

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
February 26, 2019

Minute No.

Event/Action

General

Chairman Campo convened the meeting of the Port Commission and welcomed everyone

Chairman Campo recognized Felix Chevalier, representing the International Committee for the Houston Livestock Show and Rodeo, who introduced José Ramón Cabañas Rodríguez, Ambassador of the Republic of Cuba to the U.S. Embassy of Cuba, who addressed the Port Commission

Chairman Campo provided opening remarks

Minutes

2019-0226-01 Approve the minutes of the January 29, 2019 Port Commission meeting

Appearances

2019-0226-02 Chairman Campo confirmed that no one had registered to address the Port Commission

Staff Reports

2019-0226-03 Roger Guenther, Executive Director, presented a summary of selected financial and operations matters

G. Executive

2019-0226-04 Deliberation regarding measures to minimize or prevent impacts to traffic on the Houston Ship Channel

2019-0226-05 Deliberation regarding Port Commission committees and task forces, including their activities, the establishment of additional committees or task forces, and appointment and approval of committee and task force chairs and members

H. Commercial

Minute No.

Event/Action

Staff Report – selected agenda items – Tom Heidt, Chief Operating Officer

- 2019-0226-06 Approve, effective March 1, 2019 (i) fees for legal and administrative work requested by Port Authority tenants and other users and operators for certain lease or agreement-related actions, of \$1,650 for up to the first 10 work hours and \$225 for each additional hour, and (ii) fees for temporary licenses and rights-of-way of \$550 per month
- 2019-0226-07 Approve amendments to a 0.1815-acre surface easement and a 0.67-acre aerial easement for electrical transmission, distribution, and communication facilities held by CenterPoint Energy Houston Electric, LLC, in connection with its existing surface and aerial easement at the north side of the Port Authority's North L Street property
- 2019-0226-08 Approve a lease agreement with Houston International Seafarers Centers, Inc. for an approximate 5,810 square foot office building located on 1.1766 acres at the Barbours Cut Terminal, effective March 1, 2019 for a one-year term, at an annual rental of \$10 per year
- 2019-0226-09 Approve the fifth amendment to the Ridge POH I, LLC lease to commence its construction period with a 3% increase in monthly rent to \$9,614 subject to tenant's six-month option to cancel
- 2019-0226-10 Amend the lease with Hansen-Mueller Company of 17.03 acres, including the Houston Public Elevator No. 1, at the Turning Basin Terminal to extend the term for an additional five years, commencing no earlier than July 1, 2019, at an annual rental of \$552,428, subject to annual increase of the greater of 3% or the increase in the Consumer Price Index

I. Finance

Staff Report – selected agenda items – Tim Finley, Chief Financial Officer

- 2019-0226-11 Authorize advertisement and receipt of responses for three formal procurements
- 2019-0226-11(a) Request for proposals to purchase and install one generator for Turning Basin Fire Station
- 2019-0226-11(b) Request for proposals for the purchase of one hydro-graphic survey vessel
- 2019-0226-11(c) Request for proposals for professional services for procurement of electricity with renewable energy

<u>Minute No.</u>	<u>Event/Action</u>
2019-0226-12	Award a contract to Branch Banking and Trust Company (BB&T) for depository banking services for a four-year period, commencing on or about March 1, 2019
2019-0226-13	Authorize funding of the Port Authority's self-insurance loss fund account for workers' compensation and liability claims for insurance year 2019-2020, and authorize its third-party claims administrator to pay claims from such account in accordance with the Amended Insurance Program and Indemnification Policy dated February 2018
2019-0226-14	Authorize renewal of the agreement with McGriff, Seibels & Williams of Texas, Inc. to serve as the Port Authority's Property and Casualty Insurance Broker of Record for an additional one-year period beginning July 1, 2019

J. Infrastructure

Staff Report – selected agenda items – Rich Byrnes, Chief Infrastructure Officer

2019-0226-15	Reject and re-advertise for competitive sealed bids for the relocation of communications infrastructure along Peninsula Boulevard at Jacintoport Terminal
2019-0226-16	Approve staff's ranking of vendors and award a construction contract for the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal to the top-ranked proposers: staff ranking – first, McCarthy Building Companies, Inc.; second, Orion Industrial Construction, LLC; and third, Pulice Construction, Inc. Port Commission adopted the staff-recommended ranking and authorized award
2019-0226-17	Approve staff's ranking of vendors and award a professional services contract to perform construction material testing services during the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal to the top-ranked proposer – first, Aviles Engineering Corp.; second, Terracon; and third, Fugro USA Land, Inc. Port Commission adopted the staff-recommended ranking and authorized award
2019-0226-18	Amend the professional services contract with BGE, Inc. to perform construction phase services associated with the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal

<u>Minute No.</u>	<u>Event/Action</u>
2019-0226-19	<p>Approve staff's ranking of vendors and award a contract for renovation of the Executive Office Building at the Turning Basin Terminal, to the top-ranked proposers: staff ranking – first, Housing and Land Development Corporation dba IKLO Construction; second, Gadberry Construction; and third, Centennial Constructors Enterprise</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2019-0226-20	Issue a purchase order to OFS Brands-Agile Interiors for the purchase of office furniture in connection with the renovation of the Executive Office Building, using the National Intergovernmental Purchasing Alliance through The Cooperative Purchasing Network, a cooperative purchasing program
2019-0226-21	Award a construction contract to Electra Link, Inc. for Information Technology improvements in connections with renovation of the Executive Office Building, using the Texas Department of Information Resources cooperative purchasing program
2019-0226-22	Award a construction contract to Forde Construction Company, Inc. for annual pavement replacement at Barbours Cut and Bayport Container Terminals in 2019
2019-0226-23	Award a construction contract to Jerdon Enterprise L.P. for annual concrete replacement at Turning Basin Terminal in 2019
2019-0226-24	Award a construction contract to Bryant Industries for the annual fender system maintenance at Barbours Cut and Bayport Container Terminals in 2019
2019-0226-25	Approve a change order to Forde Construction Company, Inc. to perform additional work associated with the repair of deck and backup pavement at Wharf Nos. 1, 2, and 3 at Jacintoport Terminal
2019-0226-26	Enter into an Interlocal Agreement with Harris County to provide wage rate compliance services for a one-year term
2019-0226-27	Enter into an agreement with Praxair, Inc. for relocating pipelines at Bayport Container Terminal
2019-0226-28	Issue a pipeline license to Magellan Pipeline Company, L.P. for one 20-inch refined product pipeline under and across the Seymore Track, Northside Mainline railroad right-of-way and Magellan Spur Track right-of-way

<u>Minute No.</u>	<u>Event/Action</u>
2019-0226-29	Amend a pipeline license to MVP Terminalling LLC to add a 20-inch refined products pipeline across the Southside Mainline railroad right-of-way
	K. Operations
	Staff Report – selected agenda items – Jeff Davis, Chief Port Operations Officer
2019-0226-30	Award a contract to Applied Industrial Technologies, Inc. for purchase of machinery components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2019-0226-31	Award a contract to Wesco Distribution, Inc. for purchase of LED lighting for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2019-0226-32	Approve an amendment to the long-term Lease Agreement with Houston Terminal, LLC for an Empty Container Depot at Bayport Container Terminal
2019-0226-33	Ratify a month-to-month lease with Houston Terminal, LLC for approximately 15.75 acres at Bayport Container Terminal at the current monthly rental of \$132,950.72, subject to change upon adjustment of Port Authority month-to-month lease rates
2019-0226-34	Approve the change of control of Ceres Gulf, Inc. from NYK Energy Transport (USA), Inc., as current owner of 51% indirect ownership interest in Ceres Gulf, Inc., to MIP III Bluefin B Holdco, L.P., in connection with three leases at the Barbours Cut Container Terminal and the Turning Basin
	L. People
	Staff Report – selected agenda items – Jessica Shaver, Chief People Officer
2019-0226-35	Approve a professional services contract with ICF SH&E, Inc. to update the Port Authority Strategic Plan and provide strategic planning services
	M. Port Security and Emergency Operations (no items)
	N. Technology (no items)
	O. Recess Open Meeting and Convene Executive Session
	P. Reconvene Open Meeting

Minute No.

Event/Action

2019-0226-36

Motion to authorize the Port Authority to amend its agreement for legal services with Ewell, Brown, Blanke & Knight LLP on the terms discussed in Executive Session, and to authorize the Executive Director to do all things necessary to give effect to the foregoing

Q. Adjourn Meeting

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

**Houston, Texas
February 26, 2019**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on February 26, 2019 at 9:00 a.m., at the Port of Houston Authority Executive Office, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following Commissioners, staff, and counsel were present:

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

Chairman Campo convened the meeting of the Port Commission and welcomed everyone. He asked Commissioner Branch to introduce the special guests that were present. Commissioner Branch introduced Felix Chevalier, representing the International Committee for the Houston Livestock Show and Rodeo, who introduced José Ramón Cabañas Rodríguez, Ambassador of the Republic of Cuba to the U.S. Embassy of Cuba, who addressed the Port Commission.

Ambassador Rodriguez invited Chairman Campo and commissioners to visit Mariel to see the expansions that have occurred at the port and to discuss bilateral and regional trade between Port Houston and Port Mariel.

Chairman's Remarks

Chairman Campo began by sharing his background. He moved to Houston 43 years ago and was enamored by the dynamics of the city. Chairman Campo started working for a development company as an accountant, which morphed into Camden Living, noting that only in Houston could you come with nothing, meet wonderful people, start a small business, turn it into a big business, and do well over a long period of time.

Chairman Campo first became involved with non-profits and government almost 30 years ago. At that time the Houston Oilers left for Tennessee and he was recruited by the City of Houston to be on a committee to help determine whether sports were an important part of its culture. The committee decided it was, and the Harris County - Houston Sports Authority was born. As a result, Minute Maid Park, NRG Stadium, and the Toyota Center became part of the Houston skyline.

The City of Houston again recruited Chairman Campo to work on the 1,200 room Hilton Americas Hotel, a big economic magnet for downtown. He and a team decided that more hotels and changes to the neighborhood around the George R. Brown Convention Center were needed, which in turn drove a lot more convention business to Houston. These improvements were constructed with over \$1 billion in public investment and zero general funds revenues, using a pay-as-you-go concept.

During this time Chairman Campo was approached by Bob McNair (owner of the Houston Texans) to bid for the 2017 Super Bowl. Houston won, and he organized the host committee. The Super Bowl had a major economic impact of \$347 million on the region. Chairman Campo was proud of the event and that 1.3 million people, mostly Houstonians, came through Discovery Green during Super Bowl Live, creating quality of life and quality of place for Houstonians.

Chairman Campo noted that all these positions were unpaid and his way of giving back to the community and creating economic development. He commented that it was difficult to have a high quality of life if you did not have a good job. The Port Authority and the constituents of the Port of Houston create jobs, the first step in quality of life. In addition, public improvements are about creating value for all the citizens.

Chairman Campo read the following excerpt from *Port of Houston – A History* by Marilyn McAdams Sibley, which he said set out the way that he felt about public entities and government and private partnerships. Chapter 9, page 173, discusses the 1930's and contains the following quote from its then new Executive Director, J. Russell Wait:

“Along with unusual recommendations, Wait brought to the job a high ideal of public service. He conceived of the Port as a business in which the taxpayers were the stockholders, the commissioners the directors, and himself the manager. ‘I am engaged in an enterprise by law administered in behalf of the public by a Port Commission of five outstanding citizens, non-political and serving without pay,’ he once wrote: It is my conception that these men are the trustees of the board of directors representing all the stockholders, and that they employ me to administer the office of General Manager and Director in a manner which is proper and in accord with the law and as the stockholders—the entire citizenship as owners—would have it administered, if it were a privately owned business.”

Chairman Campo reiterated that it was the constituents of our region who own the Port of Houston and it was the duty of the Port Commission to be their advocate, and the Port Authority management team to implement and create that value proposition that the citizens have paid for and so deserve.

Chairman Campo defined those constituents as three different groups. The first group were employees and team members; the second, customers; and the third, stakeholders. His philosophy was that employees should be focused, committed, and talented, and management should make sure they put smiles on their faces. If employees are happy and doing well, the next constituent group, customers, will also.

The Port Authority has two groups of customers, on the government side and on the business side. The government side was the local advocate for the Port of Houston, making sure that the ship channel was well maintained and the right size. When there were issues on the business side for customers using the channel, the Port Authority needed to help them solve the issues, which would result in smiles on their faces.

The Port Authority did not have to worry much about the stakeholders, because if employees were doing the right thing and smiling, and the customers were smiling, stakeholders will always smile because those two constituents were in good stead.

Chairman Campo explained that he was contacted by Mayor Turner and Judge Hidalgo asking that he consider the position, was appointed as Chairman of the Port Commission on January 17, and was sworn in on February 7. Chairman Campo noted that he had been on a fast learning curve and learned that the Port of Houston was an amazing economic engine, much bigger and with much more potential than he ever thought before he started on his learning curve, and that the Port Authority has a talented and hardworking team committed to excellence and driving long term value for all its stakeholders. He also learned there was a collaborative spirit and partnership within the groups that ensure vessel safety and coordination in and around the Houston Ship Channel.

Chairman Campo stated that he wanted to meet with everyone who had an interest in the Port of Houston, to make sure he understood what their needs were and where they could have some common ground.

He added that the Port Authority had a strong balance sheet and a sound business model which provided strong financial flexibility that was going to be needed in the future for the challenges ahead. Chairman Campo thanked the commissioners and Chairman Longoria for creating the opportunity for him to come into a strong, well-funded institution.

In closing Chairman Campo highlighted five key areas he wanted to focus on:

1. Supporting commissioners, the management team, and other team members in their efforts to drive excellence and value to stakeholders;
2. Finding solutions to port traffic issues while balancing all interests for all stakeholders;

3. Improving communication with all stakeholders and elevating the position of the Port of Houston in the community, to educate citizens of its value;
4. Fast tracking the widening and deepening of the Houston Ship Channel, to support stakeholder safety and growth by leveraging public-private partnerships; and
5. Improving the Port of Houston's major storm resiliency, to ensure economic and environmental security for our region and our country.

Chairman Campo thanked everybody for the support he has received thus far and was looking forward to working with all stakeholders.

(2019-0226-01) Minutes

Chairman Campo called for a motion to approve the minutes of the January 29, 2019 Port Commission meeting. Commissioner Corgey moved for approval, seconded by Commissioner Branch. Chairman Campo abstained. The minutes were approved as written.

(2019-0226-02) Appearances

Chairman Campo confirmed that no one had registered to address the Port Commission.

(2019-0226-03) Staff Reports

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

- Mr. Guenther stated that activity in the Houston Ship Channel continues to grow.
- Vessel arrivals in the channel grew slightly in 2018 at just over 1%, yet overall tonnage increased by 12%.
- Much of the growth was being driven by commodities related to the energy sector, both import and export.
- Port Houston facilities are off to a good start and continue to grow; public facilities handle about 20% of this overall tonnage.
- January tonnage compared to this time last year is up 20%, 3.5 million tons overall; containers increased 13%; and steel was strong with an increase of over 180,000 tons.
- By mid-March we are expecting a report regarding the economic impact at the local, state, and national levels.

In conclusion, Mr. Guenther reported that February 20th was the first time Port Authority container terminals registered more than 10,000 transactions in a single day, between Bayport and Barbours Cut. It takes 7,000 trucks to complete 10,000 interchanges (in or out) of a container, and this was done with a turn time of less than 40 minutes. Mr. Guenther thanked Port Authority staff, labor, and stakeholders for continuing to make the terminals efficient and competitive.

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

(2019-0226-04) RCA G1 was presented, “Deliberation regarding measures to minimize or prevent impacts to traffic on the Houston Ship Channel.”

Prior to calling on members of the Coalition for a Fair and Open Port (“Coalition”) and the Houston Pilots (“Pilots”) to address the Port Commission, Chairman Campo gave a brief synopsis of the current issue. He advised all present that underlying the issue at hand was that energy and hydrocarbon exports had increased dramatically and were projected to continue to increase. The challenge was with safety regulations implemented by the Pilots, namely one-way traffic in the Ship Channel to accommodate the 1,100-foot or longer container vessels, which was not a big issue today but would become an issue in the future. To date there have been nine very large container vessels (“VLCV”) since last summer, and three this year that required the one-way protocol.

Chairman Campo stated that he had met with Coalition members regarding their concerns that long term one-way traffic would cause significant delays for both inbound and outbound vessels. Companies along the ship channel had been making significant investments in terms of plants and technology for their products, which should be able to depart the ship channel in a very efficient way to prevent backup of the supply chain.

Chairman Campo called on John Rutherford, Executive Director of the Coalition to address the Port Commission. Mr. Rutherford thanked Chairman Campo for the opportunity to bring the Coalition’s concerns to the Port Commission and introduced the speakers, Joe Bob Perkins, Chief Executive Officer of Targa Resources Corp. and Bob Sanders, Senior Vice President of Asset Optimization, Enterprise Houston Ship Channel L.P. Chairman Campo advised commissioners that it was an open discussion and to ask questions if they needed to.

Mr. Perkins stated that the Coalition was formed in late summer when it was discovered that VLCVs necessitated one-way traffic on the ship channel; the economic consequences concerned its members greatly. He emphasized that continued unimpeded two-way traffic is critical for energy companies on the ship channel as well as communities around the ship channel, and producers and companies in the Permian Basin. Mr. Perkins

noted that as soon as the ship channel was widened it would be easier, but currently the Coalition felt that the VLCVs impeded all traffic on the ship channel including non-VLCV container vessels. Mr. Perkins further stressed that jobs in the energy and non-energy industries would be negatively impacted if traffic is impeded. If 200 VLCVs used the ship channel as projected by the Port Authority to the United States Army Corps of Engineers (“Corps”), it would have a tremendous economic impact. Chairman Campo observed that the 200 VLCVs number was a projection in the Corps’s Mega Study for the year 2027. Mr. Perkins emphasized that the companies of the Coalition are devoting their resources and talent to solving this problem.

Mr. Rutherford shared a slide presentation with those present and began with the impact of each VLCV on the port. He stated that there were over 8,500 ships that move in and out of the Port of Houston each year; 900 two-way container vessels and the remaining vessels to industry. Mr. Rutherford commented that one VLCV impacted everybody on the channel and imposed 10.5 hours of stand-down time (one-way traffic), just like fog. Mr. Rutherford asked Mr. Sanders to explain the protocol to schedule ships as discussed by the Coalition, Houston Pilots, the Port Authority, and container industry.

Mr. Sanders stated that the current protocol for inbound VLCVs was to schedule them to come in at 7 a.m. in the morning. This required that the Pilots ceased boarding vessels five hours prior to that, to allow all other vessels to clear mile marker 18 before that ship started in. This equated to the channel being closed for five hours to allow those vessels to clear mile marker 18 and for the inbound movement of the VLCV, during a time that pilots would normally be boarding other vessels. Mr. Rutherford noted this protocol was referred to as “first light/last light” and that Mr. Sanders had presented the protocol for an inbound VLCV. Mr. Rutherford noted that the other implication is that the revised last boarding time in this instance becomes 2:00 p.m.

Mr. Rutherford moved to the outbound protocol and stated the last boarding time was 11 a.m. This meant that a ship could only come into the ship channel between 7 to 11 a.m. and if that opportunity was missed, that ship would be rescheduled to the next morning. Mr. Perkins clarified that the delay was not to the VLCV but to the other vessels. Mr. Perkins noted that the VLCVs are not unloading any more containers than the non-VLCV container vessels unload. Mr. Rutherford noted the restriction the Coalition was suggesting only related to VLCVs, and that each VLCV causes a delay of at least 10.5 hours.

Mr. Rutherford presented statistics on future demand that showed liquid hydrocarbon growth would result in an additional 6 million barrels of crude oil and 3.5 million barrels of natural gas liquids a day, all of which needs to be exported. He explained that this product is coming through Houston because the community in Houston has invested half of a trillion dollars in refineries, petrochemical plants, pipelines, and other

capacity. Mr. Rutherford stated that currently 15 hydrocarbon vessels a day are moved in and out of the ship channel and it is estimated by 2021 that number will be 23 vessels a day.

Mr. Rutherford explained that after the first VLCV was brought into the Houston Ship Channel, the Coalition hired an expert on global ports to build a linear programming model of the entire ship channel. Data from 2017-2018 year-to-date was included, as were the current Pilot protocols, to calculate the impacts of future hydrocarbon export growth and one-way traffic. He discussed possible scenarios and potential economic impacts in light of projected increases in hydrocarbon vessels in the channel per day. Mr. Rutherford explained that these projection costs do not include additional costs incurred due to impacts on prices or backing up production. Mr. Rutherford also noted that it takes \$75 billion dollars a year of investment to grow the production built into these projections. Mr. Rutherford shared another slide projecting impacts on individual dock owners and noted that the one-way traffic has the largest impact on the container business's two-way traffic.

Mr. Rutherford advised that the Coalition is presenting a resolution requesting that VLCVs be restricted to one transit a day with a maximum of one vessel per week. He further discussed the importance of maintaining two-way traffic in the Houston Ship Channel.

Commissioner Corgey asked for clarification on the Coalition's proposal of one VLCV per week or one transit a day. Mr. Rutherford responded that there were three components:

1. Working with the Pilots to design the best protocol possible, recognizing that delay cannot be avoided.
2. One transit per day, i.e. not allowing a VLCV to come in and leave on the same day; and
3. Limiting the number of VLCVs allowed at the port to one per week or 52 per year.

Mr. Rutherford noted the Coalition determined that shipping companies are only planning on around twenty VLCVs to call the Port of Houston in 2019, so the Coalition considered 52 per year to be a reasonable request that allowed the Pilots a chance to become familiar with the larger ships.

Mr. Rutherford stated that everybody seemed to agree with the protocol and one transit a day, but if there was no limit of one VLCV per week, three could potentially come in. Mr. Sanders explained the intent of allowing only one transit a day.

Commissioner Corgey inquired what happened if a VLCV came in on Sunday and another one sought to come in on Monday. Mr. Perkins responded that there would be no recovery time. Mr. Sanders advised that the bottom portion of the Resolution was if the Pilots could accommodate it and there was less traffic on the channel, then it could come in. He clarified that they were not saying one was an absolute maximum, they were saying that was the volume they thought was manageable, and anything above that would be on an as-available basis.

Mr. Guenther clarified that the Port Authority had not said there would only be twenty VLCVs a year, but rather, based on the current rate, the numbers would total approximately twenty a year. He added that ships were getting bigger and that today carriers were not sure what that volume might be two or three years from now.

Chairman Campo noted that the key issue to him was to come to a solution. Everybody needed to know and adapt to the rules and if there was a rule that caused problems for everyone, then we needed to figure out what the right rules would be to ensure everyone was in good stead. He agreed with Mr. Perkins about the importance of communication and stated that we needed to make fundamentally sure that everybody knew the same information at the same time and very early on in the process, so no one was surprised, and make sure everybody was on the same page.

Commissioner Fitzgerald asked how many actual delays a large ship had created for industry or if the concern was regarding future delays.

Mr. Rutherford answered that the Coalition's concern was about the minimum of 10.5 hours of stand-down time for each ship. Though unable to speak for others, he noted that Enterprise had a last light delay. In response to Commissioner Fitzgerald's further suggestion that the Pilots were doing a better job at managing than expected, Mr. Sanders commented that the Pilots were doing their best job to minimize the impact. He emphasized the need for a finite limit on VLCVs in connection with investment decisions to be made to meet demand, and added that there had been delays but they were not "painstaking" at this point. He recalled that during the winter, a one-hour delay on a VLCV forced an LPG ship to sit overnight, for an almost 24-hour delay. He added that was at one terminal and there were 300 terminals on the channel.

Commissioner DonCarlos acknowledged that the Pilots were the safety experts on the channel and asked Captain Mark Mitchem, Presiding Officer, Houston Pilots, if there was anything the Port Commission could do to assist the Pilots in becoming more comfortable piloting two-way traffic of VLCVs, or a determination that it would not work until the channel is widened.

Captain Mitchem replied that prior to approval of the VLCVs, the Pilots ran many simulations. The “ask” was for 1,158-foot by 142-foot ships to go to Barbours Cut and 1,160-foot by 150-foot ships to go to Bayport. That was simulated, and the Pilots built a 1/25th scale ship model in Louisiana to assist.

Captain Mitchem noted that to date, the largest ships that have come in were 1,105-foot; if they stayed in that size range and did not jump up to the 1,160-foot length, the Pilots expected to reach a comfort level. Fifty transits (25 ships in and out) was suggested for the Pilots to gain that experience, and they expected by the end of the year, or maybe sooner, to be able to meet smaller vessels. Captain Mitchem added that at this time the Pilots were not sure when they might be able to meet all traffic.

He added that the Pilots had initiated a new class for instruction in turning and backing the biggest vessels into Barbours Cut. Commissioner DonCarlos thanked Captain Mitchem for the information and reiterated that if there was anything the Port Commission could do to assist, to please let the Port Commission know.

Commissioner Don Carlos then asked Mr. Rutherford if the Coalition would be willing to help the Port Authority with contributions toward the deepening and widening of the channel, and with assistance in advising the federal government regarding how important the channel was to this country and the necessity for getting this project done and prioritized quickly.

Mr. Perkins responded that when the Coalition was first formed they met with Mr. Guenther and Chairman Longoria and discussed short- and long-term needs. They volunteered at that time, and did so again today, to put resources against it, first modeling, engineering and project management, and also help with the federal government. Mr. Sanders added that they have reached out to each of the Coalition members and asked them to reach out to their representatives in Washington on this issue to support that we needed to have the widening of the ship channel deemed a valid project.

Chairman Campo asked if there were any other questions from commissioners; there were none. Chairman Campo asked Captain Mitchem if he wished to comment. In response to Commissioner Fitzgerald’s prior question regarding the impact of container ships, Captain Mitchem mentioned the most recent delay of a few days earlier. The Pilots were trying to recover from fog and an 8-hour (total for all ships combined) delay was created for outbound vessels while bringing a VLCV inbound. He advised that it was better to sail a VLCV at first light, but it was not ready, and sailed at last light, causing 22.5 hours of delays, eight hours being for container vessels going to Barbours Cut and Bayport.

Captain Mitchem further explained that the mid-term solution was to meet smaller vessels and stated that fifty percent of the traffic in Port Houston was “handy-sized”

tankers, around 600 feet by 106 feet, numbering approximately 4,000 arrivals a year. He added that the Pilots hoped at some point to relieve some things, but the ultimate solution was a wider channel.

Chairman Campo asked if there were any other questions or comments; there were none. Mr. Rutherford thanked the Port Commission for their time and attention. Chairman Campo concluded that there was an issue, which everybody recognized, and all needed to work towards reasonable short-term, medium-term, and long-term solutions, and he thanked the Coalition for the information.

Mr. Rutherford replied that he appreciated the opportunity to speak before the Port Commission and stated that the Coalition also appreciated the Port Commission's consideration of their resolution.

(2019-0226-05) RCA G2 was presented, "Deliberation regarding Port Commission committees and task forces, including their activities, the establishment of additional committees or task forces, and appointment and approval of committee and task force chairs and members."

Chairman Campo noted that he had no plans to change the current committee members, unless the commissioners would like to change committees, and he would take Chairman Longoria's place on committees.

Commissioner Corgey asked about the committee that handles Promotion and Development Fund items. Discussion ensued regarding the Community Relations Committee, previously deemed a committee of the whole, and that had not met recently. Chairman Campo asked if the commissioners would like that committee to begin meeting again and they responded in the affirmative. Chairman Campo asked the commissioners to let him know if they would like to be on that committee.

Chairman Campo then announced that he was going to form a Compensation Committee to consider three components:

1. Evaluation of the Executive Director, setting goals and attainment issues and pay at the end of the year;
2. Broad consideration of pay policies, benefit policies and culture issues for all employees; and
3. Succession planning.

Chairman Campo asked if formal action was required; Mr. Eriksson suggested formal action be taken at the next meeting after Chairman Campo was notified of

commissioner preferences. Chairman Campo asked for those commissioners interested on being on this committee to let him know before the next meeting.

Chairman Campo announced that the chief officers for each division would now give a brief overview of the division items that are on the agenda for Port Commission approval. The Commercial Division would be the first to present.

Tom Heidt, Chief Operating Officer (standing in for Chief Commercial Officer John Moseley), provided a staff report on selected agenda items. Mr. Heidt explained that Item H4 was a request to approve the fifth amendment to the lease with Ridge POH 1, LLC for 55 acres on the south side of Bayport. Ridge has worked through the process to obtain a wetlands permit from the Corps, which slightly delayed the project.

Ridge now has a tenant, CEVA Logistics (associated with CMA CGM), which is acceptable to staff, and planning to operate a resin packaging facility on the property. He noted that the construction period would be cut by six months and therefore the Port Authority would begin receiving operations rent sooner than originally estimated. Mr. Heidt reported that following completion of the construction period, rent would increase from roughly \$10,000 to \$90,000 a month.

Commissioner Mease asked how long staff had been working on this; Mr. Heidt replied three years.

Chairman Campo stated that one vote would be taken to cover all the items under the Commercial Division and that now was the time to ask questions on any of those items; there were none.

Commissioner Fitzgerald moved for approval of Items H1 – H5, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCAs H1 – H5 PASSED.

(2019-0226-06) RCA H1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2019-0226-07) RCA H2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H2 PASSED.

(2019-0226-08) RCA H3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H3 PASSED.

(2019-0226-09) RCA H4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H4 PASSED.

(2019-0226-10) RCA H5 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H5 PASSED.

Tim Finley, Chief Financial Officer, provided a staff report on selected agenda items. Mr. Finley reported on Item I2, the request to award depository banking services to Branch Banking & Trust ("BB&T"). He explained that the Port Authority was required by statute to go out for bid every five years for these services and was currently concluding its fourth year with BB&T. Seven responsive banks submitted proposals and were ranked by the Port Authority internal committee in four categories, the lead category being the cost of services, as well as the interest rate on funds held in those institutions.

Mr. Finley advised that staff was recommending award of this four-year agreement to the incumbent BB&T, which was ranked highest among the proposing banks, in large part because its services were the lowest proposed amount and similarly the earnings rate offered on cash balances was the highest. He added that outside of depository banking services, the Port Authority maintains banking arrangements with five of the other banks.

Mr. Finley presented Item I3 concerning the funding of the Port Authority's self-insurance Loss Fund for the claim year of March 1 through February 28. He explained that each year the Port Authority's actuary, Milliman, provides a funding recommendation, and its recommendation for this claim year was \$1.75 million. Mr. Finley noted that the policy approved by the Port Commission in 2010 authorized staff to fund this each year, but for best practices and transparency sake, staff wanted the Port Commission to be aware this amount was being set aside to fund these loss claims.

Mr. Finley informed the Port Commission that the aggregate of these funds reflected a solid position operating within the ratios established by the Port Authority. He advised that after the Port Commission authorized funding, the Port Authority retained the cash balances until its third-party administrator submitted a request to replenish funds to allow the claims to be paid expeditiously.

In response to Commissioner Branch's inquiry regarding Item I4, Mr. Finley briefed the Port Commission on the request for renewal of an agreement with McGriff, Seibels & Williams of Texas, Inc. ("McGriff"), the Port Authority's property and casualty insurance broker of record. Mr. Finley reported that this was a three-year agreement with two one-year options, and this would be the first of the one-year options. He added that McGriff had been with the Port Authority since 2010 and had done a tremendous job: while business had doubled since that time, the premiums for property and casualty insurance were down 24%. Mr. Finley added that a request to propose for this work would go out in 2021.

Commissioner Branch moved for approval of Items I1(a-c) – I4, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCAs I1(a-c) – I4 PASSED.

(2019-0226-11) RCA I1(a-c) was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I1(a-c) PASSED.

(2019-0226-12) RCA I2 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2019-0226-13) RCA I3 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2019-0226-14) RCA I4 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I4 PASSED.

Rich Byrnes, Chief Infrastructure Officer, provided a staff report on selected agenda items. Mr. Byrnes noted there were fifteen Infrastructure items for consideration, twelve awards, one bid rejection and two pipeline licenses, for a total value if approved of just over \$46 million. He went on to highlight three projects covering seven of the items.

Mr. Byrnes began with Items J2, J3, and J4, all related to the award of a construction contract to rehabilitate 20 acres of container yard at Barbours Cut, for a total amount of \$25 million. He informed the Port Commission that the yard was constructed when Barbours Cut was built in 1977 and had come to the end of its useful life, needing repairs and strengthening as part of the asset management program. These yards were the only

remaining areas in Barbours Cut with asphalt and had a prime location next to Wharves 1 and 2. Damage from Hurricane Harvey to the sub-base contributed to the decision to repair both yards this year, and reimbursement of about 25% of the cost will be sought from FEMA.

In response to Chairman Campo's inquiry, Mr. Byrnes confirmed the project amount requested is the total cost before FEMA reimbursement.

Mr. Byrnes added that Items J3 and J4 were for independent construction material testing and construction phase services.

Commissioner Branch asked about the small business enterprise component on the project; Mr. Byrnes replied that there were five bids and they all met the small business component, so the decision was made based on the best value (price and quality) of the performers. Mr. Heidt added that it was a small business requirement of 20% that was met by all the proposers.

Commissioner Mease questioned advertising this project as a proposal, rather than a bid. Mr. Heidt responded that a proposal allows evaluation of the quality of work as well as the cost, while a bid requires that acceptance of the low bidder. Mr. Eriksson added that evaluation of a bid determined the lowest "responsive bidder," but when evaluating a proposal, the Port Authority could review reputation, quality of past work, safety records, etc. In response to Commissioner Mease's inquiry, Mr. Byrnes informed him that in this case, the recommended proposal offered both low price and highest quality.

Mr. Byrnes moved on to Items J5, J6, and J7 for the rehabilitation and renovation of the Executive Office Building, for a total of \$7 million. He informed the Port Commission that the office building was originally constructed in 1991 and required upgrades to its core infrastructure including HVAC, utilities and communications, and IT. The renovations would also improve the workspace and increase capacity for additional employees. After reviewing alternatives, the renovation option was deemed the most practical.

Chairman Campo commented that after discussion of this option with the management team, though he admitted it was not ideal to have employees working in the building during renovation, he agreed the plan was reasonable given the cost benefit. He stressed the importance of project managers holding the contractors to the schedule and ensuring that employee working conditions were maintained. This project would be closely managed while under construction during the next two years.

Commissioner Mease pointed out that regarding the purchase of office furniture in Item J6, staff previously explained that this was a contingency fund and a lot of the

furniture would continue to be used and only replaced on an as-needed basis. Chairman Campo confirmed that was also his understanding, but encouraged management to consider the age and comfort of the furniture, ensure it was functional and pleasing, and promoted employee productivity.

Mr. Byrnes then highlighted Item J13, the relocation of two major pipelines at Bayport. He explained that the 16-inch oxygen and nitrogen pipelines currently cut through the middle of the property, and moving them to the edge of the property would enable full development of the remaining 210 acres at the Bayport container yards. The project requires collaboration among the Port Authority as land owner, Praxair as pipeline owner, and Exxon which controlled the pipeline corridor where they would be placed. Relocation would cost approximately \$12 million and the Port Authority would reimburse actual costs as bids were received and construction executed.

In response to Commissioner DonCarlos' inquiry on Item J1, Mr. Byrnes responded that Peninsula Boulevard at JacintoPort project was funded with TxDOT money and being executed by Harris County. He advised that several entities were involved in the project and the Port Authority would not be delaying the project by rejecting and re-advertising the bid. He noted that the single bid that was received was much higher than the Port Authority's estimate.

Commissioner Corgey moved for approval of Items J1 – J15, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCAs J1 – J15 PASSED.

(2019-0226-15) RCA J1 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2019-0226-16) RCA J2 was presented. Commissioner Corgey moved for staff ranking – first, McCarthy Building Companies, Inc.; second, Orion Industrial Construction, LLC; and third, Pulice Construction, Inc., seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2019-0226-17) RCA J3 was presented. Commissioner Corgey moved for staff ranking – first, Aviles Engineering Corp.; second, Terracon; and third, Fugro USA Land, Inc., seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J3 PASSED.

(2019-0226-18) RCA J4 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J4 PASSED.

(2019-0226-19) RCA J5 was presented. Commissioner Corgey moved for staff ranking – first, Housing and Land Development Corporation dba IKLO Construction; second, Gadberry Construction; and third, Centennial Constructors Enterprise, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J5 PASSED.

(2019-0226-20) RCA J6 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J6 PASSED.

(2019-0226-21) RCA J7 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J7 PASSED.

(2019-0226-22) RCA J8 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J8 PASSED.

(2019-0226-23) RCA J9 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J9 PASSED.

(2019-0226-24) RCA J10 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J10 PASSED.

(2019-0226-25) RCA J11 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J11 PASSED.

(2019-0226-26) RCA J12 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J12 PASSED.

(2019-0226-27) RCA J13 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J13 PASSED.

(2019-0226-28) RCA J14 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J14 PASSED.

(2019-0226-29) RCA J15 was presented, moved by Commissioner Corgey, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J15 PASSED.

Jeff Davis, Chief Port Operations Officer, provided a staff report on selected agenda items. He reported of the five agenda items, two were procurements and three business items. Mr. Davis highlighted Item K2, an award for purchase of LED lighting for Barbours Cut, Bayport, and Turning Basin terminals. He advised that this was Phase 2 of a 3-phase port-wide effort to replace existing high-pressure sodium (HPS) lights with LEDs. Mr. Davis further explained that approximately fifty percent of ships were worked at night at the container terminals.

Phase 1 consisted of 332 LED replacements; Phase 2 would consist of 832 LEDs, primarily at the container facilities. Mr. Davis advised that Phase 2 was expected to be complete at the end of this year and that Port Authority staff would carry out the retrofit and installation. He noted that terminal users were very happy with the better lighting, which improved facility safety and efficiency.

Mr. Davis also discussed Item K3, approval of an amendment to a long-term lease with Houston Terminal, LLC ("HT") for an empty container depot at Bayport. He reported that this was a public/private partnership and that HT was a subsidiary of Mediterranean Shipping Company, the Port Authority's second largest customer. This project involves development by HT of an approximately 26-acre empty container handling yard within the restricted area of Bayport.

Mr. Davis explained that in May 2008, the Port Authority entered a lease with HT to construct and operate the yard. Following multiple delays, HT was now ready to start the construction phase, and therefore this amendment would restart the clock on the 30-year lease. Construction would begin later this year and take approximately 12-18 months.

In response to Commissioner DonCarlos' question, Mr. Davis responded that once construction of the 26 acres are complete, the Port Authority will receive \$40,617 per acre per month when operation of the property begins.

Chairman Campo returned to Item K2 for installation of LED lighting and asked if there were other opportunities to improve lighting as the rate of return was significant. Mr. Davis replied that the effort identified a total of 2,200 HPS lights to be replaced by 4,400 LED lights at the container and general cargo facilities by the end of 2020.

Commissioner Branch applauded the decision that the work be done in-house by Port Authority maintenance staff.

Mr. Byrnes added that this project was essential to the Port Authority's Environmental leadership strategy. Chairman Campo asked if the before/after kilowatt hour usage was being monitored; Mr. Byrnes confirmed it was.

Commissioner Mease moved for approval of Items K1 – K5, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCAs K1 – K5 PASSED

(2019-0226-30) RCA K1 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2019-0226-31) RCA K2 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2019-0226-32) RCA K3 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K3 PASSED.

(2019-0226-33) RCA K4 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K4 PASSED.

(2019-0226-34) RCA K5 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K5 PASSED.

Jessica Shaver, Chief People Officer, provided a staff report on the division's agenda item. In 2015 the Port Commission approved the Port Authority's current strategic plan, and Ms. Shaver advised that the Port Authority was required by statute to re-evaluate its plan every five years.

Ms. Shaver accordingly stated that L1 was a request for approval to update the strategic plan using the Port Authority's previous consultants at ICF, who assisted with the development of the 2015 plan. Staff planned to commence update of the plan this summer and targeted its approval at the January 2020 meeting. Included in the current proposal

were input from the Port Commission and focus group meetings with both internal and external stakeholders for additional input.

(2019-0226-35) RCA L1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L1 PASSED.

At 10:45 a.m., Chairman Campo called for a brief recess and advised that the Executive Session would follow. At 10:53 a.m., Chairman Campo instructed Mr. Eriksson to make the following announcement:

It is now 10:53 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) disposition of Bayport properties, and (ii) proposed amendment to the agreement for legal services with Ewell, Brown, Blanke & Knight LLP;" 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*); 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.

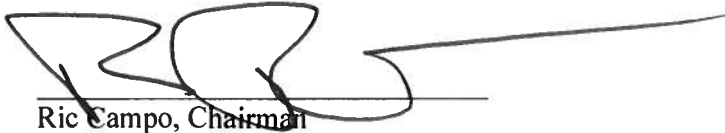
At 11:24 a.m., Chairman Campo reconvened the open meeting at the Port of Houston Authority Executive Office Boardroom, at 111 East Loop North, Houston, Texas 77029, with the following Commissioners, staff and counsel in attendance:

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

(2019-0226-36) Commissioner Mease moved to authorize the Port Authority to amend its agreement for legal services with Ewell, Brown, Blanke & Knight LLP on the terms discussed in Executive Session, and to authorize the Executive Director to do all things necessary to give effect to the foregoing, seconded by Commissioner Fitzgerald, Chairman Longoria, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

At 11:25 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the February 26, 2019 meeting of the Port Commission of the Port of Houston Authority.



Ric Campo, Chairman



Erik A. Eriksson, Secretary

G. EXECUTIVE

Subject	1. Deliberation and possible action regarding measures to minimize or prevent impacts to traffic on the Houston Ship Channel.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, deliberate and take possible action regarding measures to minimize or prevent impacts to traffic on the Houston Ship Channel, 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:
Executive

Staff Contact:
Roger Guenther

Background:

Last summer, the Houston Pilots announced that several safety protocols for handling vessels over 1,100 feet in length would begin to affect Houston Ship Channel traffic. Those measures limit these larger ships to daylight passage and one-way traffic, beginning north from where the channel narrows to 530 feet at the intracoastal waterway.

Eight arriving container vessels have now been subject to this protocol, and six more are expected to call through mid-May 2019.

Since November, at the Pilot Board's direction, a working group – comprised of representatives of the liquid bulk industry, the container lines, the other cargo carriers calling Houston, the Houston Pilots, the Port Authority, and the Pilot Board – have met six times to review these measures and work to resolve stakeholder concerns.

Representatives of the liquid bulk industry, members of the "Coalition for a Fair and Open Port," have urged that the Port Authority (or Pilot Board) adopt the resolution attached, until the channel reach along Galveston Bay is widened.

It is the Port Authority's highest priority to obtain authorization, funding, and completion of the widened ship channel, to allow it to best handle the growth in our thriving region. Though this work will take several years, the Port Authority is working with the U.S. Army Corps and stakeholders to accelerate the process.

Meanwhile, Port Authority staff and the Houston Pilots, working with the other members of the working group, have addressed stakeholder concerns as summarized in the second attachment, an email communication to the Coalition by Roger Guenther.

In addition, the Houston Pilots believe that with growing familiarity in handling larger vessels, they may be able to progressively ease these protocols, as with similar measures put in place in the past following the arrival of larger tankers, car carriers, etc.

Staff Evaluation/Justification:

Staff requests that the Port Commission deliberate and consider guiding staff regarding measures that the Port Authority may undertake, in collaboration with container carriers, the Houston Pilots, and other stakeholders, to continue to minimize or prevent impacts to traffic on the Houston Ship Channel.

**RESOLUTION OF THE PORT COMMISSION OF
THE PORT OF HOUSTON AUTHORITY**

WHEREAS Port Houston is foundational to the Houston economy, the Texas economy, and ultimately the nation's economy;

WHEREAS Port Houston is the number one energy port in the nation;

WHEREAS the production of hydrocarbons in Texas is at historic volumes and growing;

WHEREAS efficient export of the rapidly growing volume of hydrocarbons moving into the Gulf Coast region from Texas and across the United States is essential to securing our nation's place as the number one producer of hydrocarbons in the world;

WHEREAS energy industry stakeholders must not be impeded in their ability to efficiently export rapidly growing supplies of hydrocarbons via the Houston Ship Channel;

WHEREAS the Houston Pilots Association has implemented a safety rule that vessels greater than 1100 feet in length may not "meet" any other vessel while traversing above Buoy 18 in the Houston Ship Channel;

WHEREAS the presence of container vessels greater than 1100 feet in length forces the Houston Ship Channel to single-lane traffic and thereby impedes access for other users of the Houston Ship Channel, including energy exporters;

WHEREAS maintaining safe and unimpeded two-way traffic in the Houston Ship Channel is the top priority of the Port of Houston Authority;

WHEREAS widening of the Houston Ship Channel presents a long-term solution to vessel traffic congestion;

WHEREAS an interim solution is needed to maintain two-way traffic during daylight hours until such time as the Houston Ship Channel can be widened to accommodate all traffic;

WHEREAS the Board of Pilot Commissioners for Harris County Ports has recently created a working group of ship channel users and pilots to determine an interim solution that will safely allow two-way traffic during daylight hours while still permitting container vessels greater than 1100 feet in length, until such time as the Houston Ship Channel can be widened to accommodate all traffic;

WHEREAS the Port is committed to ensuring practical two-way traffic in the Houston Ship Channel during daylight hours through a limited presence of container vessels greater than 1100 feet in length, while the working group develops the aforementioned interim solution;

WHEREAS Section 60.043 of the Texas Water Code vests the Port Commission of the Port of Houston Authority ("Port Commission") with "absolute control over channels, or other waterways within the corporate limits of the district and turning basins, yacht basins, and storage basins"; and

WHEREAS Section 60.072(3) of the Texas Water Code vests the Port Commission with the authority to “control the operation of all types of vessels using harbors, turning basins, basins, or navigable channels of the district and prescribe the speed, lighting, and other requirements of these vessels.”

BE IT THEREFORE NOW RESOLVED no more than one container vessel greater than 1100 feet in length may traverse the Houston Ship Channel in a given week. Any such vessel will be limited to one transit per day and must be capable of turning around within the individual channel basins at the Barbours Cut or Bayport terminals, as applicable.

G. EXECUTIVE

Subject	2. Deliberation and possible action regarding Port Commission committees and task forces, including their activities, the establishment of additional committees or task forces, and appointment and approval of committee and task force chairs and members.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, deliberate and take possibly action regarding Port Commission committees and task forces, including their activities, the establishment of additional committees or task forces, and appointment and approval of committee and task force chairs and members.

Category:
General

Department:
Executive

Staff Contact:
Roger Guenther

Background:

The Amended and Restated Bylaws of the Port Authority provide for five standing committees or task forces of the Port Commission. The Chairman of the Port Commission is tasked with appointing their chairs and members, subject to the consent of each appointee and Port Commission approval.

- "Committees" may supervise or control the public business of the Port Authority, if delegated by the Port Commission, through a committee charter, for example.
- "Task forces," on the other hand, are advisory bodies, without such authority.

The Chairman may also create additional task forces or committees.

The following Port Commission standing committees and task force are currently in place:

1. The Audit Committee advises on the Port Authority's financial statements, its accounting and financial reporting processes and financial statement audit. Its former Chair was Chairman Longoria, and Commissioners Branch and Fitzgerald are members. The Audit Committee is the only Port Commission committee mandated by Special District Local Laws Code Section 5007.226.
2. The Community Relations Committee, a "committee of the whole," updates the Port Commission's Sponsorship Policy and Procedures and advises on community relations matters.
3. The Governance Committee prepares and updates the Port Authority's governance policies and procedures for Port Commission consideration, and reviews other governance-related matters. Its Chair has been Commissioner DonCarlos and its membership has included Chairman Longoria and Commissioner Kennedy.
4. The Pension and Benefits Committee primarily advises on administration of the Restated Retirement Plan, the investment of Plan assets, and other employee benefits. Its current Chair is Commissioner Fitzgerald, and its membership included Commissioner Corgey and Chairman Longoria.

5. The Procurement and Small Business Task Force advises on procurement policies and procedures for Port Commission consideration. This task force also reviews Small Business Development Program policies and procedures and advises on other small business development matters. Commissioner Kennedy has chaired the task force and is joined on it by Commissioners Branch and Mease.

In addition to these standing committees, the Port Commission has periodically met as the Dredge Task Force, another "committee of the whole," to consider Houston Ship Channel matters, as well as the use of Port Authority resources for dredging, dredge material disposal, and disposal area maintenance.

Staff Evaluation/Justification:

Ric Campo took office as Chairman of the Port Commission on February 7, 2019, and as a result several of the committees now have vacancies. Accordingly, Chairman Campo may wish to take the opportunity to fill these vacancies and potentially designate other Port Commissioners to serve on those committees for Port Commission consideration.

In addition, Chairman Campo may wish to invite the Port Commission to deliberate regarding committee activities, the existing committee structure and possible changes to the structure, and the roster of existing and possible new committee members.

H. COMMERCIAL

Subject	1. Approve, effective March 1, 2019 (i) fees for legal and administrative work requested by Port Authority tenants and other users and operators for certain lease or agreement-related actions, of \$1,650 for up to the first 10 work hours and \$225 for each additional hour, and (ii) fees for temporary licenses and rights-of-way of \$550 per month.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, effective March 1, 2019 (i) approve fees for legal and administrative work requested by Port Authority tenants and other users and operators for certain lease or agreement-related actions, of \$1,650 for up to the first 10 work hours and \$225 for each additional hour, and (ii) fees for temporary licenses and rights-of-way of \$550 per month, 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. 2014-1216-67, the Port Commission approved (i) an increase to the fees for legal and administrative work in connection with requests by Port Authority tenants and other users and operators, for permissive actions such as lien waivers, transfers, subordination agreements, and other lease-or agreement-related requests, to \$1,650 for up to the first 10 hours and \$225 for each additional hour, and (ii) increase the fee for temporary licenses and rights of way to \$550 for a one-month term or an amount equivalent to a comparable month-to-month rate for any licenses or rights of way exceeding one month.

Staff Evaluation/Justification:

Staff reviewed the requests for administrative and legal work received from tenants and other users or operators on Port Authority properties over the previous three-year period and analyzed efforts and resources required to fulfill them. Staff further analyzed comparable entity fees for similar requests.

Based on the review, staff proposes fees that are appropriate to compensate the Port Authority for its time and effort to fulfill these requests without being onerous or disproportionate to requests it receives. Staff recommends the Port Commission approve the above proposed administrative fee rate and the fee for licenses and rights of way, effective March 1, 2019, which reflect a ten percent increase from the previous fees.

H. COMMERCIAL

Subject	2. Approve amendments to a 0.1815-acre surface easement and a 0.67-acre aerial easement for electrical transmission, distribution, and communication facilities held by CenterPoint Energy Houston Electric, LLC, in connection with its existing surface and aerial easement at the north side of the Port Authority's North L Street property.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, approve amendments to a 0.1815-acre surface easement and a 0.67-acre aerial easement for electrical transmission, distribution, and communication facilities held by CenterPoint Energy Houston Electric, LLC, in connection with its existing surface and aerial easement at the north side of the Port Authority's North L Street property, 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:

In 1925, Houston Lighting and Power Company, predecessor to CenterPoint Energy Houston Electric, LLC (CenterPoint), was granted a 10-foot wide easement along the north property line of Lots 25 and 27 of the Southern Pacific Railroad, of Nebraska Syndicate Subdivision, out of the Johnson Hunter League, Harris County, Texas. Over 25 years later the Port Authority acquired title to the property burdened by this easement, property now known as the North L Street property.

Lot 26 was not included in the original grant, and CenterPoint now maintains that it has rights to a 10-foot ground easement along the north property line of Lot 26 by prescriptive right. Texas courts have placed the required period of continuous, uninterrupted, adverse use for prescriptive easements at ten years or more. Accordingly, legal staff recommends that the Port Authority not contest this easement and agree to CenterPoint's request to amend this easement to confirm the grant along Lot 26.

CenterPoint also requests the widening, from 10 to 30 feet, of the previously granted aerial easement located above the surface easement.

The electrical transmission, distribution, and communication facilities once constructed and expanded would serve the Port Authority's North L Street development, and the surrounding residential and commercial properties in the community.

\$45,210 would be paid to the Port Authority for amending both the above-described surface and aerial easements, based on the appraisal obtained by CenterPoint of the value of these easements, which has been independently reviewed and supported by the Port Authority's consulting appraiser.

Staff Evaluation/Justification:

Staff recommends approval of the amended surface and aerial easements to CenterPoint Energy Houston Electric, LLC.

H. COMMERCIAL

Subject **3. Approve a lease agreement with Houston International Seafarers Centers, Inc. for an approximate 5,810 square foot office building located on 1.1766 acres at the Barbours Cut Terminal, effective March 1, 2019 for a one-year term, at an annual rental of \$10 per year.**

Meeting Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its February 26, 2019 meeting, approve a lease agreement with Houston International Seafarers Centers, Inc. for an approximate 5,810 square foot office building located on 1.1766 acres at the Barbours Cut Terminal, effective March 1, 2019 for a one-year term, at an annual rental of \$10 per year, 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:

In December 1981, the Port Commission approved a lease of approximately 1.0006 acres on the north side of Barbours Cut Blvd. and approximately 2.8466 acres on the south side of Barbours Cut Blvd. with the Houston International Seamen's Center (HISC) effective December 1, 1981, expiring November 30, 2021 for the purpose of establishing a non-profit recreational center for visiting seamen. HISC subsequently requested that it be relocated to a 1.1766 acre tract in the City of Morgan's Point and in May 1991, the Port Commission approved that lease of property out of Block 1010 in the City of Morgan's Point effective July 1, 1991, expiring February 28, 2019, at a rate of \$1.00 per annum. That lease is expiring this month.

Staff Evaluation/Justification:

Staff reviewed the request by HISC to extend the lease and recommends approval of the proposed lease agreement. The lease would contain a provision for a 60-day advance written notice of cancellation by either party.

H. COMMERCIAL

Subject **4. Approve the fifth amendment to the Ridge POH I, LLC lease to commence its construction period with a 3% increase in monthly rent to \$9,614 subject to tenant's six-month option to cancel.**

Meeting Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its February 26, 2019 meeting, approve the fifth amendment to the Ridge POH I, LLC lease to commence its construction period with a 3% increase in monthly rent to \$9,614 subject to tenant's six-month option to cancel, 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. 2015-0728-41, the Port Commission approved a fifty-year lease with Ridge POH I, LLC (Ridge), near Bayport Container Terminal, for the construction and operation of cargo-served warehouses. The lease was amended by Minute No. 2017-0131-48 to extend the feasibility period for an additional six months ending August 11, 2017. A second amendment to the lease, approved by Minute No. 2017-0725-42, extended the feasibility period until February 12, 2018 and increased the acreage leased to Ridge to 55.89 acres, adding the property previously leased to Agro Merchants for construction of a cold-storage facility. A third amendment to the lease, approved by Minute No. 2018-0130-18, extended the feasibility period for an additional six months ending August 12, 2018. Rent payable during this amendment was increased in accordance with the Consumer Price Index. A fourth amendment to the lease, approved by Minute No. 2018-0731-46, extended the feasibility period for an additional six months ending February 12, 2019 and monthly rent was increased to \$9,333.63, which is the construction rate of the lease paid in the feasibility period.

Monthly rent payable under this fifth amendment would be increased to \$9,614, which is a 3% increase from the current rent. Ridge would be required to pay the first six months rental in a non-refundable lump sum payment of \$57,684 upon execution of the amendment. It would have the option for six months following execution of the amendment to terminate the lease. The construction period under the lease would be reduced from 24 months to 18 months, shortening the time to complete construction of the warehouse and commence operations.

Staff Evaluation/Justification:

Staff reviewed this request by Ridge and recommends the Port Commission approve this fifth amendment to the lease agreement.

H. COMMERCIAL

Subject **5. Amend the lease with Hansen-Mueller Company of 17.03 acres, including the Houston Public Elevator No. 1, at the Turning Basin Terminal to extend the term for an additional five years, commencing no earlier than July 1, 2019, at an annual rental of \$552,428, subject to annual increase of the greater of 3% or the increase in the Consumer Price Index.**

Meeting Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its February 26, 2019 meeting, amend the lease with Hansen-Mueller Company of 17.03 acres, including the Houston Public Elevator No. 1, at the Turning Basin Terminal to extend the term for an additional five years, commencing no earlier than July 1, 2019, at an annual rental of \$552,428, subject to 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:

By Minute No. 2018-0626-06, the Port Commission approved the Hansen-Mueller Company (HMC) lease of approximately 17.03 acres, including Houston Public Grain Elevator No. 1, at the Turning Basin Terminal. HMC's lease was effective July 1, 2018 and will expire June 30, 2019.

HMC has now proposed to extend the term by five additional years. HMC has been on the property since December 1998.

Staff Evaluation/Justification:

Staff reviewed the request by Hansen-Mueller Company and recommends approval of this amendment to the lease agreement.

I. FINANCE

Subject	1. Authorize advertisement and receipt of responses for three formal procurements.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	<p>The Port Commission, at its February 26, 2019 meeting, authorize the Port Authority to advertise and receive responses for three 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 proposals to purchase and install one generator for Turning Basin Fire Station</p> <p>(b) Request for proposals for the purchase of one hydro-graphic survey vessel</p> <p>(c) Request for proposals for professional services for procurement of electricity with renewable energy</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 three new Formal Procurements. Staff has evaluated and recommends the customary best value methods for each procurement.

I. FINANCE

Subject	2. Award a contract to Branch Banking and Trust Company (BB&T) for depository banking services for a four-year period, commencing on or about March 1, 2019.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, award a contract to Branch Banking and Trust Company (BB&T) for depository banking services for a four-year period, commencing on or about March 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.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:

Awards, Amendments & Change Orders

Department:

Treasury

Staff Contact:

Ray Yi

Background:

The Port Authority's current depository banking services contract with BB&T expires in March 2019.

By Minute No. 2018-1030-13, the Port Commission appointed Ramon Yi, Senior Director, Treasury, to act as the "designated officer" under Section 60.271 of the Texas Water Code and Chapter 105 of the Texas Local Government Code, to advertise and receive proposals for depository and other banking services on behalf of the Port Authority.

Staff Evaluation/Justification:

In accordance with statutory requirements, the Port Authority advertised a Request for Proposals for Depository Banking Services dated November 20, 2018 (RFP-934) and received proposals from nine financial institutions by the deadline of January 9, 2019. The proposals were reviewed and evaluated by the designated officer and other staff.

One bank submitted a proposal for credit card services only, however, staff is not making any recommendations relating to those services at this time. Another bank's proposal was deemed non-responsive. The remaining seven proposals were found to be generally in conformity with the minimum qualifications and specifications outlined in RFP-934 for depository banking services (e.g., shareholders' equity, deposits, legal compliance, insurance coverage, etc.). The evaluation criteria also included the ability to effectively provide various required banking services, the cost of such services, the net earnings potential on excess cash balances, the form of pledged collateral, the bank's electronic capabilities and other considerations.

Staff identified the following financial institutions, listed in the order of ranking, as being able to provide the best value to the Port Authority:

- Branch Banking and Trust Company (BB&T)
- Bank of America, N.A.
- JPMorgan Chase Bank, N.A.

Staff prepared an evaluation matrix based on the selection criteria and recommends that the Port Commission award a depository banking services contract to BB&T.

I. FINANCE

Subject	3. Authorize \$1,750,000 to fund the Port Authority's self-insurance loss fund account for workers' compensation and liability claims for insurance year 2019-2020, and authorize its third-party claims administrator to pay claims from such account in accordance with the Amended Insurance Program and Indemnification Policy dated February 2018.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, authorize \$1,750,000 to fund Port Authority's self-insurance loss fund account for workers' compensation and liability claims for insurance year 2019-2020, and authorize its third-party claims administrator to pay claims from such account in accordance with the Amended Insurance Program and Indemnification Policy dated February 2018, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:

Awards, Amendments & Change Orders

Department:

Risk Management

Staff Contact:

Bruce Birdwell

Background:

By Minute No. 2010-0928-09, the Port Commission authorized establishment of a Self-Insurance Program effective March 1, 2010. Port Authority staff recommended several minor amendments in February 2015 and March 2018, and those were subsequently approved by the Port Commission when it adopted an Amended Insurance Program and Indemnification Policy (Program) by Minute No. 2015-0224-40, as amended by Minute No. 2018-0327-13. The Program has been a cost-effective risk financing alternative to traditional insurance, and would provide protection for the Port Authority, the Port Commission, and employees for the insurance year from March 1, 2019 to February 28, 2020.

Staff Evaluation/Justification:

Based upon actuarial projections as of June 30, 2018, staff recommends the Port Commission authorize \$1,750,000 to be added into the dedicated self-insurance loss fund account to pay for all covered claim costs and expenses related to workers' compensation and liability claims expected to be incurred during the 2019-2020 insurance year.

These funds are initially retained by the Port Authority; periodic transfers would be made to the Port Authority's third-party claims administrator on an "as needed" basis to enable payment of claim costs.

I. FINANCE

Subject	4. Authorize renewal of the agreement with McGriff, Seibels & Williams of Texas, Inc. to serve as the Port Authority's Property and Casualty Insurance Broker of Record for an additional one-year period beginning July 1, 2019, for a total of \$139,500.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, authorize the renewal of the agreement with McGriff, Seibels & Williams of Texas, Inc. to serve as the Port Authority's Property and Casualty Insurance Broker of Record for an additional one-year period beginning July 1, 2019, for a total of \$139,500, and further authorize the Executive Director to do any all things in his opinion reasonable and necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Risk Management

Staff Contact:

Bruce Birdwell

Background:

By Minute No. 2014-0624-23, the Port Commission awarded a contract to McGriff, Seibels & Williams of Texas, Inc. (McGriff) to serve as the Port Authority's Insurance Broker of Record (BOR) to assist with the procurement of property and casualty liability insurance coverage. As the Port Authority's BOR, McGriff participates in the development of insurance specifications, submission of same to select insurance companies, evaluation of submitted proposals, and the formulation of recommendations for placement of coverage.

The initial term of the contract with McGriff was for a five-year period, beginning July 1, 2014. It provided for two one-year renewals, at the option of the Port Authority, subject to the same terms, conditions, and price. Since McGriff has served as the Port Authority's BOR, the Port Authority's insurance program has undergone dramatic changes, the most notable of which has been the establishment of its self-insurance program. The Port Authority has developed and maintained the appropriate level of insurance coverage at the best price available.

Staff Evaluation/Justification:

As a direct result of McGriff's relationships with the various markets and its marketing efforts, the Port Authority has been able to obtain better insurance coverage, including substantially increased limits, lower deductibles, and enhanced coverage at reasonable rates.

Staff recommends that the Port Authority renew the contract with McGriff for an additional one-year period.

J. INFRASTRUCTURE

Subject	1. Reject and re-advertise for competitive sealed bids for the relocation of communications infrastructure along Peninsula Boulevard at Jacintoport Terminal.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, (i) reject the proposal received by the Port Authority for the relocation of communications infrastructure along Peninsula Boulevard; (ii) authorize the Port Authority to re-advertise a request for competitive sealed bids and receive responses for the relocation of communications infrastructure along Peninsula Boulevard; (iii) determine that this purchasing method provides best value to the Port Authority; and (iv) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Reject & Other Actions

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This project consists of the relocation of existing Port Authority fiber optic cables, duct banks, and manholes, which currently conflict with other underground utilities due to the widening of Peninsula Boulevard from two to four traffic lanes. The widening project is being carried out by Harris County and also includes relocation of other utilities, such as existing storm sewers, outfalls, and inlets.

By Minute No. 2018-0925-16(g), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for the relocation of communications infrastructure along Peninsula Boulevard. The Port Authority notified vendors regarding its request for CSPs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Nine vendors downloaded the project materials from BuySpeed.

On January 23, 2019, one CSP from Fused Industries was received, opened and publicly read. The response was reviewed and evaluated by staff in accordance with the published criteria.

Staff Evaluation/Justification:

Staff recommends that the Port Commission reject the proposal from Fused Industries and re-advertise a request for competitive sealed bids for the relocation of communications infrastructure along Peninsula Boulevard.

Staff recommends use of the competitive sealed bids method to provide the best value to the Port Authority.

J. INFRASTRUCTURE

Subject	2. Approve staff's ranking of vendors and award a construction contract in an amount not to exceed \$24,298,500, for the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal to the top-ranked proposers: staff ranking – first, McCarthy Building Companies, Inc.; second, Orion Industrial Construction, LLC; and third, Pulice Construction, Inc.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, McCarthy Building Companies, Inc.; second, Orion Industrial Construction, LLC; and third, Pulice Construction, Inc.; (b) award a construction contract to McCarthy Building Companies, Inc. for the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal in an amount not to exceed \$24,298,500; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC 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 project consists of the rehabilitation of approximately 20.2 acres of container yard known as C1 North and C2 North and other specified work necessary for power, communications, and utility connections serving the area. Its primary purpose is to restore C1 North and C2 North to full capability for "6 over 5" rubber-tired gantry (RTG) container operations laid out for four stacks, per the current Barbours Cut Terminal master plan.

By Minute No. 2018-0925-16(f), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut 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. Fifty-two vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On January 16, 2019, five 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 the best value for the required services:

- McCarthy Building Companies, Inc.
- Orion Industrial Construction, LLC
- Pulice Construction, Inc.

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

J. INFRASTRUCTURE

Subject	3. Approve staff's ranking of vendors and award a professional services contract in the amount not to exceed \$410,000 to perform construction material testing services during the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal to the top-ranked proposer – first, Aviles Engineering Corp.; second, Terracon; and third, Fugro USA Land, Inc.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Aviles Engineering Corp.; second, Terracon; and third, Fugro USA Land, Inc.; (b) award a professional services contract to Aviles Engineering Corp. to perform construction material testing services during the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal in an amount not to exceed \$410,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This procurement includes construction material testing services during the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal. Per Section 60.463(c) of the Texas Water Code, in certain circumstances the Port Authority is required to hire a third-party inspection firm to independently test the acceptability of construction material installed by the contractor. This procurement would provide the third-party inspection services.

By Minute No. 2018-0925-16(s), the Port Commission authorized the advertisement of a request for qualifications (RFQ) for these professional services. The Port Authority notified vendors regarding its RFQ using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Twenty-three vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On November 14, 2018, twelve 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:

- Aviles Engineering Corp.
- Terracon
- Fugro USA Land, Inc.

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

J. INFRASTRUCTURE

Subject	4. Amend the professional services contract with BGE, Inc. to perform construction phase services associated with the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal in an amount not to exceed \$131,382.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, amend the professional services contract with BGE, Inc. to perform construction phase services associated with the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal in an amount not to exceed \$131,382, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2018-0416-16, the Port Commission awarded a professional services contract to BGE, Inc. to perform engineering design services associated with the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal.

The amendment would consist of the addition of construction phase services which would provide the engineering support needed during the construction of the project.

Staff Evaluation/Justification:

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

J. INFRASTRUCTURE

Subject	5. Approve staff's ranking of vendors and award a contract, in an amount not to exceed \$5,632,125, for renovation of the Executive Office Building at the Turning Basin Terminal, to the top-ranked proposers: staff ranking – first, Housing and Land Development Corporation dba IKLO Construction; second, Gadberry Construction; and third, Centennial Constructors Enterprise.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Housing and Land Development Corporation dba IKLO Construction; second, Gadberry Construction; and third, Centennial Constructors Enterprise; (b) award a contract, for renovation of the Executive Office Building at the Turning Basin Terminal in an amount not to exceed \$5,632,125; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project & Construction Management

Staff Contact:

Brenda Trevino

Background:

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

By Minute No. 2018-0130-19(e), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for the renovation of the Executive Office Building at Turning Basin Terminal. The Port Authority notified vendors regarding its request for CSPs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Twelve vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On December 05, 2018, five 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:

- Housing and Land Development Corporation dba IKLO Construction

- Gadberry Construction
- Centennial Constructors Enterprise

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Housing and Land Development Corporation dba IKLO Construction and act as otherwise described above.

J. INFRASTRUCTURE

Subject	6. Issue a purchase order to OFS Brands-Agile Interiors for the purchase of office furniture in connection with the renovation of the Executive Office Building, using the National Intergovernmental Purchasing Alliance through The Cooperative Purchasing Network, a cooperative purchasing program, in an amount not to exceed \$1,000,000.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, issue a purchase order to OFS Brands-Agile Interiors for the purchase of office furniture in connection with the renovation of the Executive Office Building, using the National Intergovernmental Purchasing Alliance through The Cooperative Purchasing Network, a cooperative purchasing program, in an amount not to exceed \$1,000,000, 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:

Project and Construction Management

Staff Contact:

Brenda C. Trevino, P.E.

Background:

The Port Authority is seeking to obtain new office furniture for the Executive Office Building in connection with the renovation of the Executive Office Building. New furniture will replace existing items that may be twenty or more years old, beyond their useful life, and/or not up to current standards. The new furniture complies with the configured layout for offices and workstations in the architect's drawings; it also includes ancillary items such as tables and chairs for the break room as well as file cabinets.

Staff Evaluation/Justification:

Staff worked with the architect to develop the recommended best value options for purchasing the new furniture. Multiple alternatives were evaluated. Ultimately three similar styles were chosen from three different manufacturers. These three manufacturers are cooperative participants.

By requesting quotes from all three manufacturer local distributors on the same quantities and amenities, the best value furniture vendor was chosen.

Staff recommends the Port Commission approve the best value determination and issuance of a purchase order to OFS Brands-Agile Interiors for the purchase of office furniture in connection with the renovation of the Executive Office Building.

J. INFRASTRUCTURE

Subject	7. Award a construction contract to Electra Link, Inc. for Information Technology improvements in connections with renovation of the Executive Office Building, using the Texas Department of Information Resources cooperative purchasing program, in an amount not to exceed \$372,505.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, award a construction contract to Electra Link, Inc. for Information Technology (IT) improvements in connection with renovation of the Executive Office Building, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$372,505, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project & Construction Management

Staff Contact:

Brenda C. Trevino, P.E

Background:

The Port Authority is seeking to provide labor and equipment necessary to remove legacy system cabling and associated equipment and to install new IT cabling and associated equipment in connection with renovation of the Executive Office Building at the Turning Basin Terminal. 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 labor and equipment necessary to remove legacy system cabling and associated equipment and to install new IT cabling and associated equipment in connection with renovation of the Executive Office Building at the Turning Basin Terminal through the Texas Department of Information Resources cooperative purchasing program is the method that both satisfies competitive requirements and provides best value to the Port Authority.

The Project and Construction Management department has determined that the best availability, price, and contract term for the items needed is provided by Electra Link, Inc. under the pricing schedule obtained from that vendor's contract with DIR (DIR Contract Number DIR-TSO-3705), and is therefore recommending this purchase.

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

J. INFRASTRUCTURE

Subject	8. Award a construction contract to Forde Construction Company, Inc. for annual pavement replacement at Barbours Cut and Bayport Container Terminals in 2019 in an amount not to exceed \$1,502,368.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, award a construction contract to Forde Construction Company, Inc. for annual pavement replacement at Barbours Cut and Bayport Container Terminals in 2019 in an amount not to exceed \$1,502,368, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

The work will consist of removing and replacing damaged and or deteriorating concrete and or asphaltic pavement during 2019 at Barbours Cut and Bayport Container Terminals.

By Minute No. 2018-0925-16(c), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the annual pavement replacement at Barbours Cut and Bayport Container Terminals in 2019. 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. Eight vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On January 23, 2019, one CSB was received, opened, and publicly read. The response was reviewed and evaluated by staff in accordance with the published selection criteria.

Following staff Executive Committee review, staff recommends that the Port Authority award a contract to Forde Construction Company, Inc., a responsible bidder submitting the only bid, for the annual pavement replacement at Barbours Cut and Bayport Container Terminals in 2019.

J. INFRASTRUCTURE

Subject	9. Award a construction contract to Jerdon Enterprise L.P. for annual concrete replacement at Turning Basin Terminal in 2019 in an amount not to exceed \$784,760.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, award a construction contract to Jerdon Enterprise L.P. for annual concrete replacement at Turning Basin Terminal in 2019 in an amount not to exceed \$784,760, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This work would consist of removing and replacing damaged and or deteriorating concrete pavement throughout the terminal during 2019.

By Minute No. 2018-0925-16(b), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the annual concrete replacement at Turning Basin Terminal in 2019. 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. Thirteen vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On January 23, 2019, three CSBs were received, opened, and publicly read. The response was reviewed and evaluated by staff in accordance with the published selection criteria.

Following staff Executive Committee review, staff recommends that the Port Authority award a contract to Jerdon Enterprise L.P., a responsible bidder submitting the lowest bid, for the annual concrete replacement at Turning Basin Terminal in 2019.

J. INFRASTRUCTURE

Subject	10. Award a construction contract to Bryant Industries for the annual fender system maintenance at Barbours Cut and Bayport Container Terminals in 2019 in an amount not to exceed \$651,470.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, award a construction contract to Bryant Industries for the annual fender system maintenance at Barbours Cut and Bayport Container Terminals in 2019 in an amount not to exceed \$651,470, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This work would consist of surface preparation, repair, and replacement of various fender system elements at Barbours Cut and Bayport Terminals. Fender system elements may include replacing safety nets, shackles, fender bumpers, timber logs, and bolts. These services are procured annually to maintain the existing assets and would utilize task orders.

By Minute No. 2018-0925-16(d), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the annual fender system maintenance at Barbours Cut and Bayport Container Terminals in 2019. 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. Eleven vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On January 23, 2019, three CSBs were received, opened, and publicly read. One bid was noted as non-responsive because the small business mandatory goal of 20% was not met. The two responsive bidders 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 Bryant Industries, the responsible bidder submitting the lowest bid, for the annual fender system maintenance at Barbours Cut and Bayport Container Terminals in 2019.

J. INFRASTRUCTURE

Subject	11. Approve a change order to Forde Construction Company, Inc. to perform additional work associated with the repair of deck and backup pavement at Wharf Nos. 1, 2, and 3 at Jacintoport Terminal in an amount not to exceed \$61,622.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, approve a change order to Forde Construction Company, Inc. to perform additional work associated with the repair of deck and backup pavement at Wharf Nos. 1, 2, and 3 at Jacintoport Terminal in an amount not to exceed \$61,622, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2018-0925-30, the Port Commission awarded a construction contract to Forde Construction Company, Inc. for the construction of the repair of deck and backup pavement at Wharf Nos. 1, 2, and 3 at Jacintoport Terminal.

The change order proposed by the contractor includes the following items:

- Change in reinforcing steel size at repair areas
- Increased quantities of demolition, structural concrete, and armored expansion joints at repair areas
- Increased quantities of demolition at storm water inlets
- Structural concrete repair of bulkhead

Staff Evaluation/Justification:

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

J. INFRASTRUCTURE

Subject	12. Enter into an Interlocal Agreement with Harris County to provide wage rate compliance services for a one-year term in an amount not to exceed \$71,587.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, authorize the Port Authority to enter into an Interlocal Agreement with Harris County to provide wage rate compliance services, for a one-year term effective March 1, 2019 in an amount not to exceed \$71,587, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

Government Code Chapter 2258 requires that workers employed on public works projects by or on behalf of political subdivisions of the state be paid not less than the general prevailing rate of per diem wages for work of a similar character in the locality in which the work is performed.

The Port Authority undertakes various efforts to provide that construction of its public works projects adheres to the provisions of Government Code Chapter 2258. Since 2008, in connection with those efforts, the Port Commission authorized annual Interlocal Agreements with Harris County to provide wage rate compliance services.

Staff Evaluation/Justification:

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

Staff recommends that the Port Commission approve the agreement.

J. INFRASTRUCTURE

Subject	13. Enter into an agreement with Praxair, Inc. for relocating pipelines at Bayport Container Terminal in an amount not to exceed \$12,500,728.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, enter into an agreement with Praxair, Inc. to construct pipelines in a new easement and abandon its existing pipelines in place at Bayport Container Terminal in an amount not to exceed \$12,500,728, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

Staff has identified certain pipelines owned by Praxair, Inc. (Praxair) within the Bayport Container Terminal that must be constructed in a realigned pipeline easement. Prior Port Commission authorizations have allowed for preliminary work and oversight work to be performed by both Praxair (the pipeline owner) (Minute No. 2017-1212-34) and ExxonMobil (the pipeline corridor manager) (Minute No. 2018-0925-32) in preparation of constructing new pipelines and abandoning in place the existing pipelines.

By Minute No. 2018-10-31-31, the Port Commission approved a license to Praxair to construct pipelines outside the defined pipeline corridor. The proposed agreement would provide for Praxair to construct a pipeline within the newly defined pipeline corridor and as defined within the license agreement, and abandon the existing pipelines in place.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the agreement for Praxair to construct pipelines within the defined corridor and as defined within the license agreement, and abandon the existing pipelines in place, for an amount not to exceed \$12,500,728.

J. INFRASTRUCTURE

Subject	14. Issue a pipeline license to Magellan Pipeline Company, L.P. for one 20-inch refined product pipeline under and across the Seymore Track, Northside Mainline railroad right-of-way and Magellan Spur Track right-of-way.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, authorize the Port Authority to issue a pipeline license to Magellan Pipeline Company, L.P. for one 20-inch refined product pipeline under and across the Seymore Track, Northside Mainline railroad right-of-way and Magellan Spur Track right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

Magellan Pipeline Company, L.P. (Magellan), Port Authority File No. 2019-0040, has applied for a pipeline license for one 20-inch refined product pipeline under and across the Seymore Track, Northside Mainline railroad right-of-way and Magellan Spur Track right-of-way, in Galena Park, in the Ezekiel Thomas Survey, A-73 and William P. Harris & Robert Wilson Survey, A-31, in Harris County, Texas.

The pipeline would transport product between Magellan's Galena Park and East Houston Terminals.

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 \$65,736. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

J. INFRASTRUCTURE

Subject	15. Amend a pipeline license to MVP Terminalling LLC to add a 20-inch refined products pipeline across the Southside Mainline railroad right-of-way.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, authorize the Port Authority to amend a pipeline license to MVP Terminalling LLC to add a 20-inch refined products pipeline across the Southside Mainline railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

MVP Terminalling LLC, Port Authority File No. 2017-0344, has applied to amend a pipeline license to add a 20-inch refined products pipeline across the Southside Mainline railroad right-of-way in Pasadena, in the James Seymore Survey, A-698, in Harris County, Texas.

The proposed crossing is a segment of the previously authorized 20-inch refined petroleum products pipeline across the Houston Ship Channel.

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 \$27,452. The \$675 application fee has been paid.

Staff recommends approval.

K. OPERATIONS

Subject	1. Award a contract to Applied Industrial Technologies, Inc. for purchase of machinery components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$300,000.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, award a contract to Applied Industrial Technologies, Inc. for purchase of machinery components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$300,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2015-1027-41, the Port Commission awarded a three-year contract to Applied Industrial Technologies, Inc. for purchase of machinery components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

By Minute No. 2018-1030-11(c), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for purchase of machinery components including bearings, gearing, belts, chains, sheaves and bushings, couplings and u-joints, hydraulic, pneumatic, rubber products, and other items frequently needed to perform routine maintenance on cranes, small vehicles, and cargo handling equipment at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Three vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On January 2, 2019, three 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 Applied Industrial Technologies, Inc., the responsible bidder submitting the lowest and best bid, for purchase of machinery components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

K. OPERATIONS

Subject	2. Award a contract to Wesco Distribution, Inc. for purchase of LED lighting for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$2,900,000.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, award a contract to Wesco Distribution, Inc. for purchase of LED lighting for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$2,900,000, 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:

Adequate illumination levels are required for safe operation of our marine terminals. Currently, the vast majority of light fixtures used at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal are of the High Pressure Sodium (HPS) type, which are less efficient and more costly to maintain than LED fixtures. Additionally, staff has determined that the cost to operate LED fixtures is approximately 25% of the cost to operate HPS fixtures. Accordingly, by Minute No. 2018-0626-32, the Port Authority awarded a contract to Graybar Electric Company, Inc. for purchase of LED lighting for Barbours Cut Terminal and Bayport Container Terminal in the amount not to exceed \$1,100,000.

Staff now recommends that all existing HPS fixtures at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, approximately 2,200 units, be replaced with LED fixtures during the upcoming three-year period. A total of 332 LED fixtures were installed in 2018 under the prior contract. The proposed award amount of \$2,900,000 is expected to be sufficient to procure a total of 832 LED light fixtures and retrofit 146 high mast poles in 2019. Installation will be carried out by Maintenance personnel.

By Minute No. 2018-1212-13(a), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for purchase of LED lighting 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. Three vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On January 16, 2019, seven 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 Wesco Distribution, Inc., the responsible bidder submitting the lowest and best bid, for purchase of LED lighting for Barbours Cut Terminal, Bayport Container Terminal and Turning Basin Terminal.

K. OPERATIONS

Subject	3. Approve an amendment to the long-term Lease Agreement with Houston Terminal, LLC for an Empty Container Depot at Bayport Container Terminal.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, approve an amendment to the long-term Lease Agreement with Houston Terminal, LLC for an Empty Container Depot at Bayport Container Terminal, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Operations

Staff Contact:
Jeff Davis

Background:

In May 2008, following Port Commission approval, Houston Terminal, LLC, a subsidiary of MSC, entered into a 30-year lease of 26.7 acres of unimproved land at the Bayport Container Terminal, to develop a depot for the handling and storage of empty containers. The leased premises were adjacent to the initial phase of development of the terminal.

At the same time, Houston Terminal, LLC entered into a separate interim lease within the Phase 1 area, to operate an empty depot and store chassis until the 30-year, 26.7-acre lease area was developed and occupied.

Houston Terminal's development of the 26.7-acre site has been postponed several times, and so both leases have been extended following Port Commission approval. The interim lease area currently totals 15 acres.

Houston Terminal, LLC has now indicated it is prepared to develop the empty yard under its long-term lease with an agreed upon 25.97 acres.

Staff Evaluation/Justification:

Under the proposed lease, Houston Terminal, LLC would continue to have responsibility to develop the leased premises, which would be relocated to the southeastern portion of the Bayport Container Terminal. Construction is expected to commence this summer and be completed in the first quarter of 2021.

The prior lease contemplated rent of \$31,750 per month; the proposed lease provides for \$40,617 per month, to commence following construction and to be increased each lease year by the lesser of the Consumer Price Index increase or 3%.

Terminal Operations and Legal staff recommend the approval of the amended and restated lease agreement.

K. OPERATIONS

Subject	4. Ratify a month-to-month lease with Houston Terminal, LLC for approximately 15.75 acres at Bayport Container Terminal at the current monthly rental of \$132,950.72, subject to change upon adjustment of Port Authority month-to-month lease rates.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, ratify a month-to-month lease with Houston Terminal LLP for approximately 15.75 acres at the Bayport Container Terminal at the current monthly rental amount of \$132,950.72, subject to change upon adjustment of Port Authority month-to-month lease rates, 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 4b. - Cultivate productive relationships with all stakeholders STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:
General

Department:
Operations

Staff Contact:
Ryan Mariacher

Background:

The Texas Legislature amended the Water Code on June 17, 2011 to provide, "the commission or the executive director, or a person authorized by the commission or the executive director, may enter into a lease for a monthly tenancy or a tenancy from month to month. The lease term may only exceed one year if: (1) the commission enters an order on the minutes; and (2) the execution of the lease is in the manner provided by the original order for the lease."

By Minute No. 2008-0219-28, the Port Commission approved an interim lease agreement (HT Interim Lease) with Houston Terminal, LLC (Houston Terminal), a subsidiary of MSC, for operation of an empty container depot at the Bayport Container Terminal until development and construction of an empty container depot is completed by the lessee.

Due to changed circumstances, the originally contemplated construction has not occurred. The term of the HT Interim Lease had been extended and the monthly rental amounts had been increased from time to time since the commencement of the lease. The term of the HT Interim Lease expired on April 30, 2018 and was not further extended by amendment; accordingly, Houston Terminal has been occupying the leased premises as a month-to-month tenant since that time. On May 1, 2019, the month-to-month lease will have been in effect for more than one year.

The Port Authority and Houston Terminal have been negotiating an amended and restated 30-year term lease agreement, the execution of which would allow the construction contemplated in the HT Interim Lease to move forward. However, Houston Terminal would need to continue to occupy the month-to-month leased premises until such time as the construction is completed on the 30-year term lease premises, which would not occur prior to May 1, 2019.

Staff Evaluation/Justification:

Staff recommends ratification of the month-to-month lease with Houston Terminal LLC. The continued occupation of the month-to-month premises would allow Houston Terminal to continue its operations at Bayport while it completes construction on the term lease parcel. From a productivity and economic perspective, it is in the best interests of the Port Authority to allow Houston Terminal to continue its operations at the Bayport Container Terminal and allow Port Authority staff to reevaluate the highest and best use of this property once the month-to-month lease expires and consider recommendations for future best use of this property.

K. OPERATIONS

Subject	5. Approve the change of control of Ceres Gulf, Inc. from NYK Energy Transport (USA), Inc., as current owner of 51% indirect ownership interest in Ceres Gulf, Inc., to MIP III Bluefin B Holdco, L.P., in connection with three leases at the Barbours Cut Container Terminal and the Turning Basin.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, approve the change of control of Ceres Gulf, Inc. from NYK Energy Transport (USA), Inc. as majority indirect owner of Ceres Gulf, Inc., to MIP III Bluefin B Holdco, L.P., an affiliate of the Macquarie Group, in connection with two office leases at the Barbours Cut Container Terminal and a lease for the loading and storing of vehicles at the Turning Basin, 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:
Port Operations

Staff Contact:
Jeff Davis

Background:

The Port Authority currently has two lease agreements with Ceres Gulf, Inc. (Ceres) described below and a lease agreement with Texas Stevedoring Services, a Delaware limited liability company (TSS) assigned to TSS by Ceres described below (together, the Leases).

By Minute No. 2004-0823-23, the Port Commission authorized a month-to-month-lease agreement with Ceres under PHA File Number 2004-0253 for 10.08 acres at the Turning Basin for the loading and storing of vehicles dated May 21, 2008, with a commencement date of January 1, 2008.

The Port Authority currently has a month-to-month lease agreement with Ceres under PHA File Number 2018-0020 for 650 sq. ft. of office space in the Barbours Cut Container Terminal C-6 Waterside Building with a commencement date of February 15, 2018.

Additionally, by Minute No. 2015-0623-12, the Port Commission authorized an office lease agreement with Ceres under PHA File No. 2012-0258 for 1,098 sq. ft. at the Barbour's Cut Container Terminal Administration Building dated September 1, 2015, as amended by that certain Amendment to Office Lease dated August 31, 2017. The Port Commission thereafter consented to the assignment of the office lease by Ceres to TSS effective July 1, 2018. Ceres owns 50% of the ownership interests of TSS.

NYK Energy Transport (USA), Inc. (NETU) plans to transfer its indirect 51% ownership interest in Ceres to MIP III Bluefin B Holdco, L.P. (MIP III), the current owner of the remaining 49% ownership interest in Ceres (the Transaction). The Transaction is anticipated to occur in the first fiscal quarter of 2019. Ceres has requested, in accordance with the requirements of the Leases, that the Port Authority approve the Transaction and resulting change of control. Currently, NETU owns a 51% indirect ownership interest in Ceres. After the Transaction, NETU would own no interest in Ceres and Ceres would be 100% owned by MIP III. Ceres would continue to own 50% of the ownership interests of TSS after the Transaction.

Staff Evaluation/Justification:

Staff has reviewed the information provided by Ceres relating to the change of control. It is anticipated that the requested change of control would have minimal impact on the operations of Ceres.

Accordingly, staff recommends that the Port Commission approve this change of control.

L. PEOPLE

Subject	1. Approve a professional services contract with ICF SH&E, Inc. to update the Port Authority Strategic Plan and provide strategic planning services in an amount not to exceed \$85,000.
Meeting	Feb 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 26, 2019 meeting, approve a professional services contract with ICF SH&E, Inc. to update the Port Authority Strategic Plan and provide strategic planning services in an amount not to exceed \$85,000, 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:

Corporate Strategy

Staff Contact:

Lindsay Hook

Background:

By Minute No. 2014-1216-07, the Port Commission approved a professional services contract with LeighFisher, Inc. to provide strategic planning services to the Port Authority. LeighFisher's project leads, Nick Davidson and Richard Batty, assisted the Port Authority with a comprehensive evaluation of its priorities and development of a strategic plan to provide a coordinated set of goals, objectives, and action plans to achieve key Port Authority outcomes.

By Minute No. 2015-0428-05, the Port Commission approved and adopted the 2015 Strategic Plan - Mission, Vision, Strategic Goals, and Objectives.

Since the Plan's adoption, the Port Authority continues to excel in executing its mission "To Move the World and Drive Regional Prosperity" and has made enormous progress towards its vision to become "America's Distribution Hub for the Next Generation." Several of the Plan's goals and objectives have been completed and processes have been developed to support their long-term relevance for the Port Authority. At the same time, new challenges and opportunities have emerged which warrant recognition and inclusion in planning the Port Authority's future. In order to maintain a competitive advantage, the Port Authority must also address evolving market changes, such as cybersecurity, deepening and widening of the ship channel, accommodation of Super Post-Panamax ships, and maintaining a competitive tariff.

Staff Evaluation/Justification:

The Port Authority is required by Section 5007.221(e) of the Texas Special District Local Laws Code to re-evaluate its long-range and strategic plans every five years.

ICF SH&E, Inc. has a history of providing strategic planning services to the public and private transportation industry. In addition, ICF's proposed project leads are Nick Davidson and Richard Batty (formerly with LeighFisher and now with ICF), who assisted the Port Authority in developing its 2015 Strategic Plan. Staff recommends that ICF provide the following review, evaluation, and strategic planning services for the Port Authority:

- an assessment of the Port Authority's mission and values statements;
- an assessment of the Port Authority's current state;
- an assessment of the projected operating environment over the course of the long-range plan;
- a discussion of high-level goals, strategies, and priorities; and
- framework for ongoing evaluation of progress toward stated goals, including performance measures.

ICF has proposed the amount of \$85,000. Staff has reviewed the proposal and found it to be fair and reasonable, and recommends that the Port Commission approve the proposed contract.