rehabilitation of the Wharf 2 at Manchester Terminal. This includes rehabilitation of the structural elements such as beams and piles, slope stability, etc.

By Minute No. 2018-0130-19(j), the Port Commission authorized the advertisement of a request for qualifications (RFQ) for these professional services. The Port Authority notified vendors regarding its RFQ using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Twenty-four vendors downloaded the project materials from BuySpeed.

**Staff Evaluation/Justification:**

On June 13, 2018, six RFQ responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFQ. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required services:

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

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Dannenbaum Engineering Corporation and act as otherwise described above.

## K. INFRASTRUCTURE

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<b>Subject</b>	<b>6. Approve staff's ranking of vendors and award a construction contract in an amount not to exceed \$13,559,761 to construct a rail spur at Bayport Container Terminal to the top-ranked proposer: staff ranking – first, Fused Industries, Ltd.; and second, McCarthy Building Companies, Inc.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting: (a) approve staff's ranking of vendors providing best value, based on the selection criteria, in the following order – first, Fused Industries, Ltd.; and second, McCarthy Building Companies, Inc.; (b) award a construction contract to the top-ranked proposer to construct a rail spur at Bayport Container Terminal in an amount not to exceed \$13,559,761; (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:**

This project consists of earthwork, rail track installation, roadway signalization and quiet zones, utility work, storm water controls, coordination with the Union Pacific Railroad, local jurisdictions and TxDOT, and all work associated with approximately 6,500 linear feet of track identified as the industrial lead track into Bayport Terminal.

By Minute No. 2017-0131-18(d), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) to construct a rail spur at Bayport Container Terminal. The Port Authority notified vendors regarding its request for CSPs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Twelve vendors downloaded the project materials from BuySpeed.

**Staff Evaluation/Justification:**

On August 29, 2018, two CSP's were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as providing best value for the required services:

- Fused Industries, Ltd.
- McCarthy Building Companies, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Fused Industries, Ltd. and act as otherwise described above.

## **K. INFRASTRUCTURE**

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**Subject** 7. Amend the professional services contract with Lockwood, Andrews & Newnam, Inc. to perform construction phase services for the construction of rail spur at Bayport Container Terminal in an amount not to exceed \$155,036.

**Meeting** Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, approve an amendment to the professional services contract with Lockwood, Andrews & Newnam, Inc. to perform construction phase services for the construction of rail spur at Bayport Container Terminal in an amount not to exceed \$155,036, 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:**

By Minute No. 2014-0923-31, the Port Commission awarded a professional services contract to Lockwood, Andrews & Newnam, Inc. to perform construction phase services for the construction of rail spur at Bayport Container Terminal.

This proposed amendment would revise the professional services contract with Lockwood, Andrews & Newnam, Inc. to increase the construction phase services due to a changed scope of work for the construction of rail spur at Bayport Container Terminal.

**Staff Evaluation/Justification:**

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



## **K. INFRASTRUCTURE**

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<b>Subject</b>	<b>8. Award a construction contract to Forde Construction Company, Inc. to repair the deck and backup pavement at Wharf Nos. 1, 2, and 3 at Jacintoport Terminal in an amount not to exceed \$398,895.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting, award a construction contract to Forde Construction Company, Inc. for repair of the deck and backup pavement at Wharf Nos. 1, 2, and 3 at Jacintoport Terminal in an amount not to exceed \$398,895, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Project and Construction Management

**Staff Contact:**

Roger H. Hoh, P.E.

**Background:**

This project consists of concrete deck repair for multiple damaged areas at Wharf Nos. 1, 2, and 3 at Jacintoport Terminal.

By Minute No. 2018-0327-11(e), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) to repair the deck and backup pavement at Wharf Nos. 1, 2, and 3 at Jacintoport Terminal. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Sixteen vendors downloaded the project materials from BuySpeed.

**Staff Evaluation/Justification:**

On August 22, 2018, one CSB was received, opened, and publicly read. The response was reviewed and evaluated by staff in accordance with the published selection criteria.

Following staff Executive Committee review, staff recommends that the Port Authority award a contract to Forde Construction Company, Inc., a responsible bidder submitting the only bid, for repair of the deck and backup pavement at Wharf Nos. 1, 2, and 3 at Jacintoport Terminal.

## K. INFRASTRUCTURE

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**Subject**                    **9. Authorize an interlocal agreement with Texas Commission on Environmental Quality to receive grant funding, in an amount not to exceed \$500,000, under the Port Authority Studies and Pilot Program, not obligating the Port Authority to provide matching funds.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, authorize an interlocal agreement with Texas Commission on Environmental Quality (TCEQ) to receive grant funding, in an amount not to exceed \$500,000, under the Port Authority Studies and Pilot Program, funded by TCEQ, and not obligating the Port Authority to provide matching funds, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Goals**                        STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)  
Strategic Objective 4a. - Be an environmental leader

**Category:**

Awards, Amendments & Change Orders

**Department:**

Technical and Business Analytics

**Staff Contact:**

Brenda Trevino

**Background:**

To assist in the study of five emission reduction opportunities, the Port Authority submitted an application May of 2018 to the Port Authority Studies and Pilot Program, which is funded by the TCEQ, for grant funding in the amount of \$500,000. This grant funding would have no local match and would study five concentrated areas of emission reduction. The Port Authority envisions multiple opportunities for reducing emissions and proposes a comprehensive approach to evaluate concepts, prioritize them for impact and practicality, and then pilot the best idea(s) using appropriate incentives.

Key areas of focus include:

1. Shift Road to Rail
2. Shift Road to No-Emission Electric Shuttle
3. Shift Road to Water
4. Shift Road to Low/No Emission Road
5. More Efficient Cargo Handling

**Staff Evaluation/Justification:**

This grant furthers the efforts of the Port Authority's Clean Air Strategy Plan in achieving its goal to reduce diesel air emissions due to port-related activities. The studies would give the Port Authority data driven reports to show which projects are feasible and fiscally responsible to implement. Each area of focus has a potential for large emission reductions in the area.

Accordingly, staff recommends that the Port Commission approve this interlocal agreement with TCEQ to receive grant funds under the TCEQ-funded Port Authority Studies and Pilot Program.

## **K. INFRASTRUCTURE**

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<b>Subject</b>	<b>10. Authorize an agreement with ExxonMobil Pipeline Company to provide inspection and oversight work associated with the Praxair, Inc. pipeline corridor relocation at Bayport Container Terminal in amount not to exceed \$250,000.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting, authorize an agreement with ExxonMobil Pipeline Company to provide inspection and oversight work associated with the Praxair, Inc. pipeline corridor relocation at Bayport Container Terminal in an amount not to exceed \$250,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Project and Construction Management

**Staff Contact:**

Roger H. Hoh, P.E.

**Background:**

Staff has identified certain pipelines within the ExxonMobil pipeline corridor at Bayport Container Terminal that must be relocated. ExxonMobil Pipeline Company will provide inspection and oversight work associated with the Praxair, Inc. relocation of these pipelines.

**Staff Evaluation/Justification:**

Staff has evaluated the proposal to determine the value is reasonable and fair and recommends that the Port Commission authorize this agreement with ExxonMobil Pipeline Company.

## **K. INFRASTRUCTURE**

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**Subject**                    **11. Approve for filing in the public records a restrictive covenant for groundwater maintenance and monitoring on 545.69 acres of Port Authority property located at Beltway 8 and Jacintoport Boulevard, as required by the Texas Commission on Environmental Quality.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, approve for filing in the public records a restrictive covenant for groundwater maintenance and monitoring on 545.69 acres of Port Authority property located at Beltway 8 and Jacintoport Boulevard, as required by the Texas Commission on Environmental Quality, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Goals**                        STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)  
STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**  
General

**Department:**  
Environmental

**Staff Contact:**  
Trae Camble

**Background:**

In 2002 the Port Authority acquired 145.69 acres of land located at Beltway 8 and Jacintoport Boulevard and in 2005 acquired an additional 400 acres of adjoining property (both properties now referred to as the Beltway 8 Site). The initial environmental assessment revealed soil and groundwater contamination on portions of the Beltway 8 Site comprising 97.83 acres (Affected Properties). The soil contamination was remediated through excavation activities, and the groundwater contamination is being remediated and managed through the Texas Risk Reduction Program (TRRP) Voluntary Cleanup Program (VCP) of the Texas Commission on Environmental Quality (TCEQ).

The Port Authority was required to continue to maintain and monitor two groundwater contaminant plumes until the chemicals of concern (mercury) no longer exceeded levels protective of the public health. As of June 2018, the groundwater has met the TCEQ approved critical Protective Concentration Levels by natural attenuation.

The TRRP requires that notice of record in the form of a restrictive covenant be filed by property owners to provide information about any restrictions on the affected property. The restrictive covenant prohibited use of and exposure to the groundwater at the Beltway 8 Site for any purpose until the chemicals of concern no longer exceed their protective concentration levels.

In 2013, a restrictive covenant was placed on the Affected Properties. This revised covenant would cover the entire Port Authority property (approximately 545.69 acres) and restricts use in connection with the post-remediation groundwater condition. The Port Authority expects to receive a certificate of completion regarding its remediation work upon issuance of this restrictive covenant.

## **K. INFRASTRUCTURE**

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<b>Subject</b>	<b>12. Enter into month-to-month lease agreements with 2Plus of Texas, Inc. dba STAR to lease vans under the Houston-Galveston Area Council METROVan Program for an additional one year period.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting, authorize entering into month-to-month lease agreements with 2Plus of Texas, Inc. dba STAR to lease vans under the Houston-Galveston Area Council METROVan Program for and additional one year period, 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 4a. - Be an environmental leader STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

General

**Department:**

Environmental

**Staff Contact:**

Trae Camble

**Background:**

In September 2007, the Environmental Affairs Department initiated a vanpool program for Port Authority employees by participating in the Houston-Galveston Area Council METROVan Program. The program is available to riders in Harris, Galveston, Brazoria, Liberty, Chambers, Fort Bend, Montgomery, and Waller counties.

The vanpool program was implemented as a means of improving local air quality, by reducing various vehicular emissions, the number of vehicles on roadways, and overall fuel consumption.

In order to participate in the METROVan Program, the Port Authority leases vans on a month-to-month basis from 2Plus of Texas, Inc. (STAR). Minute Nos. 2008-0219-52, 2008-0722-42, 2009-0623-27, 2011-0125-21, 2013-0723-20, 2015-0929-40, and 2017-0926-30 reflect the Port Commission's prior approvals of this participation.

The METROVan Program provides a \$35-per month incentive discount per rider on vanpool fares to the Port Authority; each rider in turn is responsible for paying \$25 monthly, in addition to all fuel and toll costs. An average of \$1,000 monthly lease cost per van is incurred by the Port Authority.

Employees at all three major terminals participate in the Port Authority's vanpool program. As of August 2018, it supports four vans and accommodates twenty-five riders. More riders are anticipated to join the program in the future.

**Staff Evaluation/Justification:**

A one-year program extension would enable current vanpool groups to continue operating and for more vanpools to form during the next year. No additional funding is requested at this time.

Staff recommends the Port Commission approve the program through September 2019.

## **K. INFRASTRUCTURE**

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**Subject**                    **13. Issue a marine construction permit to Texas Lehigh Cement Company, L.P. to construct a dock facility along the Houston Ship Channel in Houston.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, authorize the Port Authority to issue a marine construction permit to Texas Lehigh Cement Company, L.P. to construct a dock facility along the Houston Ship Channel in Houston, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**

Permits/Licenses/Pipeline Easements

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

Texas Lehigh Cement Company, L.P., Port Authority File No. 2018-0168, has applied for a marine construction permit to construct a dock facility along the Houston Ship Channel in Houston, in the Ezekiel Thomas Survey, A-73, in Harris County, Texas.

The dock facility would consist of a bulkhead, a dock, six berthing dolphins, four mooring dolphins, placement of 3,480 cubic yards of fill including riprap, excavation of 63,100 cubic yards of upland material, and dredging of 445,350 cubic yards of dredged material, with a total of 508,450 cubic yards of material removed to a depth of -45.5 feet Mean Lower Low Water.

**Staff Evaluation/Justification:**

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

Staff recommends approval.

## **K. INFRASTRUCTURE**

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**Subject**                    **14. Issue a pipeline license to Magellan Crude Oil Pipeline Company, L.P. for one 20-inch refined petroleum products pipeline under and across Northside Mainline railroad right-of-way and Clinton and Seymore tracks in Galena Park.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, authorize the Port Authority to issue a pipeline license to Magellan Crude Oil Pipeline Company, L.P. for one 20-inch refined petroleum products pipeline under and across Northside Mainline Railroad right-of-way and Clinton and Seymore tracks in Galena Park, 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:**  
Permits/Licenses/Pipeline Easements

**Department:**  
Channel Development

**Staff Contact:**  
Mark Vincent, P.E.

**Background:**  
Magellan Crude Oil Pipeline Company, L.P. (Magellan Crude), Port Authority File No. 2018-0118, has applied for a pipeline license for one 20-inch refined petroleum products pipeline under and across Northside Mainline railroad right-of-way and Clinton and Seymore tracks in Galena Park, in the Ezekiel Thomas Survey, A-73, in Harris County, Texas.

The existing pipeline in this location was originally licensed to Longhorn Partners Pipeline, L.P. (Longhorn) under Port Authority File No. 1998-0003. In 2011 the Port Authority received notice that Longhorn assigned the pipeline to Magellan Pipeline Company, L.P. (Magellan Pipeline). The pipeline was later assigned from Magellan Pipeline to Magellan Crude in 2012. The license has since expired and there is no record of an executed transfer agreement.

The Port Authority now seeks to issue a new license, Port Authority File No. 2018-0118, to the new owner commensurate with the original term.

**Staff Evaluation/Justification:**  
The application was reviewed and approved by the Port Authority's Channel Development department and the Port Terminal Railroad Association. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$42,798. The \$675 application fee has been paid.

Staff recommends approval.

## **K. INFRASTRUCTURE**

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<b>Subject</b>	<b>15. Amend a pipeline license to Targa Downstream LLC to add two 6-inch natural gas liquids pipelines across a portion of Southside Mainline railroad right-of-way in Pasadena.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting, amend a pipeline license to Targa Downstream LLC to add two 6-inch natural gas liquids pipelines across a portion of Southside Mainline railroad right-of-way in Pasadena, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Permits/Licenses/Pipeline Easements

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

Targa Downstream LLC (Targa), Port Authority File No. 2001-0070, has applied to amend a pipeline license to add two 6-inch natural gas liquids pipelines across a portion of Southside Mainline railroad right-of-way in Pasadena, in the Thomas Earle Survey, A-18, in Harris County, Texas.

The proposed pipelines would tie into an existing Targa 6-inch pipeline and would transport product from the MVP Terminalling, LLC Pasadena Terminal.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Port Authority's Channel Development department and the Port Terminal Railroad Association. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$1,045. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.



## K. INFRASTRUCTURE

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<b>Subject</b>	<b>16. Amend pipeline licenses to both ExxonMobil Pipeline Company and Air Products LLC to relocate their respective pipelines, at Port Terminal Railroad Association's request, along the Southside Mainline railroad right-of-way in Pasadena.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting, authorize the Port Authority to amend pipeline licenses to both ExxonMobil Pipeline Company and Air Products LLC to relocate their respective pipelines, at Port Terminal Railroad Association's request, along the Southside Mainline railroad right-of-way in Pasadena, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Permits/Licenses/Pipeline Easements

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

The Port Terminal Railroad Association (PTRA) has decided to add a spur track along the Southside Mainline railroad right-of-way in Pasadena. PTRA has requested ExxonMobil Pipeline Company (ExxonMobil) and Air Products LLC (Air Products) to relocate and lower their pipelines that are located under the proposed spur. Therefore, ExxonMobil, Port Authority File No. 2003-0373, and Air Products, Port Authority File No. 1999-0133, have applied to amend their pipeline licenses to relocate their respective pipelines along the Southside Mainline railroad right-of-way in Pasadena, in the Thomas Earle Survey, A-18, in Harris County, Texas.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Port Authority's Channel Development department and the Port Terminal Railroad Association. The license is to be issued subject to the Port Authority's usual terms and conditions and at no fee. The \$675 application fee and \$2,500 as-built deposit have been waived.

Staff recommends approval.

## **L. OPERATIONS**

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**Subject**                    **1. Reject the bid and authorize the re-advertisement for competitive sealed bids for purchase of one 50,000-lb. vehicle lift for Bayport Container Terminal.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, reject the bid and authorize the re-advertisement for competitive sealed bids for purchase of one 50,000-lb. vehicle lift for Bayport Container Terminal, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**  
Reject & Other Actions

**Department:**  
Maintenance

**Staff Contact:**  
Paulo Soares

**Background:**  
By Minute No. 2018-0517-12(a), the Port Commission authorized the advertisement of competitive sealed bids (CSBs) for purchase of one 50,000-lb. vehicle lift for Bayport Container Terminal. On August 17, 2018, one bid was received and deemed non-responsive, as the bidder did not meet one of the technical specifications for the lift, as it did not allow for steering of front tires while the vehicle was suspended.

**Staff Evaluation/Justification:**  
Staff recommends that the Port Commission reject the bid and authorize the re-advertisement for competitive sealed bids for purchase of one 50,000-lb. vehicle lift for Bayport Container Terminal.

**L. OPERATIONS**

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**Subject**                    **2. Approve staff’s ranking of vendors and award a two-year contract in an amount not to exceed \$505,000 for purchase of structural inspection services for seventeen wharf cranes at Barbours Cut Terminal and Bayport Container Terminal to the top-ranked proposer: staff ranking – first, World International Testing, Inc.; second, Alatas Americas, Inc.; and third, Dunham Engineering, Inc.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting:  
 (a) approve staff’s ranking of vendors, based on the selection criteria, in the following order – first, World Testing International, Inc.; second, Alatas Americas, Inc.; and third, Dunham Engineering, Inc.;  
 (b) award a two-year contract to the top-ranked proposer for structural inspection services for seventeen wharf cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$505,000;  
 (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:**  
 Awards, Amendments & Change Orders

**Department:**  
 Maintenance

**Staff Contact:**  
 Paulo Soares

**Background:**  
 By Minute No. 2016-0628-38, the Port Commission awarded a two-year contract to World International Testing, Inc., in the amount not to exceed \$258,984 for structural inspection services for nine wharf cranes at Bayport Container Terminal. This contract expired on June 30, 2018.

The Port Authority owns a total of seventeen wharf cranes currently operating at Barbours Cut Terminal and Bayport Container Terminal that must undergo periodic structural inspections as recommended by the manufacturers, Shanghai Zhenhua Heavy Industries Co. Ltd. (ZPMC), Paceco and Konecranes. These inspections are intended to ensure the cranes overall integrity and readiness for container handling operation.

By Minute No. 2018-0731-16(h), the Port Commission authorized the advertisement of a request for competitive sealed proposals (CSP) for structural inspection services. The Port Authority notified vendors regarding its CSP using the Port Authority’s BuySpeed Eprocurement System and the project was advertised on the Port Authority’s website and in a local newspaper. Fourteen vendors downloaded the project materials from BuySpeed.

## L. OPERATIONS

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<b>Subject</b>	<b>3. Approve staff's ranking of vendors and award a two-year contract in an amount not to exceed \$200,000 for purchase of replacement and spare parts for Kalmar Ottawa yard tractors at Barbours Cut Terminal and Bayport Container Terminal to the top-ranked bidder: staff ranking – first, Yard Mule Specialists, Inc.; and second, Marine Tekno Services LLC.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Yard Mule Specialists, Inc.; and second, Marine Tekno Services, LLC; (b) award a two-year contract to the top-ranked bidder for purchase of replacement and spare parts for Kalmar Ottawa yard tractors at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$200,000; (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Maintenance

**Staff Contact:**

Paulo Soares

**Background:**

The Port Authority currently owns forty-five yard tractors manufactured by Kalmar Ottawa in operation at Barbours Cut Terminal and Bayport Container Terminal. Yard tractors are used daily by Operations Department Staff to move containers throughout the terminals and adjacent rail and empty yards. A local parts vendor is essential to restore the units to working order in a timely manner.

By Minute No. 2018-0626-08(a), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for purchase of replacement and spare parts for Kalmar Ottawa yard tractors at Barbours Cut Terminal and Bayport Container Terminal. The Port Authority notified vendors regarding its CSB using the Port Authority's Buyspeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Five vendors downloaded the project materials from Buyspeed.

**Staff Evaluation/Justification:**

On August 16, 2018, two CSB responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the CSB. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required services:

- Yard Mule Specialists, Inc.
- Marine Tekno Services, LLC

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

## L. OPERATIONS

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<b>Subject</b>	<b>4. Award a two-year contract to Power Line Solutions, Inc. to perform electrical repair services to high mast poles at Bayport Container Terminal in an amount not to exceed \$150,000.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting, award a two-year contract to Power Line solutions, Inc. to perform electrical repair services to high mast poles at Bayport Container Terminal in an amount not to exceed \$150,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Maintenance

**Staff Contact:**

Paulo Soares

**Background:**

Terminal lighting is critical to vessel operations and an adequate level of illumination must be maintained to ensure compliance with certain regulatory standards. Third-part assistance is periodically needed to restore power to high mast poles at Bayport Container Terminal due to underground electrical problems, and specialized equipment is needed to pull and replace long cable runs. Contractors own and maintain this specialized equipment and can assist maintenance staff with their work.

Restoring power to high mast poles also restores power to wireless networks and cameras for Operations and Security use. This work requires a dedicated work force to minimize disruptions to operations.

By Minute No. 2018-0626-08(b), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for purchase of electrical repair services for the high mast poles at Bayport Container Terminal. The Port Authority notified vendors regarding its CSB using the Port Authority's Buyspeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Six vendors downloaded the project materials from Buyspeed.

**Staff Evaluation/Justification:**

On August 29, 2018, one CSB was received, opened, and publicly read. The response was reviewed and evaluated by staff in accordance with the published selection criteria.

Following staff Executive Committee Review, staff recommends that the Port Commission award a contract to Power Line Solutions, Inc., a responsible bidder submitting the only bid, for electrical repair services to high mast poles at Bayport Container Terminal.

## L. OPERATIONS

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**Subject**                    **5. Award a two-year service contract to Kempco Inspections Services, Inc. to perform occupational and safety inspection services for equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$300,000.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                    Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, award a two-year contract to Kempco Inspections Services, Inc. to perform occupational and safety inspection services for equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$300,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**  
Awards, Amendments & Change Orders

**Department:**  
Maintenance

**Staff Contact:**  
Paulo Soares

**Background:**  
The Port Authority currently owns twenty seven wharf cranes, ninety rubber tired gantry cranes (RTGs), one hundred and thirty six spreaders and eight over-height attachments operating at Barbours Cut Terminal and Bayport Container Terminal. Additional equipment includes empty handlers, top loaders, JLG lift equipment, and forklifts. They are required to be annually inspected for visual and operating functions and load tested once every four years.

By Minute No. 2018-0731-16(h), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) to perform occupational and safety inspection services for equipment at Barbours Cut Terminal and Bayport Container Terminal. The Port Authority notified vendors regarding its CSP using the Port Authority's Buyspeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Thirty-eight vendors downloaded the project materials from Buyspeed.

**Staff Evaluation/Justification:**  
On August 15, 2018, one response was received and opened. The response was reviewed and evaluated by staff in accordance with the selection criteria published in the CSP. Staff identified the following vendor as qualified to provide the required services:

- Kempco Inspection Services, Inc.

Following staff Executive Committee Review, staff recommends that the Port Commission award a contract to Kempco Inspection Services, Inc.

## L. OPERATIONS

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<b>Subject</b>	<b>6. Award a contract to Cargotec CHS PTE., Ltd., Bromma for purchase of four telescopic spreader bars and one over-height attachment for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$846,377.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting, award a contract to Cargotec CHS PTE., Ltd., Bromma for purchase of four telescopic spreader bars and one over-height attachment for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$846,377, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Maintenance

**Staff Contact:**

Paulo Soares

**Background:**

The Port Authority owns a total of one hundred and thirty-six spreaders and eight over-height attachments currently operating at Barbours Cut Terminal and Bayport Container Terminal. These units are critically important to container operations. A total of six 65LT spreader bars were delivered with the first four wharf cranes at Bayport Container Terminal in 2006. These spreaders show signs of excessive wear and it is recommended that two additional units be purchased to improve equipment uptime.

At Barbours Cut Terminal, several 50LT spreader bars are nearly at the end their useful life; accordingly staff recommends that two 2005 model units be replaced.

Additionally, staff recommends that one 9-ft over-height attachment be purchased for handling open top containers and flatracks. A taller over-height provides more flexibility to users and increased productivity.

By Minute No. 2018-0327-11(h), the Port Authority authorized the advertisement and receipt of a request for proposals (RFPs) for purchase of four telescopic spreader bars and one over-height attachment for Barbours Cut Terminal and Bayport Container Terminal. 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 September 5, 2018, one response was received and opened. The response was reviewed and evaluated by staff in accordance with the selection criteria published in the RFP. Staff identified the following vendor as qualified to provide the required services:

- Cargotec CHS PTE. Ltd., Bromma

Following staff Executive Committee Review, staff recommends that the Port Commission award a contract to Cargotec CHS PTE. Ltd., Bromma and act as otherwise described above.

## L. OPERATIONS

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**Subject**                    **7. Rescind the prior award of a three-year contract for purchase of miscellaneous electrical cables for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal awarded to Anixter, Inc. and award a two-year contract to Anixter, Inc. for purchase of miscellaneous electrical cables for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,000,000.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                      Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, rescind the July 31, 2018 award of a three-year contract to Anixter, Inc. for purchase of miscellaneous electrical cables for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal, and award a two-year contract to Anixter, Inc. for purchase of miscellaneous electrical cables for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,000,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

Awards, Amendments & Change Orders

**Department:**

Maintenance

**Staff Contact:**

Paulo Soares

**Background:**

The Port Authority is seeking to enter into a contract for the purchase of miscellaneous electrical cables for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal. This contract is necessary for the routine maintenance and purchase of electrical cables to ensure operational efficiency and minimize downtime. The current contract for such cables will expire on September 30, 2018.

By Minute No. 2018-0517-12(b), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the purchase of the miscellaneous electrical cables. The solicitation for CSBs that the Port Authority provided to vendors indicated that the awarded contract would be for a two-year term.

By Minute No. 2018-0731-33, the Port Commission authorized the award of a contract for miscellaneous electrical cables to Anixter, Inc. in an amount not to exceed \$1,500,000 pursuant to the staff recommendation, which erroneously stated that the contract would be for three years instead of two years. Staff now seeks authority to award this contract for a two-year term.

**Staff Evaluation/Justification:**

Staff has determined that the awarded contract should reflect the two-year term set forth in the solicitation that was provided to vendors. Staff therefore recommends that the Port Authority rescind the prior award of a three-year contract, and award a two-year a contract to Anixter, Inc., the responsible bidder submitting the lowest and best bid, for purchase of miscellaneous electrical cables for wharf and RTG cranes at Barbours Cut Terminal and Bayport Container Terminal.



## L. OPERATIONS

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**Subject** 8. Issue a purchase order to Associated Supply Company for purchase of one Global Model M3 street sweeper for Bayport Container Terminal, using Houston-Galveston Area Council's cooperative purchase program, in an amount not to exceed \$204,428.

**Meeting** Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, issue a purchase order to Associated Supply Company for purchase of one Global Model M3 street sweeper for Bayport Container Terminal, using Houston-Galveston Area Council's cooperative purchase program, in an amount not to exceed \$204,428, 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.

**Category:**  
Awards, Amendments & Change Orders

**Department:**  
Maintenance

**Staff Contact:**  
Paulo Soares

**Background:**  
The Port Authority is seeking to obtain one Global M3 street sweeper for Bayport Container Terminal. A 2006 Elgin street sweeper is currently operating at this facility; however, due to ongoing expansion of container pads, chassis yards, and traffic areas, an additional sweeper is needed to provide adequate levels of service. Sweepers are utilized daily to keep the terminal clean and free of debris that could potentially damage other equipment.

**Staff Evaluation/Justification:**  
The Director of Procurement Services has determined that procuring a Global Model M3 street sweeper through the purchasing program of Houston-Galveston Area Council (H-GAC) is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Maintenance Department has determined that the best availability, price, and contract term for the item needed is provided by Associated Supply Company under the pricing schedule obtained from that vendor's contract with H-GAC, and is therefore recommending this purchase.

Accordingly, staff recommends that the Port Commission approve this best value determination and contract.

## L. OPERATIONS

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**Subject**                    **9. Issue a purchase order to Aries Building Systems, LLC for purchase of a modular office space for Central Stores, using Harris County Department of Education's Choice Partners, a cooperative purchase program, in an amount not to exceed \$67,305.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, issue a purchase order to Aries Building Systems, LLC for purchase of a modular office space for Central Stores, using Harris County Department of Education's Choice Partners, a cooperative purchase program, in an amount not to exceed \$67,305, 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 is seeking to obtain a modular office space for Central Stores. The current structure is over fifty-years old and it has been repaired and remodeled a few times in the last decades. Extensive repairs are still needed to roof and walls due to excessive condensation and lack of proper insulation.

**Staff Evaluation/Justification:**

The Director of Procurement Services has determined that procuring a modular office space through the Harris County Department of Education's (HCDE) Choice Partners cooperative purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Central Maintenance department has determined that the best availability, price, and contract term for the item needed is provided by Aries Building Systems, LLC under the pricing schedule obtained from that vendor's contract with HCDE under its Choice Partners program, and is therefore recommending this purchase.

Accordingly, staff recommends that the Port Commission approve this best value determination and contract.

## L. OPERATIONS

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**Subject**                    **10. Authorize payment to Navis LLC for support services in execution of a version upgrade to the Navis Marine Terminal Management Software System for Barbours Cut Container Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$140,880.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, authorize payment to Navis LLC for stress test and Go-Live support services in an amount not to exceed \$140,880, 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, a contract was awarded to Navis LLC (Contract) 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 used by the Operations Department to manage the Port Authority's Barbours Cut, Bayport, and Turning Basin Terminals and by the Accounting Department for billing at these terminals. The current version of the software is no longer being developed and will soon no longer be supported by Navis.

The support services provided will consist of an infrastructure stress test and a Go-Live onsite presence by Navis personnel. The stress test would place a simulated load on the new version to ensure its readiness for a live environment. In addition to the Go-live support, Navis will also provide assistance with testing and resolving issues prior to Go-live.

**Staff Evaluation/Justification:**  
Remaining current with the latest version of the Navis Terminal Operating System will enable the Port Authority to continue to provide required service levels to the users of the facilities, minimize service interruptions, and prepare for future volumes. Also, the latest version of the Navis software offers enhanced functionality and system resiliency.

Staff has reviewed the Navis proposal and found it to be fair and reasonable and recommends that the Port Commission approve the proposed amount.

## L. OPERATIONS

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**Subject** 11. Issue a purchase order to Netsync Network Solutions, Inc. for purchase of software licenses and computer hardware to support the upcoming Navis N4 upgrade, using the Texas Department of Information Resources, cooperative purchase program, in an amount not to exceed \$200,000.

**Meeting** Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, issue a purchase order to Netsync Network Solutions, Inc. for the purchase of computer hardware and related software and software licenses to support the upcoming Navis N4 upgrade, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$200,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

Awards, Amendments & Change Orders

**Department:**

Operations

**Staff Contact:**

Charles Thompson

**Background:**

The Port Authority is seeking to obtain approval for computer hardware and related software and software licenses in order to support the upcoming Navis N4 upgrade. The Information Technology (IT) department in conjunction with Operations, Terminal Operating System support team and the software vendor (Navis), has designed a new environment to support the new version of N4. This new design brings resiliency and business continuity to the N4 environment. Moreover, the purchase of the new equipment provides this critical application a path for better disaster recovery. The upgrade in hardware alone provides the latest technology of speed and reliability which translates to Operation's ability to process trucks and vessels more efficiently.

**Staff Evaluation/Justification:**

The Director of Procurement Services has determined that procuring computer hardware, software licenses and consulting services through the Texas Department of Information Resources' (DIR) purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The IT department has determined that the best availability, price, and contract term for the item needed is provided by Netsync Network Solutions, Inc. under the pricing schedule obtained from that vendor's contract with DIR, and is therefore recommending this purchase.

Accordingly, staff recommends that the Port Commission approve this best value determination and contract.

## L. OPERATIONS

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**Subject**                    **12. Approve a change order to Texas Air Systems for monthly rental of 50-ton air-cooled chiller units for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$50,650.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                    Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, approve a change order to Texas Air Systems for monthly rental of 50-ton air-cooled chiller units for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$50,650, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**  
Awards, Amendments & Change Orders

**Department:**  
Maintenance

**Staff Contact:**  
Paulo Soares

**Background:**  
The Port Authority owns twelve wharf cranes at Bayport Container Terminal. Each crane is equipped with two large air conditioning units to cool its electrical room during operation. The cranes will shut down automatically to prevent damage to controls in case the temperature inside the electrical room climbs above a set threshold.

An informal purchase order was issued earlier this year to rent portable air-cooled chiller units as needed. Staff experienced a higher than expected failure rate this year for units installed on cranes and a total of six rental units were used for approximately six months while replacement ones were procured, delivered, and installed.

At this time, all rental units have been returned to the vendor, and replacement units have been delivered and installed on wharf cranes. Staff recommends that a change order in the amount not to exceed \$50,650 be issued to Texas Air Systems for payment of outstanding invoices.

**Staff Evaluation/Justification:**  
Port Authority staff believes that issuing a change order to Texas Air Systems in the amount not to exceed \$50,650 will settle final payment of outstanding invoices for rental of critical equipment to wharf crane operations.

## L. OPERATIONS

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<b>Subject</b>	<b>13. Approve a change order to A.J. Hurt, Jr. Inc. dba Reladyne for purchase of unleaded gasoline and ultra-low sulfur diesel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in the amount of \$1,200,000.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting, approve a change order to A.J. Hurt, Jr. Inc. dba Reladyne for purchase of unleaded gasoline and ultra-low sulfur diesel for Barbours Cut Terminal, Bayport Container Terminal and Turning Basin Terminal in an amount not to exceed \$1,200,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Maintenance

**Staff Contact:**

Paulo Soares

**Background:**

By Minute No. 2016-0202-48, the Port Commission awarded a two-year contract to A.J. Hurt, Jr. Inc. dba Reladyne for purchase of unleaded gasoline and ultra-low sulfur diesel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$8,750,000. This contract originally expired on February 28, 2018; however, because funds were still available at that time, it was extended to December 31, 2018. However, since it was extended, higher than expected fuel consumption associated with late gate operations at Bayport Container Terminal, approximately 7% growth in loaded container volume for the year to date, and higher fuel prices have significantly impacted the contract balance.

**Staff Evaluation/Justification:**

Port Authority staff believes that issuing a change order to A.J. Hurt, Jr. Inc. dba Reladyne, to ensure continued operation of diesel-powered equipment such as RTG cranes, yard tractors and forklifts in the meantime, is the appropriate way to avoid disruption to operations. Accordingly, staff recommends that a change order in the amount not to exceed \$1,200,000 be issued to A.J. Hurt, Jr. Inc. dba Reladyne.

## L. OPERATIONS

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**Subject** 14. Amend Port Authority Tariff Nos. 14 and 15 to implement rules for container draying services between Barbours Cut Terminal rail ramp and the Bayport Container Terminal, and the applicable rates for such new service, effective October 1, 2018.

**Meeting** Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, authorize amendment of Tariff Nos. 14 and 15 to implement rules for container draying between the Barbours Cut Terminal Rail Ramp and Bayport Container Terminal, and the applicable rates for such new service, effective October 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:**

General

**Department:**

Operations

**Staff Contact:**

Jeff Davis

**Background:**

Subrule 090(A)(4) of Tariff No. 14 provides a rate for one-way drayage of loaded or empty containers between the Barbours Cut Terminal rail ramp and the Barbours Cut Terminal container yard, but does not provide for such services between the two container terminals; similarly Subrule 091(A)(4) of Tariff No. 15 provides a charge for drayage of empty chassis one-way within the confines of the Bayport Container Terminal, but does not provide for dray services between the two container yards.

The Bayport Container Terminal, unlike the Barbours Cut Terminal, does not have an intermodal rail facility. Currently, users seeking to use the intermodal rail facility at Barbours Cut Terminals must employ a drayage company to perform moves between the terminals. Port Authority staff seeks to begin providing such drayage services as an option at both terminals, but in order to do so, rules and a rate need to be established in Tariff No. 14 and Tariff No. 15 to enable the Port Authority to move containers between the Barbours Cut Terminal Rail Ramp and the Bayport Container Terminal.

The inter-terminal dray service would be provided by International Longshoremen's Association (ILA) labor at both terminals, using trucks that are legally and mechanically able to operate on TX-146, Port Road, and Barbours Cut Boulevard. The recommended rate is \$100 per unit, per one-way dray.

**Staff Evaluation/Justification:**

Staff proposes that the Port Commission approve this change to be effective October 1, 2018.

## M. PEOPLE

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**Subject**                    **1. Authorize renewal of the agreement with Aetna Life Insurance Company for group Medicare Advantage medical insurance for the Port Authority's Medicare-eligible retirees and dependents to include coverage for calendar year 2019 in an amount not to exceed \$902,944.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting:  
 (a) authorize renewal of the agreement with Aetna Life Insurance Company for group Medicare Advantage medical insurance for the Port Authority's Medicare-eligible retirees and dependents to include coverage for calendar year 2019 in an amount not to exceed \$902,944;  
 (b) authorize contract renewal negotiations with the insurance carrier prior to contract expiration; and  
 (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**  
 Awards, Amendments & Change Orders

**Department:**  
 Human Resources

**Staff Contact:**  
 Jessica Shaver

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

By Minute No. 2017-0725-33, the Port Commission awarded a contract to Aetna for group Medicare Advantage medical insurance for Medicare-eligible retirees and dependents. This action also authorized contract renewal negotiations with the insurance carrier prior to contract expiration.

Accordingly, Lockton and staff began negotiations with Aetna Life Insurance Company for 2019 group Medicare Advantage medical coverage for the Port Authority's Medicare-eligible retirees and dependents. The 2019 coverage, like the 2018 coverage, would offer, in addition to the standard Medicare PPO plan, an Extended Service Area (ESA) PPO for beneficiaries living in a rural area, giving such beneficiaries flexibility to see doctors and hospitals both in and out of the network at the same cost. The Port Authority will continue to pay 100% of the cost for the Medicare Advantage plans.

**Staff Evaluation/Justification:**  
 Lockton and Port Authority staff negotiated renewals of Aetna Life Insurance Company Medicare Advantage PPO and ESA PPO plans for a one-year period beginning January 1, 2019. The negotiated rates will result in no change per participant from the cost of the 2018 coverage.

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



## M. PEOPLE

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**Subject**                    **2. Authorize amendment of the agreement with Aetna Life Insurance Company to provide professional third-party administration services for the Port Authority's group medical self-funded insurance program for active employees, retirees who are not Medicare-eligible, and dependents, for calendar year 2019 in an amount not to exceed \$136,541.28.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting:  
 (a) authorize amendment of the agreement with Aetna Life Insurance Company to provide professional third-party administration services for the Port Authority's group medical self-funded insurance program for active employees, retirees who are not Medicare-eligible, and dependents, for calendar year 2019 in an amount not to exceed \$136,541.28;  
 (b) authorize renewal negotiations with the Aetna Life Insurance Company prior to contract expiration; and  
 (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**

Awards, Amendments & Change Orders

**Department:**

Human Resources

**Staff Contact:**

Jessica Shaver

**Background:**

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

By Minute No. 2017-0814-01, the Port Commission awarded a contract to Aetna Life Insurance Company (Aetna) for group medical insurance for active employees, retirees who are not Medicare-eligible, and dependents of the Port Authority in an amount not to exceed \$15,056,107, for a one-year period commencing January 1, 2018. This action also authorized contract renewal negotiations with the insurance carrier prior to contract expiration.

Accordingly, Lockton and staff began negotiations with Aetna for 2019 group medical coverage, including negotiations regarding third-party administration services for an insurance program that would be self-funded by the Port Authority.

On September 18, 2018, after having reviewed proposals and analyzed the costs of a self-funded program compared to a fully-funded program, Lockton and staff recommended to the Pension and Benefits Committee that the Port Authority proceed with a self-funded program administered by Aetna. The Pension and Benefits Committee approved that recommendation.

**Staff Evaluation/Justification:**

Lockton and staff have negotiated an amendment of the Port Authority's agreement with Aetna Life Insurance Company to provide for professional third-party administration services for a self-funded group medical insurance program.

The proposed agreement would allow the Port Authority to continue to offer access to the same plans as were offered in 2018: an Open Access Managed Choice \$250 Deductible plan and a KelseyCare Health Maintenance Organization (HMO) plan.

Staff recommends that the Port Commission authorize such amended agreement to Aetna Life Insurance Company. Staff additionally recommends that Port Commission authorize renewal negotiations with Aetna prior to contract expiration, to better ascertain in advance the need to solicit proposals for the next contract year.

## M. PEOPLE

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**Subject**                    **3. Authorize renewal of group insurance agreements with the following carriers to include coverage for calendar year 2019 in a total amount not to exceed \$1,206,758: (a) Aetna Life Insurance Company, for dental coverage; (b) Ameritas Life Insurance Corp., for vision coverage; (c) Minnesota Life Insurance Company, for basic life coverage; (d) Minnesota Life Insurance Company, for voluntary life coverage; (e) Minnesota Life Insurance Company, for accidental death and dismemberment coverage; and (f) Aetna Life Insurance Company, for long term disability coverage.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting:

- (i) authorize renewal of group insurance agreements with the following carriers to include coverage for calendar year 2019 in a total amount not to exceed \$1,206,758:
  - (a) Aetna Life Insurance Company, for dental coverage, in the amount of \$384,769.44 for active employees and eligible dependents of the Port Authority;
  - (b) Ameritas Life Insurance Corp., for vision coverage, in the amount of \$114,361 for active employees and eligible dependents of the Port Authority;
  - (c) Minnesota Life, for basic life coverage, in the amount of \$237,972, for active employees and retirees of the Port Authority;
  - (d) Minnesota Life Insurance Company, for voluntary life coverage, in the amount of \$217,179, for active employees and eligible dependents of the Port Authority;
  - (e) Minnesota Life Insurance Company, for accidental death and dismemberment (AD&D) coverage, in the amount of \$3,331, for active employees of the Port Authority; and
  - (f) Aetna Life Insurance Company, for long-term disability (LTD) coverage, in the amount of \$249,147, for eligible active employees of the Port Authority;
- (ii) authorize the Port Authority to continue to pay 100% of the cost of basic life insurance for Port Authority active employees and retirees;
- (iii) authorize the Port Authority to continue to pay 100% of the cost of AD&D and LTD coverage for Port Authority eligible active employees;
- (iv) Determine that Port Authority employees continue to reimburse the Port Authority for the full cost of dental, vision, and voluntary life insurance coverage;
- (v) authorize contract renewal negotiations with insurance carriers prior to contract expiration; and
- (vi) further authorize the Executive Director to do any all things in his opinion reasonable and necessary to give effect to all of the foregoing.

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

**Category:**  
Awards, Amendments & Change Orders

**Department:**  
Human Resources

**Staff Contact:**  
Roger Walter

**Background:**

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

By Minute No. 2017-0725-34, the Port Commission awarded group insurance contracts for calendar year 2018 including: (a) Aetna, for dental coverage; (b) Ameritas, for vision coverage; (c) Minnesota Life, for basic and voluntary life insurance; (d) Minnesota Life, for accidental death and dismemberment (AD&D) coverage; and (e) Aetna, for long-term disability (LTD) coverage. This action also authorized contract renewal negotiations with the insurance carriers prior to contract expiration. Accordingly, Lockton and Port Authority staff began negotiations with the incumbents for 2019 coverages.

**Staff Evaluation/Justification:**

Lockton and Port Authority staff negotiated renewal terms, determined that the terms are fair and reasonable, with no change to the 2018 rates, and recommend that group insurance contracts be awarded for calendar year 2019 as set out below:

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

Staff further recommends that:

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

The individual contract costs in the Recommended Action are based on current and anticipated 2019 participant levels, and may be subject to amendment.

## M. PEOPLE

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**Subject** 4. Amend the agreement with ProView Advanced Solutions, Inc., dba ProView, to extend the term for one year through December 31, 2019, for employee and retiree benefits and payroll integration services in an amount not to exceed \$81,181.

**Meeting** Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, approve the agreement with ProView Advanced Solutions, Inc., dba ProView, to extend the term for one year through December 31, 2019, for employee and retiree benefits and payroll integration services in an amount not to exceed \$81,181, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**  
Awards, Amendments & Change Orders

**Department:**  
Human Resources

**Staff Contact:**  
Roger Walter

**Background:**  
The Port Authority entered into a contract with ProView Advanced Solutions, Inc. (ProView) in 2014 to provide services in connection with employee and retiree benefits and payroll integration.

By Minute No. 2017-0725-35, the Port Commission authorized extension of the contract for one year at a cost of \$65,000, through the end of 2018, and authorized contract renewal negotiations with ProView prior to contract expiration. The resulting contract amendment includes an option to extend the term in an additional one- or two-year increment, at fees mutually agreed upon by the parties.

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

Staff has reviewed ProView's rates for an additional extension of the contract and found them to be fair and reasonable and therefore recommends that the Port Commission approve the amendment extending the contract.

## N. TECHNOLOGY

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<b>Subject</b>	<b>1. Issue a purchase order to AT&amp;T Wireless for purchase of wireless voice and data (LTE) services, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$520,000 through December 31, 2023.</b>
Meeting	Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 25, 2018 meeting, issue a purchase order to AT&T Wireless for purchase of wireless voice and data (LTE) services, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$520,000 through December 31, 2023, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Order

**Department:**

Information Technology

**Staff Contact:**

Ron Farrow

**Background:**

Port Authority staff is seeking approval for additional funding for wireless voice and data (LTE) services from AT&T Wireless to provide LTE services to meet additional requirements both at the container terminals and Port Authority wide. The requested amount includes \$40,000 for services through the end of 2018, and \$480,000 based on an estimated \$96,000 each year for the following five years.

**Staff Evaluation/Justification:**

The Director of Procurement Services has determined that procuring AT&T Wireless services through the Texas Department of Information Resources' (DIR) purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Information Technology department has determined that the best availability, price, and contract term for the item needed is provided by AT&T Wireless under the pricing schedule obtained from that vendor's contract with DIR, and is therefore recommending this purchase.

Accordingly, staff recommends that the Port Commission approve this best value determination and contract.

## N. TECHNOLOGY

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**Subject**                    **2. Issue a purchase order to Verizon Wireless for purchase of wireless voice and data (LTE) services, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$520,000 through December 31, 2023.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, issue a purchase order to Verizon Wireless for purchase of wireless voice and data (LTE) services, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$520,000 through December 31, 2023, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**  
Awards, Amendments & Change Orders

**Department:**  
Information Technology

**Staff Contact:**  
Ron Farrow

**Background:**  
Port Authority staff is seeking approval for additional funding for wireless voice and data (LTE) services from Verizon Wireless to provide LTE services to meet additional requirements at the container terminals and Port Authority-wide. The requested amount includes \$40,000 for services through the end of 2018, and \$480,000 based on an estimated \$96,000 each year for the following five years.

**Staff Evaluation/Justification:**  
The Director of Procurement Services has determined that procuring Verizon Wireless services through the Texas Department of Information Resources' (DIR) purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Information Technology department has determined that the best availability, price, and contract term for the item needed is provided by Verizon Wireless under the pricing schedule obtained from that vendor's contract with DIR, and is therefore recommending this purchase.

Accordingly, staff recommends that the Port Commission approve this best value determination and contract.

## N. TECHNOLOGY

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**Subject**                    **3. Issue a purchase order to Netsync Network Solutions, Inc. for purchase of consulting services, software licenses, and computer hardware to create a Virtual Desktop Infrastructure environment at the new Disaster Recovery Site, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$125,000.**

**Meeting**                    Sep 25, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its September 25, 2018 meeting, issue a purchase order to Netsync Network Solutions, Inc. for purchase of consulting services, software licenses, and computer hardware to create a Virtual Desktop Infrastructure environment at the new Disaster Recovery Site, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$125,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**  
Awards, Amendments & Change Orders

**Department:**  
Information Technology

**Staff Contact:**  
Ron Farrow

**Background:**  
The Port Authority is seeking to obtain consulting services, software licenses, and computer hardware to create a Virtual Desktop Infrastructure (VDI) environment at the newly created Disaster Recovery Site. In Phase II of this project, in order to provide redundancy and availability, it is highly recommended that a duplicate VDI environment be created to support the VDI environment at Bayport.

This additional environment would allow the Port Authority to not only provide constant access to applications utilized by various departments, but also allow remote access to Port Authority applications, in case the Bayport Datacenter becomes unavailable. For example, guard shack personnel are dependent upon VDI to perform their daily duties including access to the gate application Visitor Management System (VMS). If access to the Bayport Datacenter were interrupted, security checkpoints would be seriously impacted.

Moreover, the latest VDI technology permits application changes, and installation of security patches and anti-virus protection, in one desktop and then propagation of changes to all desktops in the environment, saving time and resources and creating an efficient means to update users' desktops quickly.

**Staff Evaluation/Justification:**  
The Director of Procurement Services has determined that procuring consulting services, software licenses, and computer hardware through the Texas Department of Information Resources' (DIR) purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.



The Information Technology (IT) department has determined that the best availability, price, and contract term for the item needed is provided by Netsync Network Solutions, Inc. under the pricing schedule obtained from that vendor's contract with DIR, and is therefore recommending this purchase.

Accordingly, staff recommends that the Port Commission approve this best value determination and contract.