

## I N D E X

PORT COMMISSION  
OF THE  
PORT OF HOUSTON AUTHORITY  
OF THE PORTS OF HARRIS COUNTY, TEXAS  
December 12, 2018

<u>Minute No.</u>	<u>Event/Action</u>
	<b>General</b>
	Chairman Longoria convened the meeting of the Port Commission and provided opening remarks
	<b>Minutes</b>
2018-1212-01	Approve the Minutes of the October 30, 2018 Port Commission Meeting
	<b>Port Commission Committee Updates</b>
2018-1212-02(a)	Commissioner Kennedy reported on the Procurement and Small Business Development Task Force Meeting - November 5, 2018
2018-1212-02(b)	Chairman Longoria reported on the Dredge Task Force Meeting – December 10, 2018
2018-1212-03	Amend the professional services contract with TCB/GBA Joint Venture to provide supplemental studies for Houston Ship Channel project improvements
2018-1212-04	Authorize the Executive Director to negotiate with the U.S. Army Corps of Engineers to concur with or modify the current Tentatively Selected Plan for an agreed final recommendation of the federal feasibility study for Houston Ship Channel improvements, and to identify and pursue one or more alternatives that serve the best interests of the Port Authority and the Port Authority constituents, subject to future Port Commission approval of cost share commitments
	<b>Staff Reports</b>
2018-1212-05(a)	Roger Guenther, Executive Director, presented a summary of selected financial and operations matters
2018-1212-05(b)	Mary Ann Perez, State Representative, presented Chairman Longoria with a Resolution

<u>Minute No.</u>	<u>Event/Action</u>
2018-1212-05(c)	Port Houston presented a video tribute to Chairman Longoria
2018-1212-05(d)	Commissioner Corgey presented Chairman Longoria with a Proclamation
2018-1212-05(e)	Commissioner Kennedy presented Chairman Longoria a Certificate from the State of Texas
2018-1212-05(f)	Mr. Guenther presented Chairman Longoria a gift from employees

### **G. Executive**

Confirm the Port Authority's appointment of Justin Jordan as a member of the Board of Directors of HAS Development Corporation (*see below – approved by Minute No. 2018-1212-40*)

Approve and adopt the proposed Internal Audit 2019 Annual Audit Plan (*see below – approved by Minute No. 2018-1212-41*)

2018-1212-06	Enter into a service agreement with the Greater Houston Port Bureau, Inc. to provide vessel traffic movement data (real time and historical) for a one-year period
2018-1212-07	Enter into a one-year agreement with the Houston International Seafarers' Center to provide humanitarian services to seafarers whose vessels call at the terminals of the Port of Houston, effective January 1, 2019
2018-1212-08	Enter into an Amended and Restated Industrial District Agreement with the City of Pasadena and approve a payment to the city thereunder

### **H. Commercial**

2018-1212-09	Rescind the award to Meltwater News US Inc. to provide news release distribution and media monitoring services in the amount of \$104,500, and award contracts to Business Wire, Inc. to provide news distribution services in the amount of \$16,746 per year and CyberAlert, LLC/Glean.Info to provide media monitoring services for a two-year period with the option to renew
2018-1212-10	Approve a fourth amendment to the lease with Contanda Greens Bayou Terminal LLC effective no earlier than January 1, 2019, to extend the 8.162-acre option property feasibility period to June 30, 2019
2018-1212-11	Approve a twenty-five year lease agreement with two five-year options with Dixie Cullen Interests, Inc., effective no earlier than January 1, 2019, for approximately 10.42 acres located at 9100 Mississippi St. and 1100 Teal St., at an annual base rent of \$300,000 beginning at full operations no later

<u>Minute No.</u>	<u>Event/Action</u>
	than the 25th month from the commencement date, and subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index
2018-1212-12	Approve the change of control of Lansing Trade Group, LLC, tenant under the lease of Houston Public Grain Elevator No. 2, resulting from its merger with The Andersons, Inc. and related parties
	<b>I. Finance</b>
2018-1212-13	Authorize advertisement and receipt of responses for seven formal procurements
2018-1212-13(a)	Request for competitive sealed bids for purchase of LED lighting for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2018-1212-13(b)	Request for competitive sealed bids for additional striping and associated work at Container Yards 4 and 5 at Bayport Container Terminal
2018-1212-13(c)	Request for competitive sealed bids for purchase of miscellaneous tires for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2018-1212-13(d)	Request for competitive sealed proposals for purchase of machining services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2018-1212-13(e)	Request for proposals for purchase of nine container yard cranes for Bayport Container Terminal
2018-1212-13(f)	Request for proposals for a one-year contract to provide supplemental Cognos consulting services
2018-1212-13(g)	Request for qualifications for engineering, design, construction management, project coordination, and other general assistance for the Houston Ship Channel project and beneficial use sites
2018-1212-14	Issue a purchase order to Periscope Holdings, Inc. for purchase of BuySpeed Upgrade v14.5.0.2, using Texas Department of Information Resources' cooperative purchase program
2018-1212-15	Authorize payment to the Harris County Appraisal District for appraisal services to be provided to the Port Authority for fiscal year 2019 in an amount not to exceed \$405,000 and authorize payment to the Harris County Tax Assessor-Collector for tax collection services for the 2018 tax year in an amount not to exceed \$1,100,000

<u>Minute No.</u>	<u>Event/Action</u>
2018-1212-16	<p>Approve the actuarial valuation report dated as of August 1, 2018 for the Port of Houston Authority Restated Retirement Plan</p> <p><b>J. Infrastructure</b></p>
2018-1212-17	<p>Approve staff's ranking of vendors and award a professional services contract for facility inspection and condition assessment program for corrosion on marine assets Portwide to the top- ranked proposers: staff ranking – first, Wiss, Janney, Elstner Associates, Inc.; second, V&amp;A Consulting Engineers, Inc.</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2018-1212-18	<p>Approve staff's ranking of vendors and award a professional engineering services contract for the design of the Port Road expansion and storm water drainage for Port Authority property at Bayport Container Terminal adjacent to the top-ranked proposers: staff ranking – first, LJA Engineering, Inc.; and second, TSC Engineering</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2018-1212-19	<p>Award a professional services contract to Hatch Associates Consultants, Inc. for the facility inspection and condition assessment program for electrical and communications assets</p> <p>Amend the professional services contract with TCB/GBA Joint Venture to provide supplemental studies for Houston Ship Channel project improvements (<i>see above – approved by Minute No. 2018-1212-03</i>)</p> <p>Authorize the Executive Director to negotiate with the U.S. Army Corps of Engineers to concur with or modify the current Tentatively Selected Plan for an agreed final recommendation of the federal feasibility study for Houston Ship Channel improvements, and to identify and pursue one or more alternatives that serve the best interests of the Port Authority and the Port Authority constituents, subject to future Port Commission approval of cost share commitments (<i>see above – approved by Minute No. 2018-1212-04</i>)</p>
2018-1212-20	<p>Increase the amount for the Memorandum of Agreement with the U.S. Army Corps of Engineers for maintenance dredging of berths at the Bayport Container Terminal and Auto Terminal, and Barbour's Cut Terminal</p>

<u>Minute No.</u>	<u>Event/Action</u>
2018-1212-21	Enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers to allocate congressionally-appropriated Energy Port Rebate funds for berth dredging at the Port Authority's public docks
2018-1212-22	Issue a distribution/transmission line license to Verizon Access Transmission Services for one fiber optic line under and across the Northside Mainline railroad right-of-way in Galena Park
2018-1212-23	Issue a pipeline license to Valero Refining-Texas, L.P. for one 20-inch refined petroleum products pipeline across the Hunting Bayou and Magellan Spur Track railroad right-of-way in Houston
2018-1212-24	Amend a pipeline license to Chevron Phillips Chemical Company LP to expand a surface site within the Southside Mainline railroad right-of-way in Deer Park
2018-1212-25	Amend a pipeline license to Enterprise Products Operating LLC to remove four pipelines and add three pipelines on Barbours Cut Terminal Wharf 7
2018-1212-26	Amend a pipeline license to Enterprise Products Operating LLC to add three pipelines on Barbours Cut Wharf 8
2018-1212-27	Issue a pipeline license to HSC Pipeline Partnership, LLC for one 16-inch ethylene pipeline across Cedar Bayou, Tabbs Bay, Hog Island, the Houston Ship Channel, Spilman Island, Barbour's Cut Channel turning basin, and Barbour's Cut Terminal property in Morgan's Point

#### **K. Operations**

2018-1212-28	Award a two-year contract to A.J. Hurt, Jr., Inc. dba Reladyne for the purchase of unleaded gasoline and ultra-low sulfur diesel for Barbour Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2018-1212-29	Award a contract to Reeder Distributors, Inc. for purchase of one 50,000-lb. vehicle lift for Bayport Container Terminal
2018-1212-30	Award a two-year contract to Ennis-Flint, Inc. for purchase of traffic paint for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2018-1212-31	Approve staff's ranking of vendors and award a purchase order for the purchase of a one-year supply of gate interchange cards for Barbours Cut Terminal and Bayport Container Terminal to the top-ranked proposer: staff ranking – first, Digital Printing Systems, Inc.; second, Electronic Data Magnetics, Inc.; and third, Printing Technologies, Inc.

<u>Minute No.</u>	<u>Event/Action</u>
	Port Commission adopted the staff-recommended ranking and authorized award
2018-1212-32	Award a contract to Konecranes, Inc., the sole source provider, for purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control system retrofit for four Rubber Tired Gantry cranes at Barbours Cut Terminal and Bayport Container Terminal
2018-1212-33	Amend the contract with Navis LLC, sole source provider, to license, install, and provide one year of maintenance and support services for the N4 Rail Planning and Control module to the N4 Terminal Operating System at Barbours Cut Terminal and Bayport Container Terminal
2018-1212-34	Amend the "Section 559" Reimbursable Services Agreement and Memorandum of Understanding with U.S. Customs and Border Protection in an amount not to exceed \$400,000, projected to cover two years of reimbursement for overtime services
2018-1212-35	Recommendation to issue Stevedore Licenses for one-year terms commencing January 1, 2019 and expiring December 31, 2019, to Agri American Stevedores, LLC; APS Stevedoring, LLC; Ceres Gulf, Inc.; Cooper/Ports America; Gulf Stream Marine, Inc.; Jacintoport International, LLC; Marine Terminal Corporation East; Richardson Stevedoring and Logistics Services, Inc.; Schroder Marine Service; Southern Stevedoring Co., LP; and Suderman Contracting Stevedores, Inc., upon each applicant's satisfactory completion of all requirements and obligations for license issuance
2018-1212-36	Reissue and amend Port Authority Tariff Nos. 8, 14, and 15 covering the Turning Basin Terminals, Barbours Cut Terminal, and Bayport Container Terminal, all effective January 1, 2019

#### **L. People**

2018-1212-37	Authorize funding for the payment of claims from the Port Authority's group medical self-funded insurance program for active employees, retirees who are not Medicare-eligible, and dependents forecasted during calendar year 2019
2018-1212-38	Adopt a wrap-around Plan document and Summary Plan Description for the Port Authority's Other Post- Employment Benefits Plan
2018-1212-39	Adopt a wrap-around Plan document and Summary Plan Description for the Port Authority's Group Insurance Plan

#### **M. Port Security and Emergency Operations (no items)**

Minute No.

Event/Action

**N. Technology (no items)**

**G. Executive**

2018-1212-40 Ratify and confirm the Port Authority's appointment of Justin Jordan as a member of the Board of Directors of HAS Development Corporation, and in the event Mr. Jordan is disqualified from service on that Board for any reason, appoint Commissioner Stephen DonCarlos

2018-1212-41 Approve and adopt the proposed Internal Audit 2019 Annual Audit Plan

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

**P. Reconvene Open Meeting**

2018-1212-42 Authorize the Port Authority to settle the claims of Orion Construction, L.P. on the terms discussed in Executive Session, and authorize the Executive Director to do all things reasonable or necessary to give effect to the foregoing

**R. Adjourn Meeting**

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

**Houston, Texas  
December 12, 2018**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on December 12, 2018 at 9:04 a.m., at the Port of Houston Authority Executive Offices, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following Commissioners, staff, and counsel were present:

Janiece Longoria, Chairman  
Theldon R. Branch, III, Commissioner  
Dean E. Corgey, Commissioner  
Stephen H. DonCarlos, Commissioner  
Clyde E. Fitzgerald, Commissioner  
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 and welcomed everyone. She stated that her journey as Chairman began in January 2013 and after six years of service she was now term limited at the end of this term. Chairman Longoria commented that the time had gone by very fast, and that she was very proud of what had been accomplished together. As a team, the Port Authority has had unprecedented growth during the last six years, unprecedented stability, and unprecedented market certainty that has created opportunities not only for the Port Authority but for the greater Port of Houston to be the leading port in the nation and perhaps in the world.

Chairman Longoria complimented Port Authority staff as the best staff she has ever had the pleasure to work with and stated that every member of staff does an incredible job every day to take this organization to the next level. She added that the work has been accomplished with integrity and honor.

Chairman Longoria thanked staff for its support over the last six years and stated that she took pleasure in having been a part of the Port Authority's success. She thanked her colleagues on the Port Commission for their joint efforts. Finally, Chairman Longoria told Mr. Guenther that it had been a real pleasure to work with him, he had been a very dynamic leader engaging staff to work together, and she thanked him for all he had done for the organization during her six years as Chairman, adding that working with him had also been a great honor.

(2018-1212-01) Minutes



Chairman Longoria called for a motion to approve the minutes of the October 30, 2018 Port Commission meeting. Commissioner Corgey moved for approval, seconded by Commissioner Branch. The minutes were approved as written.

(2018-1212-02) Port Commission Committee Updates

(a) Commissioner Kennedy reported on the Procurement and Small Business Development Task Force meeting held on November 5, 2018.

Commissioner Kennedy reported the purpose of the November 5 meeting was to continue the study and examination of the potential impact of a disparity study, which had been recommended by some members of the community.

The Port Authority's Chief Legal Officer, Erik Eriksson, briefed the task force and other attendees on a variety of procurement preference programs including the Small Business Goals of the Federal Small Business Administration, Houston METRO's activities, the State of Texas Historically Underutilized Business (HUB) Program, the City of Houston MWBE Program, Port Houston's Small Business Development Program, and other state and national examples.

Chairman Longoria thanked Commissioner Kennedy for his report.

(b) Chairman Longoria reported on the December 10, 2018 Dredge Task Force meeting stating that Commissioners Branch, Fitzgerald and Kennedy were present at the meeting.

Chairman Longoria reported that the Port Commission had been working very hard to ensure the Army Corps of Engineers ("Corps") understood the exigent circumstances requiring widening of the ship channel. The Corps has been asked to consider the Port Authority's request for widening and deepening the channel in its "national economic model," to assure that the Port of Houston did not lose any opportunities as it moved forward to a shared future.

Chairman Longoria reported that meeting attendees were informed of the proposed path forward on working with the Corps and the final Chiefs' Report, to try to assure that whatever path was taken, it was the quickest resolution of the issue and in the best interest of everyone that uses the ship channel. The Corps economic model ignored that the petrochemical and container worlds have dramatically changed in the last few years, and did not consider widening in the same way it considered depth in evaluating the return on investment.

Chairman Longoria noted that there are opportunities with the Assistant Secretary of the Army, who has the authority to act in the Port Authority's favor; however, the Port Authority would be going to find the path that works fastest with the least disruption and that would get this channel widened as quickly as possible. That may mean ascertaining a way to secure private funding of that widening effort, so that it could be completed in a timely manner, with the Federal Government agreeing to maintain it in perpetuity, as it recently did with the Bayport Flare improvements. She noted that Items J-4 and J-5 on the Agenda provide authority for the staff to proceed on these matters and that she would be taking those items out of order.

Prior to asking for a vote on those matters Chairman Longoria also discussed sediment capture and control. To optimize the full depth of the channel, sediment should be controlled before it gets to the channel and its impacts mitigated once it enters the channel. She noted that with every flood in Houston, including Hurricane Harvey, tons of sediment were deposited in the channel which then impedes the two-way flow of commerce. Chairman Longoria stressed that it was important that the Port of Houston be considered as a flood mitigation link in any flood mitigation efforts that were being conducted, including funding.

Chairman Longoria reported that a cooperative working group formed by the Port Authority, the City of Houston Resiliency Office, and Harris County Flood Control District was addressing these challenges, and if all goes well the Port Authority's voice will be heard for getting the funding necessary to conduct advance maintenance dredging, so that there will no longer be sediment impacts.

The Port Commission will continue to work on these policy matters along with a team of stakeholder interests to assure that whatever was done it is in the best interest of all stakeholders.

Chairman Longoria asked if there were any questions. There were none.

(2018-1212-03) RCA J4 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgy, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J4 PASSED.

(2018-1212-04) RCA J5 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgy, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J5 PASSED.

(2018-1212-05) Staff Reports

- Mr. Guenther presented a summary of operational and financial matters as follows: container volume is up 10% for the year; steel is up 21%; overall tonnage is up 8%. Mr. Guenther deferred a more detailed report for the end of the year to the January meeting.
- Mr. Guenther introduced Mary Ann Perez, State Representative, who presented Chairman Longoria with a Resolution from the State of Texas which read in part: *“...through her leadership, professionalism and unyielding dedication, Janiece Longoria has made a lasting positive impact on the Houston area and beyond and she may indeed reflect with pride on a job well done. NOW THEREFOR BE IT RESOLVED, that Janiece M. Longoria be commended for her exceptional service as Chair of the Port of Houston Authority and that she be extended sincere best wishes for the future.”*
- Commissioner Corgey presented Chairman Longoria with a Certificate of Recognition from the City of Houston on behalf of Council Member Karla Cisneros, which read in part: *“...her leadership and expertise on Port Houston transportation and infrastructure are commendable and her work continues to serve as a shining example in the community[.]”*
- Commissioner Kennedy presented Chairman Longoria with a Certificate of Recognition from Greg Abbot, Governor, State of Texas, which read in part: *“...for your years of meritorious service to the State of Texas as Chairman and as member of the Port of Houston Authority from 2002-2018[.]”*
- Mr. Guenther presented a video tribute to Chairman Longoria. Various dignitaries gave accolades to Chairman Longoria including Congresswoman Sheila Jackson Lee, Harris County Judge Ed Emmett, Mayor Sylvester Turner, State Senator Larry Taylor, State Representatives, Harris County Commissioners, Houston City Council Members, and the Mayors of Morgan’s Point, La Porte, and Pasadena. At the end of the video tribute a message from Chairman Longoria was added:  
  
*“I have done my best to contribute to these lofty goals. If you miss me I am highly complimented. If you remember me, my legacy shines. If you emulate me, I have done my job and done it well.”*
- Mr. Guenther presented Chairman Longoria a gift from employees in recognition of her years of service.

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

RCA G1 (*see below - approved by Minute No. 2018-1212- 40*).

RCA G2 (*see below – approved by Minute No. 2018-1212-41*).

(2018-1212-06) RCA G3 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA G3 PASSED.

(2018-1212-07) RCA G4 was presented, moved by Chairman Longoria, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA G4 PASSED.

(2018-1212-08) RCA G5 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA G5 PASSED.

Commissioner Mease commented that this item would place the site of the auto terminal into the Industrial District and extend the Agreement until 2033. Chairman Longoria thanked Mr. Heidt and Mr. Jenkins for their work on this Agreement.

Chairman Longoria noted that this was the last meeting of the year and acknowledged Mr. Roger Hoh, Director Project/Construction Management, to stand and asked Mr. Heidt to explain why Mr. Hoh was wearing an ugly jacket.

Mr. Heidt explained that the jacket was originally worn by him in 1986 at a Port Authority holiday function. The Director of Operations at that time ridiculed him the whole day, and so Mr. Heidt decided to “pay it forward,” and gifted the jacket the following year to the Director of Operations with two stipulations: (1) it needed to be worn at a Port Authority function, and (2) it had to be passed along the next year to another employee. Mr. Hoh was the lucky winner of the 32-year-old jacket for the upcoming year.

(2018-1212-09) RCA H1 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2018-1212-10) RCA H2 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H2 PASSED.

(2018-1212-11) RCA H3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H3 PASSED.

(2018-1212-12) RCA H4 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H4 PASSED.

(2018-1212-13) RCA I1 (a-g) was presented, moved by Commissioner Kennedy, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I1 (a-g) PASSED.

(2018-1212-14) RCA I2 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2018-1212-15) RCA I3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2018-1212-16) RCA I4 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2018-1212-17) RCA J1 was presented. Commissioner Branch moved for staff ranking – first, Wiss, Janney, Elstner Associates, Inc.; second, V&A Consulting Engineers, Inc., seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2018-1212-18) RCA J2 was presented. Commissioner Corgey moved for staff ranking – first, LJA Engineering, Inc.; and second, TSC Engineering, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2018-1212-19) RCA J3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J3 PASSED.

RCA J4 (*see above – approved by Minute No. 2018-1212-03*).

RCA J5 (*see above – approved by Minute No. 2018-1212-04*).

(2018-1212-20) RCA J6 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J6 PASSED.

(2018-1212-21) RCA J7 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J7 PASSED.

(2018-1212-22) RCA J8 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J8 PASSED.

(2018-1212-23) RCA J9 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J9 PASSED.

(2018-1212-24) RCA J10 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J10 PASSED.

(2018-1212-25) RCA J11 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch,

Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J11 PASSED.

(2018-1212-26) RCA J12 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J12 PASSED.

(2018-1212-27) RCA J13 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J13 PASSED.

(2018-1212-28) RCA K1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2018-1212-29) RCA K2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2018-1212-30) RCA K3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K3 PASSED.

(2018-1212-31) RCA K4 was presented. Commissioner Mease moved for staff ranking – first, Digital Printing Systems, Inc.; second, Electronic Data Magnetics, Inc.; and third, Printing Technologies, Inc., seconded by Commissioner Branch.

Commissioner Mease asked if the cards were given to drivers. Mr. Guenther replied that this one-year supply was nine million cards for the gate transactions when trucks come through Port Authority gates.

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

(2018-1212-32) RCA K5 was presented, moved by Commissioner Mease, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch,

Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K5 PASSED.

(2018-1212-33) RCA K6 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K6 PASSED.

(2018-1212-34) RCA K7 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy and Mease voted Aye. Nays none. RCA K7 PASSED.

(2018-1212-35) RCA K8 was presented, moved by Commissioner Kennedy, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy and Mease voted Aye. Nays none. RCA K8 PASSED.

(2018-1212-36) RCA K9 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy and Mease voted Aye. Nays none. RCA K9 PASSED.

(2018-1212-37) RCA L1 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch.

Commissioner Mease asked if Mr. Heidt could explain this item to the audience members.

Mr. Heidt explained that the Port Authority was in the process of becoming self-insured for medical benefits. Self-insurance would allow staff to take more control of the program, offer benefits that were more beneficial to employees, and remove items that were inappropriate or not needed. In response to Chairman Longoria's question, Ms. Shaver responded that the cost of medical benefits insurance was expected to increase 4.5%, but if self-insured the cost increase was expected to be only .7%. In addition, all funds that were not expended would be returned to the operating budget.

Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2018-1212-38) RCA L2 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Longoria, and Commissioners Branch,



Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L2 PASSED.

(2018-1212-39) RCA L3 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L3 PASSED.

(2018-1212-40) RCA G1 was presented.

Chairman Longoria asked the Port Commission to ratify and confirm the appointment of Mr. Justin Jordan, Vice President of Cornerstone Consulting Group, as a member of the Board of Directors of the Houston Airport System Development Corporation (HASDC). Mr. Jordan was in the audience and she asked him to stand.

Before calling the item for a motion, Chairman Longoria gave a brief history of HASDC. She advised that the Board of Directors consisted of three members: Houston Aviation Director Mario C. Diaz was currently a member, Commissioner Branch's term expired in April of 2017, and the Honorable Dionel Aviles passed away in 2016 and was not replaced. Chairman Longoria further noted that the HASDC bylaws provide that one of the three members of the Board of Directors was appointed by the Port Authority.

Accordingly, Chairman Longoria moved that the Port Commission ratify and confirm the appointment of Justin Jordan as the Port Authority representative on the HASDC Board of Directors and further moved that in the event Mr. Jordan was disqualified from service on that board for any reason, that the appointee be Commissioner Stephen DonCarlos, seconded by Commissioner Mease.

Discussion ensued and Commissioner DonCarlos requested that Mr. Eriksson research the Bylaws of HASDC, Chairman Longoria also requested that Mr. Eriksson obtain copies of Minutes of Board meetings conducted after Mr. Aviles' passing. She then called for the question.

Chairman Longoria, and Commissioners DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Commissioners Branch and Corgey voted Nay. RCA G1 PASSED.

(2018-1212-41) RCA G2 was presented, moved by Commissioner Kennedy, seconded by Commissioner DonCarlos. Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA G2 PASSED.

At 10:03 a.m., Chairman Longoria advised that the Executive Session would follow and instructed Mr. Eriksson to make the following announcement:

It is now 10:03 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) claims of Orion Marine Construction, Inc., (ii) claims of the Port Authority against Louis Dreyfus Company Houston Export Elevator LLC and Louis Dreyfus Commodities LLC, (iii) respective claims between the Port Authority and TDWP Terminals 4, LLC, and (iv) Public Information Act request of the “Coalition for a Fair and Open Port;” deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*); (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*), including deliberations regarding public employees; and (5) Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*). The Port Commission will reconvene in public session after the closed meeting is adjourned.

Immediately thereafter the Port Commission retired into closed session.

At 10:36 a.m., Chairman Longoria reconvened the open meeting at the Port of Houston Authority Executive Office Boardroom, at 111 East Loop North, Houston, Texas 77029, with the following Commissioners, staff and counsel in attendance:

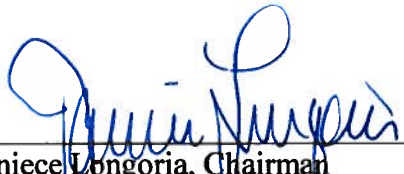
Janiece Longoria, Chairman  
Theldon R. Branch, III, Commissioner  
Dean E. Corgey, Commissioner  
Stephen H. DonCarlos, Commissioner  
Clyde E. Fitzgerald, Commissioner  
John D. Kennedy, Commissioner  
Roy D. Mease, Commissioner  
Roger Guenther, Executive Director  
Erik Eriksson, Chief Legal Officer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

(2018-1212-42) Commissioner DonCarlos moved to authorize the Port Authority to settle the claims of Orion Construction, L.P. on the terms discussed in Executive Session, and authorize the Executive Director to do all things reasonable or

necessary to give effect to the foregoing, seconded by Commissioner Mease. Chairman Longoria, and Commissioners Branch, Corgy, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

At 10:37 a.m., Chairman Longoria adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the December 12, 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. Confirm the Port Authority's appointment of Justin Jordan as a member of the Board of Directors of HAS Development Corporation.

**Meeting** Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, confirm the Port Authority's appointment of Justin Jordan as a member of the Board of Directors of HAS Development Corporation, 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 4b. - Cultivate productive relationships with all stakeholders

**Category:**  
General

**Department:**  
Legal

**Staff Contact:**  
Erik Eriksson

**Background:**  
HAS Development Corporation (HASDC) was incorporated in 2001 to benefit the City of Houston and the Houston Airport System, working to increase air travel to and through Houston, and the volume of air transport-related trade activities.

Article III, Section 2(iii) of the Bylaws of HASDC provides that the Port Authority appoints a member of the Board of Directors of HASDC. However, since the Houston Airport System is the sole beneficiary of HASDC, the Port Authority's appointment of a director simply serves as an accommodation to the City of Houston and the airport system. The Port Authority does not have any direct economic interest in HASDC, although it may benefit indirectly from joint international commercial opportunities and international commerce promoted by HASDC.

Port Commissioner Theldon R. Branch, III has served as the Port Authority appointee to the Board of Directors of HASDC since 2014, and his term has expired. On December 5, 2018, Chairman Longoria appointed Justin Jordan as the successor member of the Board of Directors of HASDC. Mr. Jordan is a Vice President of Cornerstone Government Affairs in Austin and Houston.

**Staff Evaluation/Justification:**  
Staff recommends that the Port Commission confirm the appointment of Justin Jordan as a member of the Board of Directors of HASDC.

## G. EXECUTIVE

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**Subject** 2. Approve and adopt the proposed Internal Audit 2019 Annual Audit Plan.

**Meeting** Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, approve and adopt the proposed 2019 Annual Audit Plan, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**  
General

**Department:**  
Internal Audit

**Staff Contact:**  
Maxine Buckles

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

During the third quarter of 2018, the Port Authority's Internal Audit group performed an Enterprise Risk Assessment (ERA) in accordance with applicable professional auditing standards. Based on the ERA results, and input from the Audit Committee and Port Authority staff, Internal Audit drafted a proposed Annual Audit Plan to serve as the primary work plan to carry out its audit responsibilities in an efficient manner for the 2019 fiscal year.

**Staff Evaluation/Justification:**  
The proposed Annual Audit Plan was presented to the Audit Committee at its meeting on October 23, 2018.

The plan focuses on the following key areas:

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

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

Following review and discussion of the draft Plan with the Audit Committee, staff recommends the Port Commission approve and adopt the proposed Internal Audit 2019 Annual Audit Plan.

## G. EXECUTIVE

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**Subject**                    **3. Enter into a service agreement with the Greater Houston Port Bureau, Inc. to provide vessel traffic movement data (real time and historical) for a one-year period in the amount of \$80,000, and subscribe to Harborlights for twenty-five users in the amount of \$10,000, for a total of \$90,000.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, enter into a service agreement with the Greater Houston Port Bureau, Inc. to provide vessel traffic movement data (real time and historical) for a one-year period in the amount of \$80,000, and subscribe to Harborlights for twenty-five users in the amount of \$10,000, for a total of \$90,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**

Awards, Amendments & Change Orders

**Department:**

Executive

**Staff Contact:**

Tom Heidt

**Background:**

By Minute No. 2018-0130-07, the Port Commission authorized a service agreement with the Greater Houston Port Bureau, Inc. (GHPB), which expires December 31, 2018.

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

**Staff Evaluation/Justification:**

Staff recommends that in 2019 the Port Authority continue with GHPB services, by entering into a one-year contract to provide vessel traffic movement data (real time and historical), and subscription services to Harborlights, and when appropriate, to assist the Port Authority in regulatory and economic development matters. These services could also include expert advice on safety, security, and environmental response issues provided by a prior U.S. Coast Guard Captain of the Port who heads up the GHPB.

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

## G. EXECUTIVE

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<b>Subject</b>	<b>4. Enter into a one-year agreement with the Houston International Seafarers' Center to provide humanitarian services to seafarers whose vessels call at the terminals of the Port of Houston, effective January 1, 2019, in an amount not to exceed \$100,000.</b>
Meeting	Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 12, 2018 meeting, enter into a one-year agreement with the Houston International Seafarers' Center to provide humanitarian services to seafarers whose vessels call at the terminals of the Port of Houston, effective January 1, 2019, in an amount not to exceed \$100,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term) Strategic Objective 4b. - Cultivate productive relationships with all stakeholders

**Category:**

Awards, Amendments & Change Orders

**Department:**

Community Relations & Events

**Staff Contact:**

Leslie Herbst

**Background:**

The Houston International Seafarers' Center (Seafarers' Center), with locations at the Turning Basin Terminal and adjacent to Barbours Cut Terminal, is internationally recognized for its outstanding services and facilities for visiting seafarers. By providing a positive social, recreational, and ecumenical spiritual environment, the Seafarers' Center is an asset to both the Port Authority and the communities surrounding the port.

This agreement with the Port Authority would permit the Seafarers' Center to continue to provide the following services on a non-discriminatory basis to seafarers from all commercial vessels that call on the public and private terminals in the Port of Houston: operation of two Seafarers' Centers, transportation services, safety functions, communications, banking, emergency accommodations, recreational facilities, commissary facilities, a restaurant, mail and courier services, counseling services, and other services mutually deemed necessary. The current service agreement with the Seafarers' Center expires December 31, 2018.

**Staff Evaluation/Justification:**

Staff recommends that the Port Commission authorize a new service agreement with the Seafarers' Center for one year. Pursuant to the service agreement, the Seafarers' Center would submit its annual report for the past year, along with support materials, as requested by the Port Authority.

## G. EXECUTIVE

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**Subject** 5. Enter into an Amended and Restated Industrial District Agreement with the City of Pasadena and approve a payment to the city thereunder in the amount of \$4,500,000.

**Meeting** Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, authorize the Port Authority to enter into an Amended and Restated Industrial District Agreement with the City of Pasadena, approve a payment to the city thereunder in the amount of \$4,500,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**

Awards, Amendments & Change Orders

**Department:**

Executive

**Staff Contact:**

Tom Heidt

**Background:**

By Minute No. 2009-0825-30, the Port Commission approved an Industrial District Agreement with the City of Pasadena, covering most of the Bayport Terminal property.

The Industrial District Agreement provides, among other things, that through its term ending December 31, 2023, the disannexed property retains extraterritorial status within the "Port Industrial District" created by the city, is immune from annexation by the city, and is exempt from various city powers. The agreement also acknowledges that the city has no obligation to provide services to the property, except as otherwise agreed to. Finally, the agreement provided for payments to the city in lieu of sales tax otherwise payable by third parties operating within the disannexed property.

Port Authority representatives have recently undertaken discussions with city staff to amend the Industrial District Agreement to encompass additional Bayport Terminal property, including the site of the auto terminal, and extend the term to December 31, 2033. The agreement would also provide that the Port Authority pay a \$4,500,000 fee to the city. In all other material respects the agreement would be unchanged, including the Port Authority's continued obligation to remit third party payments to the city in lieu of sales tax.

The City of Pasadena is currently considering disannexation of the additional Port Authority property, amendment of the Port Industrial District area, and approval of the Amended and Restated Industrial District Agreement.

**Staff Evaluation/Justification:**

Staff recommends that the Port Commission authorize the Port Authority to enter into an Amended and Restated Industrial District Agreement with the City of Pasadena.



## H. COMMERCIAL

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**Subject** 1. Rescind the award to Meltwater News US Inc. to provide news release distribution and media monitoring services in the amount of \$104,500, and award contracts to Business Wire, Inc. to provide news distribution services in the amount of \$16,746 per year and CyberAlert, LLC/Glean.Info to provide media monitoring services in the amount of \$35,500 per year, in the total amount of \$104,492 over a two-year period with the option to renew.

**Meeting** Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, rescind the award to Meltwater News US Inc. to provide news release distribution and media monitoring services in the amount of \$104,500, and award contracts to Business Wire, Inc. to provide news distribution services in the amount of \$16,746 per year and CyberAlert, LLC/Glean.Info to provide media monitoring services in the amount of \$35,500 per year, in the total amount of \$104,492 over a two-year period with the option to renew, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Goals** Strategic Objective 2a. - Develop and implement a proactive market development plan

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

**Department:**  
Media Relations

**Staff Contact:**  
Lisa Ashley

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

The service options and capabilities of news release distribution companies and media monitoring services are continuously evolving; additionally, in some cases there have been mergers and acquisitions among these service providers. All of these circumstances have some impact on the Port Authority.

Accordingly, two-year professional services agreements with one-year renewal options should provide the Port Authority the benefit of more stable pricing and customer service.

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

By Minute No. 2018-0327-08, the Port Commission awarded a contract for these services to Meltwater News US Inc. (Meltwater).

**Staff Evaluation/Justification:**  
Staff requests the Port Commission rescind the award to Meltwater because the Media Relations department could not reach mutually agreeable terms with the vendor to provide news release distribution and media

monitoring services. Staff requests award of contracts to Business Wire, Inc. to provide news release distribution services and to CyberAlert LLC/Glean.Info to provide media monitoring services, the third-ranked vendors. Staff recommends the third-ranked vendors because the second-ranked vendors included Meltwater.

## H. COMMERCIAL

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**Subject**                    **2. Approve a fourth amendment to the lease with Contanda Greens Bayou Terminal LLC effective no earlier than January 1, 2019, to extend the 8.162-acre option property feasibility period to June 30, 2019.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, approve a fourth amendment to the lease with Contanda Greens Bayou Terminal LLC effective no earlier than January 1, 2019, to extend the 8.162-acre option property feasibility period to June 30, 2019, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**

Leases

**Department:**

Real Estate

**Staff Contact:**

R. D. Tanner

**Background:**

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

By Minute No. 2018-0327-10 the Port Commission approved a third amendment to the lease, extending to December 31, 2018 the option period on this adjacent parcel.

On September 28, 2018, the Port Authority's lessee changed its name to Contanda Greens Bayou Terminal LLC.

**Staff Evaluation/Justification:**

Staff has determined that an extension of the option period to June 30, 2019 would provide the Port Authority time to extinguish an unimproved utility easement filed on this adjacent parcel. Accordingly, staff recommends approval of an extension of the 8.162 acre option property feasibility period to June 30, 2019.

## H. COMMERCIAL

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**Subject**                    **3. Approve a twenty-five year lease agreement with two five-year options with Dixie Cullen Interests, Inc., effective no earlier than January 1, 2019, for approximately 10.42 acres located at 9100 Mississippi St. and 1100 Teal St., at an annual base rent of \$300,000 beginning at full operations no later than the 25th month from the commencement date, and subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, approve a twenty-five year lease agreement with two five-year options with Dixie Cullen Interests, Inc., effective no earlier than January 1, 2019, for approximately 10.42 acres located at 9100 Mississippi St. and 1100 Teal St., at an annual base rent of \$300,000 beginning at full operations no later than the 25th month from the commencement date, and 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)

**Category:**  
Leases

**Department:**  
Real Estate

**Staff Contact:**  
R. D. Tanner

**Background:**  
The Port Authority recently acquired a 10.42 acre parcel located at 9100 Mississippi St. and 1100 Teal St., and subsequently marketed the property for potential lease to a party providing services that would be complementary to Turning Basin Terminal operations.

The staff has determined that a lease with Dixie Cullen Interests, Inc. (Dixie Cullen) would satisfy this goal.

The proposed twenty-five year lease includes a three-month feasibility period for Dixie Cullen to perform its due diligence and a 6-month Phase 1 Construction Period to renovate and improve the existing 30,500 sq ft warehouse at the tenant's projected cost of approximately \$500,000. The Port Authority would abate \$150,000 of this cost, once expenditures are substantiated, through an annual rental abatement of \$33,333 over a 54-month period.

The feasibility period would be followed by a concurrent Phase 2 Construction Period of 18 months during which Dixie Cullen would develop and construct a new heavy lift crane-served warehouse of approximately 190,000 sq ft on the remainder of the 10.42-acre tract.

Tenant would be provided a one-time 90-day extension of its Phase 2 Construction Period if required and substantiated by Tenant due to any delays in obtaining necessary permits with respect to its new warehouse development. The full operations of this lease would occur no later than the 25th month from the effective date of the lease agreement after both the existing warehouse is improved and the new warehouse is constructed and operational.

**Staff Evaluation/Justification:**

Staff has determined that Dixie Cullen would provide valuable heavy lift cargo options, including cargo transit, packaging, value-add and storage to Turning Basin operations as well as providing Foreign Trade Zone services to its heavy lift cargo customers. Accordingly, staff recommends approval of a twenty-five year lease term with two five-year options with Dixie Cullen Interests, Inc. on the terms described above.

**H. COMMERCIAL**

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**Subject**                    **4. Approve the change of control of Lansing Trade Group, LLC, tenant under the lease of Houston Public Grain Elevator No. 2, resulting from its merger with The Andersons, Inc. and related parties.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, approve the change of control of Lansing Trade Group, LLC, tenant under the lease of Houston Public Grain Elevator No. 2, resulting from its merger with The Andersons, Inc. and related parties, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**

Leases

**Department:**

Real Estate

**Staff Contact:**

R. D. Tanner

**Background:**

By Minute No. 2018-0517-33, the Port Commission authorized a lease of Houston Public Grain Elevator #2 at Woodhouse to Lansing Trade Group, LLC (Lansing) effective June 1, 2018 for a 12-month term, subject to a one-year extension option, at an annual rate of \$1,200,000.

Lansing has informed the Port Authority that it has entered into a merger agreement with The Andersons, Inc., and related parties. The transaction is expected to close before January 31, 2019. If the change of control is approved, The Andersons, Inc. and related parties would control Lansing, including its interests as lessee of Houston Public Grain Elevator #2 at Woodhouse.

**Staff Evaluation/Justification:**

Staff has reviewed the terms of the change of control transaction, including the public filings, and recommends the Port Commission approve the change of control of the tenant under this lease.

## I. FINANCE

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<b>Subject</b>	<b>1. Authorize advertisement and receipt of responses for seven formal procurements.</b>
Meeting	Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	<p>The Port Commission, at its December 12, 2018 meeting, authorize the Port Authority to advertise and receive responses for seven formal procurements, determine that the proposed procurement methods provide the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing for these procurements.</p> <p>(a) Request for competitive sealed bids for purchase of LED lighting for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal</p> <p>(b) Request for competitive sealed bids for additional striping and associated work at Container Yards 4 and 5 at Bayport Container Terminal</p> <p>(c) Request for competitive sealed bids for purchase of miscellaneous tires for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal</p> <p>(d) Request for competitive sealed proposals for purchase of machining services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal</p> <p>(e) Request for proposals for purchase of nine container yard cranes for Bayport Container Terminal</p> <p>(f) Request for proposals for a one-year contract to provide supplemental Cognos consulting services</p> <p>(g) Request for qualifications for engineering, design, construction management, project coordination, and other general assistance for the Houston Ship Channel project and beneficial use sites</p>

**Category:**

Authority to Obtain Bids, Proposals, or Qualifications

**Department:**

Procurement Services

**Staff Contact:**

Yvette Camel-Smith

**Background:**

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

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

- Solicitation of "Competitive Sealed Proposals" or "Competitive Sealed Bids," for construction, repair, rehabilitation, or alteration of facilities, and for non-construction items;
- Solicitation of "Requests for Proposals," for procurement items other than construction services; and
- Solicitation of "Requests for Qualifications," for the professional services of engineers, architects, and surveyors.

**Staff Evaluation/Justification:**

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

## I. FINANCE

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**Subject**                    **2. Issue a purchase order to Periscope Holdings, Inc. for purchase of BuySpeed Upgrade v14.5.0.2, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$150,000.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                    Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, issue a purchase order to Periscope Holdings, Inc. for purchase of BuySpeed Upgrade v14.5.0.2, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$150,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

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

**Department:**  
Procurement Services

**Staff Contact:**  
Yvette Camel-Smith

**Background:**  
By Minute No. 2013-1119-22, the Port Commission awarded a contract to Periscope Holdings, Inc. to provide for the implementation and maintenance of the BuySpeed Eprocurement software. BuySpeed is used to procure goods and services, to manage the Port Authority's vendor database, and to provide business intelligence. The current version of the software is no longer being developed and Periscope Holdings, Inc. will soon end its support of it.

The Port Authority is seeking to obtain the latest version of BuySpeed that is expected to offer enhanced functionality, including accelerated routine business processes, expanded buying opportunities, reduced overall costs, and several customized system enhancements.

The Texas Department of Information Resources (DIR) is a department of the State of Texas and has cooperative purchasing programs which may be used by the Port Authority.

**Staff Evaluation/Justification:**  
The Director of Procurement Services has determined that procuring BuySpeed Upgrade v14.5.0.2 through the DIR purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Procurement Services department has determined that the best availability, price, and contract terms for the item needed is provided by Periscope Holdings, 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.



## I. FINANCE

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<b>Subject</b>	<b>3. Authorize payment to the Harris County Appraisal District for appraisal services to be provided to the Port Authority for fiscal year 2019 in an amount not to exceed \$405,000, and authorize payment to the Harris County Tax Assessor-Collector for tax collection services for the 2018 tax year in an amount not to exceed \$1,100,000.</b>
Meeting	Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 12, 2018 meeting, (a) authorize payment to the Harris County Appraisal District for appraisal services to be provided to the Port Authority for fiscal year 2019 in an amount not to exceed \$405,000, (b) authorize payment to the Harris County Tax Assessor-Collector for tax collection services for the 2018 tax year in an amount not to exceed \$1,100,000, and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Controller

**Staff Contact:**

Curtis Duncan

**Background:**

The Harris County Appraisal District provides appraisal services to the Port Authority in connection with its ad valorem taxes. As provided in Section 6.06(d), Texas Property Tax Code, "each taxing unit [e.g., the Port Authority] participating in the [appraisal] district is allocated a portion of the amount of the budget equal to the proportion that the total dollar amount of property taxes imposed in the [appraisal] district by the unit for the tax year in which the budget proposal is prepared bears to the sum of the total dollar amount of property taxes imposed in the [appraisal] district by each participating unit for that year."

In addition, pursuant to statute, the Harris County Tax Assessor-Collector is charged with the assessment and collection of taxes levied on behalf of the Port Authority within the Port Authority's jurisdiction, and receives compensation for such services as agreed to by the Port Commission and Harris County Commissioners Court. In July 2007, the Harris County Commissioners Court adopted a fee schedule, which remains in use at the present time, such that each taxing unit is charged property tax collection fees at the rate of \$1.10 per parcel plus \$0.0275 per hundred dollars of taxable valuation.

**Staff Evaluation/Justification:**

The Harris County Appraisal District has indicated that the estimated cost allocation to the Port Authority for appraisal services to be provided for fiscal year 2019 is under \$405,000. Staff recommends that the Port Commission authorize payment of such expense, which is usually invoiced and paid in four quarterly installments, the first of which is due by December 31, 2018, in the not to exceed amount referenced above.

The Harris County Tax Assessor-Collector notified the Port Authority that the estimated preliminary property tax collection fees for the 2018 tax year is under \$1,100,000. This fee is normally withheld at the rate of 3.0% from all Port Authority tax collections starting July 2018 until the full amount is collected.

Staff recommends Port Commission authorization of such collection fees, in the not to exceed amount referenced above.

## I. FINANCE

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**Subject** 4. Approve the actuarial valuation report dated as of August 1, 2018 for the Port of Houston Authority Restated Retirement Plan.

**Meeting** Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, (a) approve the actuarial valuation report dated as of August 1, 2018 for the Port of Houston Authority Restated Retirement Plan, (b) authorize staff to file the report with the Texas Pension Review Board, 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 #4 - STEWARDSHIP (Sustain the business for the long-term)

**Category:**  
General

**Department:**  
Controller / Treasury

**Staff Contact:**  
Curtis Duncan / Ray Yi

**Background:**  
Section 802.101, Texas Government Code, states:

"(a) The governing body of a public retirement system shall employ an actuary, as a full-time or part-time employee or as a consultant, to make a valuation at least once every three years of the assets and liabilities of the system on the basis of assumptions and methods that are reasonable in the aggregate, considering the experience of the program and reasonable expectations, and that, in combination, offer the actuary's best estimate of anticipated experience under the program. The valuation must include a recommended contribution rate needed for the system to achieve and maintain an amortization period that does not exceed 30 years.

(b) On the basis of the valuation, the actuary shall make recommendations to the governing body of the public retirement system to ensure the actuarial soundness of the system. The actuary shall define each actuarial term and enumerate and explain each actuarial assumption used in making the valuation. This information must be included either in the actuarial study or in a separate report made available as a public record.

(c) The governing body of a public retirement system shall file with the State Pension Review Board a copy of each actuarial study and each separate report made as required by law."

The actuarial valuations for the Port of Houston Authority Restated Retirement Plan (Pension Plan) are prepared by Milliman, the Port Authority's actuary, using investment return assumption rates approved by the Port Commission.

By Minute No. 2016-1213-20, the Port Commission last approved a reduction of the actuarial assumption rate from 7.00% to 6.75%.

**Staff Evaluation/Justification:**

Milliman has prepared an actuarial valuation report for the Pension Plan, dated as of August 1, 2018, showing an actuarial value of Pension Plan assets of \$184,287,781, and an Unfunded Actuarial Accrued Liability (UAAL) of \$2,973,899. Using the approved actuarial assumption rate of 6.75% and other

reasonable assumptions and methodologies, Milliman has estimated the Annual Required Contribution (ARC) for the fiscal year ending July 31, 2019 to be \$4,436,764.

In accordance with a funding policy approved by the Port Commission (Minute No. 2015-0728-20), Port Authority staff is authorized to continue funding up to 105% of the ARC amount without the need for further authorization. This continued funding should reduce the UAAL over a number of years and help ensure that the Pension Plan is well funded. As of August 1, 2018, the funded ratio of the Pension Plan was 98.4%, which compared favorably versus the prior year's ratio of 95.1%.

Staff recommends that the Port Commission approve the actuarial valuation report for the Pension Plan, dated as of August 1, 2018, whereupon staff would file such report with the Texas Pension Review Board in compliance with statutory requirements.

## J. INFRASTRUCTURE

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<b>Subject</b>	<b>1. Approve staff's ranking of vendors and award a professional services contract in the amount of \$276,900 for facility inspection and condition assessment program for corrosion on marine assets Portwide to the top-ranked proposers: staff ranking – first, Wiss, Janney, Elstner Associates, Inc.; second, V&amp;A Consulting Engineers, Inc.</b>
Meeting	Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 12, 2018 meeting: <ol style="list-style-type: none"> <li>(a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Wiss, Janney, Elstner Associates, Inc.; second, V&amp;A Consulting Engineers, Inc.;</li> <li>(b) award a professional services contract to Wiss, Janney, Elstner Associates, Inc. to perform professional engineering services for the facility inspection and condition assessment program for corrosion on marine assets in the amount of \$276,900;</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>
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 engineering consulting services to prepare the Facility Inspection and Condition Assessment Program (FICAP) manual, to address corrosion of Port Authority marine structures. The manual will be used for the FICAP program to inspect, assess, and rate the corrosion conditions of the Port Authority's marine assets.

By Minute No. 2018-0925-16(p), 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. Two vendors downloaded the project materials from BuySpeed.

**Staff Evaluation/Justification:**  
On October 17, 2018, two 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:

- Wiss, Janney, Elstner Associates, Inc.
- V&A Consulting Engineers, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Wiss, Janney, Elstner Associates, Inc. and act as otherwise described above.

## J. INFRASTRUCTURE

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<b>Subject</b>	<b>2. Approve staff's ranking of vendors and award a professional engineering services contract in the amount of \$1,788,655 for the design of the Port Road expansion and storm water drainage for Port Authority property at Bayport Container Terminal adjacent to the top-ranked proposers: staff ranking – first, LJA Engineering, Inc.; and second, TSC Engineering.</b>
Meeting	Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 12, 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, LJA Engineering, Inc.; and second, TSC Engineering;</li> <li>(b) award a professional services contract to the top-ranked proposer for the design of the Port Road expansion and storm water drainage for adjacent Port Authority property at Bayport Container Terminal, in the amount of \$1,788,655;</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>
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 the design of the expansion of Bayport Port Road from Hwy 146 to Cruise Terminal Road and the design of storm water drainage for adjacent Port Authority property, i.e. the 95.5-acre tract at the southeast corner of the intersection of Hwy 146 and Port Road.

By Minute No. 2018-0731-16(o), the Port Commission authorized the advertisement of a request for qualifications (RFQ) for professional services. The Port Authority notified vendors regarding its RFQ using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Two vendors downloaded the project materials from BuySpeed.

**Staff Evaluation/Justification:**

On October 10, 2018, two 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:

- LJA Engineering, Inc.
- TSC Engineering

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

## J. INFRASTRUCTURE

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<b>Subject</b>	<b>3. Award a professional services contract to Hatch Associates Consultants, Inc. for the facility inspection and condition assessment program for electrical and communications assets in the amount of \$474,500.</b>
Meeting	Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 12, 2018 meeting, award a professional services contract to Hatch Associates Consultants, Inc. for the facility inspection and condition assessment program for electrical and communications assets in the amount of \$474,500, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
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:**  
As part of the Port Authority's broad asset management program, a specific Electrical Distribution and Communications Program has been started to document and evaluate the condition of its electrical and communications assets. The program would include a Facility Inspection and Condition Assessment Program (FICAP) manual for electrical and communication assets in the field, document baseline values of electrical parameters as tested on electrical equipment, newly develop electrical and communication drawings, and integrate the new information into the Port Authority's GIS system.

By Minute No. 2018-0925-14(q), 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. Thirteen vendors downloaded the project materials from BuySpeed.

**Staff Evaluation/Justification:**  
On October 17, 2018, one RFQ response was received and opened. The response was reviewed and evaluated by staff in accordance with the selection criteria published in the RFQ.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Hatch Associates Consultants, Inc. and act as otherwise described above.

## J. INFRASTRUCTURE

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**Subject** 4. Amend the professional services contract with TCB/GBA Joint Venture to provide supplemental studies for Houston Ship Channel project improvements in an amount not to exceed \$500,000.

**Meeting** Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, amend the professional services contract with TCB/GBA Joint Venture to provide supplemental studies for Houston Ship Channel project improvements in an amount not to exceed \$500,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

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

**Department:**  
Channel Development

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

**Background:**  
By Minute Nos. 2015-0428-08 and 2017-0131-31, the Port Commission awarded a professional services contract to TC&B/GBA, a Joint Venture of Turner Collie & Braden, Inc. (dba AECOM Technical Services, Inc.) and Gahagan & Bryant Associates, Inc. (Joint Venture) for navigation study work in support of the federally authorized Houston Ship Channel Expansion Improvement (Feasibility) Study and associated work.

The Feasibility Study recommends a federal plan which does not support widening along the full Galveston Bay reach, a feature which the Port Authority and industry assert is a minimum requirement for operations and navigation safety. Because of congressional study schedule and cost constraints, the U.S. Army Corps of Engineers has advised the Port Authority that no additional federal cost shared planning or economic analyses can be conducted to justify changes to the federal study. However, further analyses by the Port Authority can be performed at Port Authority expense and submitted for consideration by Congress concurrent with the Feasibility Study report. The contract funding increase to prepare the Section 203 supplemental study with additional economic justification is estimated by staff to not to exceed \$500,000.

**Staff Evaluation/Justification:**  
The preparation and submission of supplemental study information for consideration by Congress is an authorized process and appropriate for the Feasibility Study.

Staff recommends approval.

## J. INFRASTRUCTURE

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**Subject**                    **5. Authorize the Executive Director to negotiate with the U.S. Army Corps of Engineers to concur with or modify the current Tentatively Selected Plan for an agreed final recommendation of the federal feasibility study for Houston Ship Channel improvements, and to identify and pursue one or more alternatives that serve the best interests of the Port Authority and the Port Authority constituents, subject to future Port Commission approval of cost share commitments.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, authorize the Executive Director to negotiate with the U.S. Army Corps of Engineers to concur with or modify the current Tentatively Selected Plan for an agreed final recommendation of the federal feasibility study for Houston Ship Channel improvements, and to identify and pursue one or more alternatives that serve the best interests of Port Authority and the Port Authority constituents, subject to future Port Commission approval of cost share commitments, 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:**  
Channel Development

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

**Background:**  
By Minute No. 2015-1027-50, the Port Commission authorized the Port Authority to enter into the Feasibility Cost Share Agreement with the U.S. Army Corps of Engineers (Corps) for the Houston Ship Channel expansion improvement study. The draft study is scheduled to be completed in April 2019. The study evaluated channel improvements along the main channel and major tributary channels.

The Corps has requested that the Port Authority concur with the draft final report conclusion that full widening of the channel through Galveston Bay is not economically justified. The Corps further requests that the Port Authority identify a Locally Preferred Plan or some other alternative so that the study report can be finalized.

On December 10, 2018 the Dredge Task Force met to discuss the draft study conclusions and recommended to authorize the Executive Director to negotiate with the U.S. Army Corps of Engineers, and take further action with respect to this matter.

**Staff Evaluation/Justification:**  
The Port Authority decision on a Locally Preferred Plan or other alternative action is necessary for the Corps to meet its schedule for study review and approval by the Chief of Engineers, and the subsequent submission of the Chief's Report to Congress for authorization.

Accordingly, staff recommend, and believes The Dredge Task Force supports Port Commission approval of this item.



## J. INFRASTRUCTURE

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**Subject**                    **6. Increase the amount for the Memorandum of Agreement with the U.S. Army Corps of Engineers for maintenance dredging of berths at the Bayport Container Terminal and Auto Terminal, and Barbours Cut Terminal, by \$1,000,000 for a new total amount not to exceed \$5,000,000.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                    Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, authorize the Port Authority to increase the amount for the Memorandum of Agreement with the U.S. Army Corps of Engineers for maintenance dredging of berths at the Bayport Container Terminal and Auto Terminal, and Barbours Cut Terminal, by \$1,000,000 for a new total amount not to exceed \$5,000,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**

General

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

In late 2018 and in the first half of 2019, the U.S. Army Corps of Engineers (Corps) is expected to perform maintenance dredging of the Houston Ship Channel and Bayport Ship Channel adjacent to Bayport Container Terminal and Auto Terminal, and Barbours Cut Ship Channel adjacent to Barbours Cut Terminal. Berths at these terminals also require maintenance dredging, to remove siltation that has occurred since deepening and widening dredging was completed in 2015 and 2016. The Corps is authorized to perform berth dredging for the Port Authority on a reimbursable basis.

The Port Commission, by Minute No. 2018-0416-18, authorized the not-to-exceed amount of \$4,000,000, originally estimated by the Corps for these services. Because of a projected increase in the volume of dredge material, the Corps has revised its estimated cost of berth dredging to \$5,000,000.

**Staff Evaluation/Justification:**

Use of the Corps dredging contract for berth maintenance dredging is expected to lower the Port Authority's cost for maintenance, improve navigation and commerce, and reduce impacts to placement areas.

Staff recommends that the Port Commission authorize this increase to the agreement amount.

**J. INFRASTRUCTURE**

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**Subject** 7. Enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers to allocate congressionally-appropriated Energy Port Rebate funds in the estimated amount of \$2,227,500 for berth dredging at the Port Authority's public docks.

**Meeting** Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, enter into a Memorandum of Agreement with the U.S. Army Corps of Engineers to allocate congressionally-appropriated Energy Port Rebate funds in the estimated amount of \$2,227,500 for berth dredging at the Port Authority's public docks, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**  
General

**Department:**  
Channel Development

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

**Background:**

The federal appropriations for water resources included a distribution of Harbor Maintenance Tax revenues to designated Energy Ports, including the Port of Houston. Staff is informed that the U.S. Army Corps of Engineers, Galveston District, has received \$990,000 in 2018 and \$1,237,500 in 2019 for distribution to the Port Authority. The governing regulation requires the rebated funds to be used for berth dredging, dredging-related environmental issues, or payments to importers.

**Staff Evaluation/Justification:**

Staff recommends the Port Commission approve a memorandum of agreement to allocate the rebate funds for dredging of Port Authority berths. Staff has determined that use of these funds for public dock dredging is consistent with regulations and best serves the public interest.

## J. INFRASTRUCTURE

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<b>Subject</b>	<b>8. Issue a distribution/transmission line license to Verizon Access Transmission Services for one fiber optic line under and across the Northside Mainline railroad right-of-way in Galena Park.</b>
Meeting	Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 12, 2018 meeting, authorize the Port Authority to issue a distribution/transmission line license to Verizon Access Transmission Services for one fiber optic line under and across the Northside Mainline railroad right-of-way 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:**

MCImetro Access Transmission Services, Corp. dba Verizon Access Transmission Services, Port Authority File No. 2018-0249, has applied for a distribution/transmission line license for one fiber optic line under and across the Northside Mainline railroad right-of-way in Galena Park, in the Ezekiel Thomas Survey, A-73, in Harris County, Texas.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Port Authority's Channel Development department and the Port Terminal Railroad Association. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$1,608. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

## J. INFRASTRUCTURE

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**Subject**                    **9. Issue a pipeline license to Valero Refining–Texas, L.P. for one 20-inch refined petroleum products pipeline across the Hunting Bayou and Magellan Spur Track railroad right-of-way in Houston.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, authorize the Port Authority to issue a pipeline license to Valero Refining–Texas, L.P. for one 20-inch refined petroleum products pipeline across the Hunting Bayou and Magellan Spur Track railroad right-of-way 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:**  
Valero Refining–Texas, L.P., Port Authority File No. 2018-0289, has applied for a pipeline license for one 20-inch refined petroleum products pipeline across the Hunting Bayou and Magellan Spur Track railroad right-of-way in Houston, in the William P. Harris & Robert Wilson Survey, A-31, in Harris County, Texas.

**Staff Evaluation/Justification:**  
The application was reviewed and approved by the Port Authority’s Channel Development department and the Port Terminal Railroad Association. The license is to be issued subject to the Port Authority’s usual terms and conditions and at a fee of \$10,846. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

## J. INFRASTRUCTURE

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**Subject**                    **10. Amend a pipeline license to Chevron Phillips Chemical Company LP to expand a surface site within the Southside Mainline railroad right-of-way in Deer Park.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, authorize the Port Authority to amend a pipeline license to Chevron Phillips Chemical Company LP to expand a surface site within the Southside Mainline railroad right-of-way in Deer 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:**  
Chevron Phillips Chemical Company, LP (Chevron), Port Authority File No. 2002-0007, has applied to amend a pipeline license to expand a surface site within the Southside Mainline railroad right-of-way in Deer Park, in the George Ross Survey, A-646, in Harris County, Texas.

Chevron seeks to expand the existing 600 square-foot surface site northward by an additional 351 square feet, for a total of 951 square feet.

**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 \$3,232. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

## J. INFRASTRUCTURE

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**Subject**                    **11. Amend a pipeline license to Enterprise Products Operating LLC to remove four pipelines and add three pipelines on Barbours Cut Terminal Wharf 7.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, authorize the Port Authority to amend a pipeline license to Enterprise Products Operating LLC to remove four pipelines and add three pipelines on Barbours Cut Terminal Wharf 7, 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:**  
Enterprise Products Operating LLC (Enterprise), Port Authority File No. 2015-0040, has applied to amend a pipeline license to remove four pipelines and add three pipelines on Barbours Cut Terminal Wharf 7, in the Johnson Hunter Survey, A-35, in Harris County, Texas.

Enterprise would remove two 12-inch crude pipelines, one 12-inch natural gasoline pipeline, and one 8-inch/10-inch vapor pipeline. Enterprise would then add one 12-inch ethylene pipeline, one 12-inch/16-inch ethylene pipeline, and one 3-inch ethylene pipeline (because the 8-inch/10-inch vapor pipeline and 12-inch/16-inch ethylene pipeline each change diameter across the wharf, both pipeline diameters are referenced).

These pipelines are ancillary to the premises leased to Enterprise by the Port Authority.

**Staff Evaluation/Justification:**  
The application was reviewed and approved by the Port Authority's Channel Development and Real Estate departments. The license is to be issued subject to the Port Authority's usual terms and conditions and at no additional fee. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

## J. INFRASTRUCTURE

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<b>Subject</b>	<b>12. Amend a pipeline license to Enterprise Products Operating LLC to add three pipelines on Barbours Cut Wharf 8.</b>
Meeting	Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 12, 2018 meeting, authorize the Port Authority to amend a pipeline license to Enterprise Products Operating LLC to add three pipelines on Barbours Cut Wharf 8, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
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:**

Enterprise Products Operating LLC (Enterprise), Port Authority File No. 2016-0017, has applied to amend a pipeline license to add three pipelines on Barbours Cut Wharf 8 in Morgan's Point, in the Johnson Hunter Survey, A-35, in Harris County, Texas.

Enterprise proposes to relocate some existing facilities on Wharf 8 to accommodate the addition of three ethylene pipelines, one 3 inches, one 12 inches, and one 12 inches/16 inches.

These pipelines are ancillary to the premises leased to Enterprise by the Port Authority.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Port Authority's Channel Development, Real Estate, Operations, and Environmental departments. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$3,821. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

## J. INFRASTRUCTURE

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**Subject**                    **13. Issue a pipeline license to HSC Pipeline Partnership, LLC for one 16-inch ethylene pipeline across Cedar Bayou, Tabbs Bay, Hog Island, the Houston Ship Channel, Spilman Island, Barbour's Cut Channel turning basin, and Barbour's Cut Terminal property in Morgan's Point.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its December meeting, authorize the Port Authority to issue a pipeline license to HSC Pipeline Partnership, LLC for one 16-inch ethylene pipeline across Cedar Bayou, Tabbs Bay, Hog Island, the Houston Ship Channel, Spilman Island, Barbour's Cut Channel turning basin, and Barbour's Cut Terminal property in Morgan's Point, 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:**

HSC Pipeline Partnership, LLC (HSC), Port Authority File No. 2018-0312, has applied for one 16-inch ethylene pipeline across Cedar Bayou, Tabbs Bay, Hog Island, the Houston Ship Channel, Spilman Island, Barbour's Cut Channel turning basin, and Barbour's Cut Terminal property in Morgan's Point, in the W. Scott Survey, A-65, T. Toby Survey, A-787, J. Hunter Survey, A-35, H.K. Lewis Survey, A-41, and J. Steel Survey, A-227, in Harris and Chambers Counties, Texas.

The proposed pipeline would parallel an existing 24-inch ethane pipeline licensed to HSC under Port Authority File No. 2015-0036.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Port Authority's Channel Development, Real Estate, Operations, and Environmental departments. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$79,571. The \$675 application fee, \$2,500 as-built deposit, and license fee have been paid.

Staff recommends approval.



## K. OPERATIONS

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<b>Subject</b>	<b>1. Award a two-year contract to A.J. Hurt, Jr., Inc. dba Reladyne for the purchase of unleaded gasoline and ultra-low sulfur diesel for Barbour Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$11,500,000.</b>
Meeting	Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 12, 2018 meeting, award a contract to A.J. Hurt, Jr., Inc. dba Reladyne for the purchase of unleaded gasoline and ultra-low sulfur diesel for Barbour Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$11,500,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

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

**Department:**  
Maintenance

**Staff Contact:**  
Paulo Soares

**Background:**

By Minute No. 2016-0202-48, the Port Commission awarded a two-year contract to A.J. Hurt, Jr. Inc. dba Reladyne in the amount not to exceed \$8,750,000 for the purchase of unleaded gasoline and ultra-low sulfur diesel fuel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal; this contract has expired. A new contract would be used by all departments port-wide to fulfill their daily demand for fuel.

By Minute 2018-0925-16(e), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the purchase of unleaded gasoline and ultra-low sulfur diesel fuel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Fifteen vendors download the project materials from Buyspeed.

**Staff Evaluation/Justification:**

On October 31, 2018, nine CSBs were received, opened, and publicly read. The responses were 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 A.J. Hurt, Jr., Inc. dba Reladyne, the responsible bidder submitting the lowest and best bid, for purchase of unleaded gasoline and ultra-low sulfur diesel for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

## K. OPERATIONS

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**Subject**                    **2. Award a contract to Reeder Distributors, Inc. for purchase of one 50,000-lb. vehicle lift for Bayport Container Terminal in an amount not to exceed \$70,000.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, award a contract to Reeder Distributors, Inc. for purchase of one 50,000-lb. vehicle lift for Bayport Container Terminal in an amount not to exceed \$70,000, 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 one heavy vehicle lift, to serve twenty-six vehicles at its Bayport Container Terminal. Several oversized and specialized vehicles require a lift capable of handling different sized and length wheel bases. The proposed equipment will allow the safe lifting of buses, yard tractors, and mobile fuel tankers, providing the ability to perform safety inspections, as well as allowing the turning of steering wheels while lifted, to perform alignments and provide access to steering components. Moreover, an additional lift will contribute to reduction of downtime in the equipment shop.

By Minute No. 2018-0925-39, the Port Commission authorized the re-advertisement and receipt of competitive sealed bids (CSBs) for the purchase of one 50,000-lb. vehicle lift for Bayport Container Terminal. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Six vendors downloaded the project materials from Buyspeed.

**Staff Evaluation/Justification:**

On November 1, 2018, two CSBs were received, opened, and publicly read. The responses were 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 Reeder Distributors, Inc., the responsible bidder submitting the lowest and best bid, for purchase of one 50,000-lb vehicle lift for Bayport Container Terminal.

## K. OPERATIONS

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<b>Subject</b>	<b>3. Award a two-year contract to Ennis-Flint, Inc. for purchase of traffic paint for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$200,000.</b>
Meeting	Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 12, 2018 meeting, award a two-year contract to Ennis-Flint, Inc. for purchase of traffic paint for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$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) Strategic Objective 4c. - Operate safely and securely

**Category:**

Awards, Amendments & Change Orders

**Department:**

Maintenance

**Staff Contact:**

Paulo Soares

**Background:**

Paint is needed to mark various assets for proper traffic control at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal: bollards, jersey barriers, roads, and container pads must be painted and striped to ensure safe road traffic and operation of RTG cranes, as well as protect assets such as light poles and fire hydrants.

By Minute No. 2018-0925-16(a), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the purchase of traffic paint for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed 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 November 5, 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 two-year contract to Ennis-Flint, Inc., the responsible bidder submitting the lowest and best bid, for purchase of traffic paint for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

## K. OPERATIONS

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<b>Subject</b>	<b>4. Approve staff's ranking of vendors and award a purchase order in an amount not to exceed \$138,960 for the purchase of a one-year supply of gate interchange cards for Barbours Cut Terminal and Bayport Container Terminal to the top-ranked proposer: staff ranking – first, Digital Printing Systems, Inc.; second, Electronic Data Magnetics, Inc.; and third, Printing Technologies, Inc.</b>
<b>Meeting</b>	Dec 12, 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 December 12, 2018 meeting: (a) approve staff's ranking of proposals based on the selection criteria, in the following order – first, Digital Printing Systems, Inc.; second, Electronic Data Magnetics, Inc.; and third, Printing Technologies, Inc.; (b) authorize negotiations and award a contract for purchase of gate interchange cards for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$138,960; (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.
<b>Goals</b>	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Award, Amendments & Change Orders

**Department:**

Operations

**Staff Contact:**

Jeff Davis

**Background:**

The Operations department at Barbour's Cut Terminal and Bayport Container Terminal utilize approximately 9 million gate tickets per year for the gate interchange process. The gate interchange cards are used to document the transfer of custody of intermodal equipment entering and exiting the terminals. Staff has determined that combining the purchases for both terminals into one contract would be economically beneficial and provide the best value to the Port Authority.

By Minute No. 2018-0925-16(j), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for the purchase of gate interchange cards for Barbours Cut Terminal and 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. Twenty-eight vendors downloaded the project materials from BuySpeed.

**Staff Evaluation/Justification:**

On November 7, 2018, three 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:

- Digital Printing Systems, Inc.
- Electronic Data Magnetics, Inc.
- Printing Technologies, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Digital Printing Systems, Inc. and act as otherwise described above.

## K. OPERATIONS

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**Subject**                    **5. Award a contract to Konecranes, Inc., the sole source provider, for purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control system retrofit for four Rubber Tired Gantry cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,822,000.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, award a contract to Konecranes, Inc., the sole source provider, for purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control system retrofit for four Rubber Tired Gantry (RTG) cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,822,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

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

**Department:**  
Maintenance

**Staff Contact:**  
Paulo Soares

**Background:**  
The Port Authority currently owns a total of ninety Kone RTG cranes, including forty eight at Bayport Container Terminal and forty two at Barbours Cut Terminal. The motor control drives for hoist, gantry, and trolley functions on fifty of these units, which were commissioned between 2003 and 2009, have been discontinued.

These older motor control drives are becoming more costly to repair and replacement parts are no longer available. As a result, cranes are experiencing longer downtime for repairs. Staff recommends that four RTG cranes, including three at Barbours Cut Terminal and one at Bayport Container Terminal, be retrofitted with a new DynAC/DynaHoist Vector II drive and control system, which is expected to extend the useful life of the cranes. The first and second units were successfully retrofitted in 2015 and 2018 (respectively) at Bayport Container Terminal. In addition to improving existing RTG cranes as they are retrofitted, reclaimed drives can provide spare drives to be used on remaining units operating with older technology.

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that Konecranes, Inc. is the sole source for purchase of DynAC/DynaHoist Vector II drives and control systems in the United States.

**Staff Evaluation/Justification:**  
Staff recommends that the Port Authority enter into a contract with Konecranes, Inc. for purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control system on four RTG cranes at Barbours Cut Terminal and Bayport Container Terminal.

## K. OPERATIONS

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<b>Subject</b>	<b>6. Amend the contract with Navis LLC, sole source provider, to license, install, and provide one year of maintenance and support services for the N4 Rail Planning and Control module to the N4 Terminal Operating System at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$83,536.</b>
Meeting	Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its December 12, 2018 meeting, amend the contract with Navis LLC, sole source provider, to license, develop enhancements, install, and provide one year of maintenance and support services for the Rail Planning and Control module to the N4 Terminal Operating System at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$83,536, 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) STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Operations

**Staff Contact:**

Mike Shaffner

**Background:**

By Minute No. 2011-0222-13, the Port Commission authorized amending a contract with Zebra Enterprise Solutions LLC, predecessor to Navis LLC (Navis) to license N4 terminal operating system software for use at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal and to implement and maintain the N4 software (and to provide the related training and support) at Bayport Container Terminal.

Section 60.412 of the Texas Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. This product is considered to be a sole source, as it is an extension of the existing Terminal Operating System that is licensed by Navis. Navis is the only provider that offers this module in which the interface with the N4 terminal operating system is already completed.

**Staff Evaluation/Justification:**

Staff recommends that the Navis contract be amended to license the N4 Rail Planning and Control module for the operating facilities to include the Barbours Cut Terminal and Bayport Container Terminal. If approved by the Port Commission, this module would provide a complete solution to operate rail facilities to include train arrival/departure, load/discharge, unit transfer between rail and container yards, and billing events. The implementation of this module would enable operational process improvement.

## K. OPERATIONS

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**Subject** 7. Amend the "Section 559" Reimbursable Services Agreement and Memorandum of Understanding with U.S. Customs and Border Protection in an amount not to exceed \$400,000, projected to cover two years of reimbursement for overtime services.

**Meeting** Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, authorize amendment of the "Section 559" Reimbursable Services Agreement and Memorandum of Understanding with U.S. Customs and Border Protection in an amount not to exceed \$400,000 projected to cover two years of reimbursement for overtime services and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

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

**Department:**  
Operations

**Staff Contact:**  
Jeff Davis

**Background:**  
U.S. Customs and Border Protection (CBP) mandates all containers exiting U.S. terminals have Radiation Portal Monitor (RPM) inspections performed by CBP. These inspections are carried out as containers exit Port Authority facilities during normal gate operating hours. Port Authority customers routinely request container deliveries outside of CBP's normal operating hours, and the Port Authority also occasionally makes requests of CBP to provide services outside of its normal operating hours to improve operational efficiencies. CBP funds a limited number of hours for these operations and allows the industry to fund additional hours through the Section 559 program.

In 2015, the Port Authority entered into a Section 559 Reimbursable Services Agreement (Agreement) and Memorandum of Understanding (MOU) that set forth the terms and conditions relating to the provision of services and reimbursement of CBP for the performance of these services. The Agreement has been standardized by CBP for national use, while the MOU includes operating parameters agreed upon by Port Authority staff and CBP's local port director and his staff.

CBP's services under the program may include not only additional RPM inspection services but also other container inspection services, such as agriculture and Vehicle and Cargo Inspection System inspections.

By Minute No. 2018-0416-27, an additional \$150,000 for reimbursement of CBP overtime services was approved. This amount was originally intended to last a year, but industry requirements have exhausted this sooner than forecasted.

**Staff Evaluation/Justification:**  
The Port Authority frequently receives requests from customers to extend the hours of RPM gate operations at the Port Authority's container handling facilities. Amending the Agreement and the MOU would enable the Port Authority to provide additional CBP services needed by its customers and to obtain additional CBP services when needed for its own operations. If amendment of the agreement is approved by the Port



Commission, the Port Authority would continue to pass through CBP's charges to customers requesting the additional services, and pay the costs itself when the services are for the Port Authority's direct benefit. Based on the current usage rate to support the needs of industry partners, staff expects \$400,000 to cover the need for two years of CBP's man hours available under the program.

## K. OPERATIONS

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**Subject**                    **8. Recommendation to issue Stevedore Licenses for one-year terms commencing January 1, 2019 and expiring December 31, 2019, to Agri American Stevedores, LLC; APS Stevedoring, LLC; Ceres Gulf, Inc.; Cooper/Ports America; Gulf Stream Marine, Inc.; Jacintoport International, LLC; Marine Terminal Corporation East; Richardson Stevedoring and Logistics Services, Inc.; Schroder Marine Service; Southern Stevedoring Co., LP; and Suderman Contracting Stevedores, Inc., upon each applicant's satisfactory completion of all requirements and obligations for license issuance.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission at its December 12, 2018 meeting, grant authority to issue Stevedore Licenses for one-year terms commencing January 1, 2019 and expiring December 31, 2019, to Agri American Stevedores, LLC; APS Stevedoring, LLC; Ceres Gulf, Inc.; Cooper/Ports America; Gulf Stream Marine, Inc.; Jacintoport International, LLC; Marine Terminal Corporation East; Richardson Stevedoring and Logistics Services, Inc.; Schroder Marine Service; Southern Stevedoring Co., LP; and Suderman Contracting Stevedores, Inc., upon each applicant's satisfactory completion of all requirements and obligations for license issuance, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**  
General

**Department:**  
Operations

**Staff Contact:**  
Jeff Davis

**Background:**  
By Minute No. 2017-1212-52, the Port Commission awarded certain stevedore licenses for one-year terms expiring December 31, 2017.

**Staff Evaluation/Justification:**  
Staff is currently receiving stevedore license applications from companies interested in being licensed to work at Port Authority facilities during 2019 and is in the process of reviewing those applications.

Staff recommends that licenses be issued to certain applicants as set forth above for such Port Authority facilities as determined by staff; provided however, that issuance is conditioned upon the applicant's satisfactory completion of outstanding license requirements and obligations, if any, and satisfaction of current license requirements.

## K. OPERATIONS

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**Subject**                    **9. Reissue and amend Port Authority Tariff Nos. 8, 14, and 15 covering the Turning Basin Terminals, Barbours Cut Terminal, and Bayport Container Terminal, all effective January 1, 2019.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, authorize the re-issuance and amendment of Port Authority Tariff Nos. 8, 14, and 15, to amend certain subrules relating to fire safety, effective January 1, 2019, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**  
General

**Department:**  
Operations

**Staff Contact:**  
Jeff Davis

**Background:**  
The Port Authority has reissued its Tariff Nos. 8, 14, and 15 each calendar year since 2008 and staff requests that these tariffs be reissued effective January 1, 2019.

**Staff Evaluation/Justification:**  
Recommended revisions to Tariff Nos. 8, 14, and 15 include amending subrules relating to fire safety. The Recommended revisions also include other minor clarifications, corrections, or updates of Tariff Nos. 8, 14, and 15. Tariffs will be reissued with original page numbers to streamline formatting, simplify references, and make documents more user friendly.

By Minute No. 2018-1113-05, the Port Commission approved increases in Port Authority tariff charges, including dockage, wharfage, throughput charges, container storage rates, container crane and private crane rental rates, water hookup rates, freight handling rates, and miscellaneous other tariff charges at amounts equal to the lower of the increase in the Consumer Price Index (CPI) average for the 12-month period ending July 2018 or the increase in the Index average for the 12-month period ending October 2018 as published by the U.S. Bureau of Labor Statistics. The October 2018 rate of 2.5% published on or about November 15, 2018 was lower than the July 2018 rate of 2.9% published on or about August 10, 2018; therefore, the CPI increases of 2.5% shall also be included in the reissued and amended 2019 tariffs.

Staff proposes that all of these changes become effective January 1, 2019, and therefore recommend that the Port Commission approve this item.

## L. PEOPLE

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**Subject** 1. Authorize funding in an amount not to exceed \$14,100,000, for the payment of claims from the Port Authority's group medical self-funded insurance program for active employees, retirees who are not Medicare-eligible, and dependents forecasted during calendar year 2019.

**Meeting** Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting, authorize funding in an amount not to exceed \$14,100,000 for the payment of claims from the Port Authority's group medical self-funded insurance program for active employees, retirees who are not Medicare-eligible, and dependents, forecasted during calendar year 2019, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

**Category:**  
General

**Department:**  
Human Resources

**Staff Contact:**  
Roger Walter

**Background:**

By Minute No. 2018-0130-43, the Port Commission awarded a five-year contract to Lockton Companies LLC, (Lockton) to serve as the Port Authority's broker of record and provide consulting services relating to the Port Authority's group health and welfare benefits. Staff, with Locton's assistance and in consultation with the Pension and Benefits Committee, has prepared a plan for a self-insured program for these benefits.

By Minute No. 2018-0925-04, the Port Commission awarded a contract to Aetna Life Insurance Company (Aetna) for 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. By Minute No. 2018-1030-44, the Port Commission also approved the purchase of insurance from Aetna to provide stop loss coverage for calendar year 2019 for the self-funded group medical plan.

**Staff Evaluation/Justification:**

The Port Authority's open enrollment period for calendar year 2019 is now complete. Based upon the current and projected enrollment information, staff and Lockton recommend that \$14,100,000 be placed into a dedicated self-insurance account to pay for all covered claims forecasted during calendar year 2019 from the Port Authority's group medical self-funded insurance program for active employees, retirees who are not Medicare-eligible, and dependents.

The payment of covered claims from the dedicated account will be administered by Aetna pursuant to its third-party administration services agreement with the Port Authority.

Staff recommends the Port Commission approve the above funding.

## L. PEOPLE

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**Subject**                    **2. Adopt a wrap-around Plan document and Summary Plan Description for the Port Authority's Other Post-Employment Benefits Plan.**

**Meeting**                    Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                    Public

**Type**                      Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting:

- (a) conduct a hearing regarding the adoption of a wrap-around Plan document and Summary Plan Description for the Port Authority's Other Post-Employment Benefits Plan (OPEB);
- (b) adopt a wrap-around Plan document and Summary Plan Description for the Port Authority's OPEB Plan;
- (c) authorize Port Authority staff to update the appendices to the wrap-around Plan document and Summary Plan Description for the Port Authority's Group Insurance Plan from time-to-time in accordance with any changes to (i) the underlying welfare programs, administrators, fiduciaries, or trustees or (ii) the list of Port Authority employees requiring access to protected health information subject to Health Insurance Portability and Accountability Act; 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 #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)**

**Category:**  
General

**Department:**  
Human Resources

**Staff Contact:**  
Jessica Shaver

**Background:**  
The Port Authority sponsors the Port Authority Other Post-Employment Benefits (OPEB) Plan for the benefit of eligible retirees (and their eligible dependents). The OPEB Plan currently includes medical and life insurance benefits. The OPEB Plan has been in existence for many years and has been operating under numerous documents that collectively comprise the "plan documents" for the OPEB Plan.

In order to organize and summarize the information contained in those numerous "plan documents," Port Authority staff has prepared a wrap-around Plan document and Summary Plan Description for the OPEB Plan. The proposed documents set forth the terms, conditions, and limitations relating to the benefits available under the OPEB Plan.

**Staff Evaluation/Justification:**

Texas Water Code Section 60.011 provides that the Port Commission may change the OPEB Plan, after notice to employees and a hearing. On December 4, 2018, notice was given to employees regarding the proposed changes to the Plan.

Port Authority staff and Haynes and Boone, the Port Authority's benefits counsel, have prepared a wrap-around Plan document and Summary Plan Description for the Port Authority's OPEB Plan. Both documents have been reviewed by Compass Bank, the Plan trustee, and were presented to the Pension and Benefits Committee for consideration. Staff recommends that the Port Commission adopt the wrap-around Plan document and Summary Plan Description that are on file with the Port Authority.

The appendices to both the wrap-around Plan document and the Summary Plan Description would include documents and information relating to the underlying welfare programs, administrators, fiduciaries, and trustees and to the Port Authority employees entitled to receive protected health information subject to the Health Insurance Portability and Accountability Act (HIPAA). Because both the underlying information and the list of employees requiring access to protected health information are subject to change, staff recommends that the Port Commission authorize Port Authority staff to update the appendices to the wrap-around Plan document and Summary Plan Description from time-to-time in accordance with any changes to (i) the underlying welfare programs, administrators, fiduciaries, or trustees or (ii) list of Port Authority employees requiring access to protected health information subject to HIPAA.

## L. PEOPLE

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**Subject** 3. Adopt a wrap-around Plan document and Summary Plan Description for the Port Authority's Group Insurance Plan.

**Meeting** Dec 12, 2018 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its December 12, 2018 meeting:  
 (a) conduct a hearing regarding the adoption of a wrap-around Plan document and Summary Plan Description for the Port Authority's Group Insurance Plan;  
 (b) adopt a wrap-around Plan document and Summary Plan Description for the Port Authority's Group Insurance Plan;  
 (c) authorize Port Authority staff to update the appendices to the wrap-around Plan document and Summary Plan Description for the Port Authority's Group Insurance Plan from time-to-time in accordance with any changes to (i) the underlying welfare programs, administrators, fiduciaries, or trustees or (ii) the list of Port Authority employees requiring access to protected health information subject to Health Insurance Portability and Accountability Act; 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 #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

**Category:**

General

**Department:**

Human Resources

**Staff Contact:**

Jessica Shaver

**Background:**

The Port Authority sponsors the Port Authority Group Insurance Plan for the benefit of eligible employees (and their eligible dependents). The Group Insurance Plan currently includes medical, vision, life, accidental death and dismemberment, long term disability, and employee assistance program benefits. The Group Insurance Plan has been in existence for many years and has been operating under numerous documents that collectively comprise the "plan documents" for the Group Insurance Plan.

In order to organize and summarize the information contained in those numerous "plan documents," Port Authority staff has prepared a wrap-around Plan document and Summary Plan Description for the Group Insurance Plan. The proposed documents set forth the terms, conditions, and limitations relating to the benefits available under the Group Insurance Plan.

**Staff Evaluation/Justification:**

Subchapter B of Chapter 60 of the Texas Water Code provides that the Port Commission may change the Group Insurance Plan. On December 4, 2018, notice was given to employees regarding the proposed changes to the Plan.

Port Authority staff and Haynes and Boone, the Port Authority's benefits counsel, have prepared a wrap-around Plan document and Summary Plan Description for the Port Authority's Group Insurance Plan. Staff recommends that the Port Commission adopt the wrap-around Plan document and Summary Plan Description that are on file with the Port Authority.

The appendices to both the wrap around Plan document and the Summary Plan Description will include documents and information relating to the underlying welfare programs, administrators, fiduciaries, and trustees and to the Port Authority employees entitled to receive protected health information subject to the Health Insurance Portability and Accountability Act (HIPAA). Because both the underlying information and the list of employees requiring access to protected health information are subject to change, staff recommends that the Port Commission authorize Port Authority staff to update the appendices to the wrap around Plan document and Summary Plan Description from time to time in accordance with the changes to (i) the underlying welfare programs, administrators, fiduciaries, or trustees or (ii) list of Port Authority employees requiring access to protected health information subject to HIPAA.