

I N D E X

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

<u>Minute No.</u>	<u>Event/Action</u>
	General
2019-0326-01	Chairman Campo convened the Port Commission meeting, welcomed everyone and provided opening remarks
	Minutes
2019-0326-02	Approve the minutes of the February 26, 2019 Port Commission meeting
	Appearances
2019-0326-03	Chairman Campo recognized Oliver Brown, Attorney, who addressed the Port Commission
2019-0326-04	Chairman Campo recognized Adam Brooks, Ceres Gulf Inc., who addressed the Port Commission
2019-0326-05	Chairman Campo introduced Jeff Wolverton, District Director for Texas Representative Mary Ann Perez, who addressed the Port Commission
	F. Executive
2019-0326-06	Staff Report – Summary of selected financial and operational matters – Roger Guenther, Executive Director
2019-0326-07	Chairman Campo recognized Robert Gallegos, Council Member District I, Houston City Council, who addressed the Port Commission
2019-0326-08	Chairman Campo recognized Levi Benton, Attorney, who addressed the Port Commission
2019-0326-09	Continued deliberation, public comment, and possible action regarding measures to address one-way traffic impacts on the Houston Ship Channel (See also below, Minute No. 2019-0326-47)
2019-0326-10	Chairman Campo recognized Charles Montgomery, ILA, who addressed the Port Commission

<u>Minute No.</u>	<u>Event/Action</u>
2019-0326-11	Chairman Campo recognized Shareen Larmond, West Gulf Maritime Association, who addressed the Port Commission
2019-0326-12	Establish a Compensation Committee of the Port Commission and approve committee and task force chairs and members
2019-0326-13	Consideration of and possible action to approve the amended Port of Houston Authority Procurement Policy
2019-0326-14	Amend the Small Business Development Program Policy and Procedures to add the South Central Texas Regional Certification Agency, the Texas Comptroller of Public Accounts, and the Texas Department of Transportation as certifying agencies acceptable to the Port Authority
2019-0326-15	RCA F5 FAILED
2019-0326-16	Authorize the Port Authority to advertise and receive proposals to provide services for a disparity study Appoint Commissioner Stephen DonCarlos as a member of the Board of Directors of HAS Development Corporation (<i>Approved below – see Minute No. 2019-0326-46</i>)
2019-0326-17	Amend the professional services contract with Greenberg Traurig, LLP for state and federal governmental policy consulting and support
G. Commercial	
2019-0326-18	Staff Report – selected agenda items – Tom Heidt, Chief Operating Officer
2019-0326-19	Award a professional services contract to John C. Martin Associates, LLC for the development of an economic impact study
2019-0326-20	Approve a lease agreement with Greens Bayou Fleeting, LLC for approximately 2.75 acres of upland and shoreline access, and approximately 13.37 acres of submerged property at Greens Bayou out of Block 7 at the Bulk Materials Handling Plant effective no earlier than April 1, 2019 for a twenty-year term with two five-year mutual options, at an annual rental of \$502,872, subject to an annual 3% increase
2019-0326-21	Approve a lease agreement with Irvin Schoeneman for approximately 34.35 acres out of Block 4 at Rosa Allen effective June 1, 2019, for a three-year term, at an annual rental of \$858.75

<u>Minute No.</u>	<u>Event/Action</u>
2019-0326-22	Approve an amendment to the lease agreement with CB&I LLC at the Bayport Container Terminal east of Freight Station Road increasing the leased premises by approximately 14 acres for a total of approximately 57.92 acres effective no earlier than April 1, 2019, at a total annual rental of \$1,702,848 subject to an annual 3% increase
2019-0326-23	Amend the lease with Watco Transloading, LLC of approximately 5.31 acres at Industrial Park East to extend the term for an additional one-year, effective May 1, 2019, at an annual rental of \$112,381 subject to annual increase of 3%
H. Finance	
2019-0326-24	Staff Report – selected agenda items – Tom Heidt, Chief Operating Officer
2019-0326-25	Authorize advertisement and receipt of responses for twelve formal procurements
2019-0326-25(a)	Request for competitive sealed bids for a two-year contract for the purchase of commercial paper products for Turning Basin, Barbours Cut, and Bayport Container Terminals
2019-0326-25(b)	Request for competitive sealed bids for a three-year contract for tire repair services for Barbours Cut Terminal, Bayport Container Terminal and Turning Basin Terminal
2019-0326-25(c)	Request for competitive sealed bids for a two-year contract for purchase of Cummins diesel engine parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2019-0326-25(d)	Request for competitive sealed bids for purchase of LED lighting for wharf cranes at Bayport Container Terminal
2019-0326-25(e)	Request for competitive sealed bids for purchase of electrical repair services to high voltage cables at Bayport Container Terminal
2019-0326-25(f)	Request for competitive sealed proposals for bed-leveling the berths at Barbours Cut Terminal
2019-0326-25(g)	Request for competitive sealed proposals to install rail and switch replacement at Turning Basin in 2019-2020
2019-0326-25(h)	Request for proposals for staff augmentation for qualified Information Technology project management oversight services

<u>Minute No.</u>	<u>Event/Action</u>
2019-0326-25(i)	Request for proposals for professional EDI application management, database management, and server monitoring services
2019-0326-25(j)	Request for proposals for position detection system
2019-0326-25(k)	Request for proposals for the Human Resource Benefits Integration Services Contract
2019-0326-25(l)	Request for proposals for financial advisory services relating to channel infrastructure funding strategies

I. Infrastructure

2019-0326-26	Staff Report – selected agenda items – Rich Byrnes, Chief Infrastructure Officer
2019-0326-27	<p>Approve staff's ranking of vendors and award a contract, in an amount not to exceed \$916,872, for the United States Department of Agriculture APHIS Houston Maritime Lab at Bayport Terminal Complex (remodeling the Gate Services Building at Bayport Container Terminal), to the top-ranked proposers: staff ranking – first, CMC Development & Construction Corporation LLC; second, IKLO Construction; and third, Nash Industries, Inc., subject to United States Department of Agriculture reimbursement of \$678,486 (74% of the original cost); resulting in a net cost to the Port Authority of \$238,386</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2019-0326-28	Authorize a second amendment of the Advanced Funding Agreement with the Texas Department of Transportation to increase the funding for drainage improvements associated with the Southbound Loop 610 Feeder Road at the Turning Basin Terminal
2019-0326-29	Issue a pipeline license to ExxonMobil Pipeline Company for one 36-inch crude oil pipeline under and across Scott Bay, Houston Ship Channel, and Upper San Jacinto Bay
2019-0326-30	Issue a pipeline license to ExxonMobil Pipeline Company for one 20-inch refined products pipeline under and across Scott Bay, Houston Ship Channel, and Upper San Jacinto Bay

J. Operations

2019-0326-31	Staff Report – selected agenda items – Jeff Davis, Chief Port Operations Officer
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Minute No.

Event/Action

2019-0326-32 Award a two-year contract to United Air Conditioning Supply for purchase of spare and replacement parts for Daikin and Liebert HVAC systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$300,000; award a two-year contract to Johnson Supply for purchase of spare and replacement parts for Baird and Friedrich HVAC systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$300,000; and award a two-year contract to InSCO Distributing, Inc. for purchase of spare and replacement parts for York HVAC systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$150,000

Port Commission adopted the staff-recommended ranking and authorized award

2019-0326-33 Award a two-year contract to ABB, Inc., the sole source provider, for quarterly inspection services for motor control drives on wharf cranes at Barbours Cut Terminal and Bayport Container Terminal

2019-0326-34 Enter into an agreement with Harris County, on behalf of the Harris County Tax Office, to use the Texas Registration and Title System to issue vehicle registrations and inspection insignias for Port Authority vehicles

2019-0326-35 Issue a Stevedore License for a nine-month term commencing April 1, 2019 and expiring December 31, 2019, to Houston Terminal LLC upon applicant's satisfactory completion of all requirements and obligations for license issuance

K. People

2019-0326-36 Staff Report – selected agenda items – Jessica Shaver, Chief People Officer

2019-0326-37 Approve staff's ranking of vendors and award a professional services contract for two years beginning April 1, 2019, for the Executive Office Building, Port Coordination Center, Sam Houston Pavilion restrooms, and ten gatehouses to the top-ranked proposer: staff ranking - first, Maintenance of Houston, Inc.; second, GMW Quality Cleaning Solutions, LLC dba Hospitality Cleaning Solutions; and third, Marfran Cleaning, LLC

Port Commission adopted the staff-recommended ranking and authorized award

2019-0326-38 Adopt the Group Benefits Funding and Insurance Program Policy

Minute No.

Event/Action

L. Port Security and Emergency Operations

2019-0326-39 **Staff Report** – Selected agenda items – Marcus Woodring, Chief Port Security and Emergency Operations Officer

2019-0326-40 Issue a purchase order to Metro Fire Apparatus Specialists, Inc. for the purchase of eleven Self Containing Breathing Apparatus and twelve cylinders, using the Houston-Galveston Area Council's cooperative purchasing program

2019-0326-41 Issue a purchase order to Motorola Solutions for the purchase of Land Mobile Radio equipment including radios, batteries, chargers, related hardware, and accessories for the Operations and Port Security and Emergency Operations divisions using the Houston-Galveston Area Council's cooperative purchase program

M. Technology

2019-0326-42 **Staff Report** – Selected agenda items – Charles Thompson, Chief Technology Officer

2019-0326-43 Issue a purchase order to Microsoft Corporation for purchase of Microsoft Unified Support Services (formerly known as Microsoft Premier Services), using Texas Department of Information Resources' cooperative purchase program

2019-0326-44 Issue a purchase order to SHI Government Solutions, Inc. for purchase of Cyberark maintenance and professional services, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program

N. Recess Open Meeting and Convene Executive Session

O. Reconvene Open Meeting

2019-0326-45 Motion to authorize the Executive Director to settle *Port of Houston Authority v. M/V Global Leader and Global Maritime Ltd.* on the terms discussed in Executive Session, and to authorize the Executive Director to do all things necessary to give effect to the foregoing

2019-0326-46 Appoint Commissioner Stephen DonCarlos as a member of the Board of Directors of HAS Development Corporation

2019-0326-47 Continued deliberation, public comment, and possible action regarding measures to address one-way traffic impacts on the Houston Ship Channel

P. Adjourn Meeting

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

**Houston, Texas
March 26, 2019**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on March 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
John D. Kennedy, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
J. Kent Friedman, outside counsel

(2019-0326-01) Chairman Campo convened the meeting of the Port Commission and welcomed everyone.

Chairman Campo acknowledged the amazing way the Port of Houston community had come together on the ITC challenge. Approximately 1,000 people and multiple government agencies had been involved to date in the matter, including the Port Authority's fire and police departments, and Chairman Campo thanked all the team members involved in this endeavor.

Chairman Campo reiterated that he was very impressed with Port Houston staff and commissioners regarding how the Port Authority had been organized over the last few years, and he appreciated the time and effort of staff and commissioners to get him up to speed.

(2019-0326-02) Minutes

Chairman Campo called for a motion to approve the minutes of the February 26, 2019 Port Commission meeting. Commissioner Mease moved for approval, seconded by Commissioner Branch. The minutes were approved as written.

Appearances

(2019-0326-03) Chairman Campo recognized Oliver Brown, who addressed the Port Commission. Mr. Brown, an attorney representing Justin Jordan, stated that he was there to discuss Item F7 on the agenda pertaining to the appointment of Commissioner Stephen DonCarlos to the Board of Directors of the HAS Development Corporation

("HASDC"). Mr. Brown stated that at its December meeting, the Port Commission voted to confirm Mr. Justin Jordan's appointment to the Board of Directors of HASDC. Previously, after notice of the appointment, the HASDC Board of Directors had met and changed its bylaws which has resulted in litigation. Mr. Brown referenced correspondence he furnished to commissioners the previous evening and asked that they review the letter and consider tabling Item F7.

Chairman Campo thanked Mr. Brown for his comments.

(2019-0326-04) Chairman Campo recognized Adam Brooks, Ceres Gulf Inc. ("Ceres Gulf"), who addressed the Port Commission. Mr. Brooks advised that he was Vice President of Ceres Gulf and would address Item J4 on the agenda regarding issuing a stevedore license to Houston Terminal LLC ("HT").

Mr. Brooks stated that Patrick Burgoyne, President and Chief Executive Officer of Ceres Gulf and a board member of HT, had sent a letter to the Port Commission the previous evening stating that the stevedore license application was not authorized by the Board of Directors of HT, and requested that the Port Commission vote no on Item J4.

Chairman Campo thanked Mr. Brooks for his comments and asked if there were any questions. There were none.

(2019-0326-05) Chairman Campo introduced Jeff Wolverton, District Director for Texas Representative Mary Ann Perez, who addressed the Port Commission.

Mr. Wolverton presented a Resolution from Texas Representative Mary Ann Perez congratulating Mr. Campo on his appointment as Chairman of the Port Commission.

(2019-0326-06) Mr. Guenther presented a summary of operational and financial matters as follows:

- Mr. Guenther stated that year-to-date overall tonnage at Port Authority facilities was 6.5 million tons, up 6% for the year, and loaded container tonnage was up 7% versus last year. These increases were driven by steel imports and container volume.
- Steel imports had increased 44% thru February, and all indications are that March will also be a very strong month for cargo at the Turning Basin.
- Mr. Guenther elaborated further on Chairman Campo's comments regarding the ITC incident and reported that Port Authority firefighters were still present at the scene. Two Port Authority fireboats were dispatched to the scene on Sunday, March 17, the day of the incident, and the third fireboat was dispatched to the scene on March 18. After three days, more than 725-man hours, and 65

million gallons of water to fight the fire, it was initially extinguished on March 20. Two Port Authority fireboats remained near ITC conducting air monitoring.

On Friday the containment berm breached, a large amount of chemical water began flowing toward the channel, and the fire reignited. The Port Authority Fire Department was present to assist in extinguishing it.

Mr. Guenther concluded that to date, after a total of 2,300 manhours, two fireboats on the scene continuously were still monitoring matters.

Mr. Guenther introduced four members of the team present at the meeting representing their fellow firefighters: Chief William Buck, Senior Captain Stan Kozlowski, Mark Lewis, Driver Operator, and Kyle Jordan, Engine Room Operator, and thanked them and all the firefighters for their efforts in this matter.

Mr. Guenther concluded by advising that the blue buckets on display outside the boardroom were part of the "Beautify the Bucket Competition" that allowed participants to paint buckets to be placed on Galveston beaches to encourage proper disposal of trash. Staff painted those buckets and those would be judged on April 13 during the Adopt-A-Beach spring cleanup event.

Commissioner Mease commented that he was disturbed that it had been reported in the press that the fire reignited because the fireboats left the scene, which was not the case. Captain Marcus Woodring, Port Security and Emergency Operations Officer, noted that it was stated that the fireboat pumps had failed for six hours, which was also not the case, adding that the fireboats performed superbly, and the statement was retracted at the next press conference.

Commissioner Corgey, as a former mariner, praised the fire personnel present for their outstanding job and thanked them again.

(2019-0326-07) Chairman Campo recognized Robert Gallegos, Council Member District I, Houston City Council, who addressed the Port Commission.

Council Member Gallegos announced that he was there to encourage the Port Commission to vote in favor of a disparity study, and noted that he and other members of the government had spoken at the October 2018 Port Commission meeting regarding this matter. He read a letter that was sent to the commissioners before that meeting urging support of a disparity study and noted that there were no Hispanics in upper management at the Port Authority.

Chairman Campo thanked Councilman Gallegos and asked if there were any questions. There were none.

(2019-0326-08) Chairman Campo recognized Levi Benton, who addressed the Port Commission.

Mr. Benton stated that he was the attorney representing HASDC in the litigation concerning appointment of Justin Jordan to its board of directors. Mr. Benton stated that he was there to ask the Port Commission to appoint Commissioner DonCarlos to the HASDC board. He asked if there were any questions, there were none.

Chairman Campo thanked Mr. Benton for his comments.

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

(2019-0326-09) RCA F1 was presented, “Continued deliberation, public comment, and possible action regarding measures to address one-way traffic impacts on the Houston Ship Channel.”

Chairman Campo reported on occurrences related to the item since the previous Port Commission meeting. Lieutenant Governor Dan Patrick reinstated the Senate Select Committee on Texas Ports, which held a hearing on March 6. Chairman Campo, representatives of the Coalition for a Fair and Open Port (“Coalition”), and Captain Mark Mitchem, Presiding Officer of the Houston Pilots Association, testified regarding two-way traffic on the Houston Ship Channel. Nine bills were thereafter filed on the matter prior to the March 8 filing deadline.

He stated that the Port Commission continued to work with the Coalition and other stakeholders regarding the issue, adding that he hoped to hear from industry groups that represented the container ships and that all sides needed to be heard from, so that the Port Commission could decide what the next steps were. Chairman Campo asked if there were any questions. There were none.

(2019-0326-10) Chairman Campo recognized Charles Montgomery, ILA, who addressed the Port Commission.

Mr. Montgomery addressed the Port Commission as a citizen of Harris County regarding the issue of two-way traffic versus one-way traffic on the channel. He reminded everyone that during the oil bust of the 80’s our community, community leaders, public officials and the Port Commission recognized the need to diversify the economic opportunities for our community.

Mr. Montgomery stated that the citizens of Harris County have always supported the Port of Houston and had approved several bonds to make improvements to the port's infrastructure, the waterway, and to finish construction of Barbour's Cut Terminal and then begin construction and move forward with the Bayport Terminal. He urged the Port Commission to continue to follow the path for a diversified economy and not limit it to a single economic factor.

Chairman Campo thanked Mr. Montgomery for his comments and asked if there were any questions. There were none.

(2019-0326-11) Chairman Campo recognized Shareen Larmond, West Gulf Maritime Association (the "WGMA"), who addressed the Port Commission.

Ms. Larmond stated that she was the President of the WGMA, representing over 200 companies in the maritime community from Brownsville, Texas to Lake Charles, Louisiana. WGMA was the second largest port association of its kind in the country.

Ms. Larmond spoke on behalf of the container carriers calling on the Port of Houston. Their biggest concern was the proposed limitation of container vessels over 1,100 feet to one vessel per week. Decades went into preparing for the Panama Canal expansion and assuring Houston had a competitive chance to accommodate larger moveable economies.

The Port Authority has spent hundreds of millions in infrastructure improvements to accommodate larger vessels that bring in not only consumer goods but also export plastic resin which benefit both container and energy companies. Restricting these larger vessels will severely disrupt supply chains, detrimentally impact labor manhours, and decrease opportunities for pilots to learn ways to manage these ships.

Much had been said regarding transit times of the larger vessels, but the inbound and outbound pilot times on these larger vessels had consistently been 3.5 to 4 hours. To base transit times on cumulative information was misleading and inaccurate and could be attributed to other sources, from tug unavailability to unfortunate disasters, natural or otherwise.

Vessels of 1,100 feet or greater make up approximately 30% of the fleets of most major container lines. Restricting these vessels will have a severe impact on future ships and sends an unwelcoming message to vessel lines, causing a diversion of much-needed work and Harbor Maintenance Tax dollars to other ports outside of Texas. The Houston Ship Channel is federally managed and should be available for all users. Ms. Larmond asked that hasty decisions not be made and stated the WGMA looked forward to having a collaborative dialogue and a compromise to move Houston's maritime industry forward.

Chairman Campo thanked Ms. Lamond for her comments and asked if there were any questions. There were none.

Chairman Campo continued the deliberation and noted that one of the challenges was that the container carriers are not based in Houston. He advised that he and Mr. Guenther would be meeting on the east coast to have face-to-face dialog with some of the major container companies on April 3 to discuss the matter.

Chairman Campo stated that “first light/last light” and one transit per day protocols had been put in place to minimize delays, and again emphasized that information must be shared with all, adding that the Port Authority was publicizing the schedule of the large vessels, analyzing each sailing in and out, and sending that information to all interested parties. Commissioner Campo asked Mr. Guenther to share information on the last two large vessels to call the Port Authority and added that this information would be shared with the Coalition.

Mr. Guenther reported that staff continues to analyze the impacts of current one-way traffic restrictions in the Houston Ship Channel. Some of the data to do so had been provided by the Houston Pilots and Live Earth software (which the Port Authority had licensed more than a year ago) to better understand the actual impacts that vessels requiring one-way traffic have on arrivals and departures. Mr. Guenther noted that Live Earth software helps determine the times ships arrive at the anchorage and no other data source tracked this information. Other data sources used included Houston Pilots input to the HarborLights platform, U.S. Coast Guard notices for fog, data purchased from the Houston Port Bureau, and the N4 software platform used for ships at Port Authority Terminals.

Staff reviewed the delays caused by the arrival/departure of the MSC SANA and the MSC PAMELA, both container vessels required one-way traffic, inbound and outbound, to Bayport Terminal. On the days these ships arrived or departed, the Houston Pilots successfully managed the movement of 33 to 39 vessels, and all vessels planned to arrive or depart the Houston Ship Channel were able to do so. The average delay time to energy or chemical tankers was 2.75 hours, versus the 5.0 to 5.5 hours suggested by the Coalition during the February Port Commission meeting.

Mr. Guenther also noted, to understand the relevancy of the delays, that the energy and petrochemical-related ships impacted averaged 144 hours – or six days – in port, from the time they arrived at the anchorage to the time that the pilot stepped off the ship departing the anchorage. He added that during the two weeks the large vessels arrived (one each week), combined between both ships there were over 480 vessel movements in the channel during that time and a total of 15 ships impacted.

Mr. Guenther emphasized that during times of one-way traffic movements, the channel was not closed as there was still traffic movement in a single direction, unlike during a fog event, when movement in both directions ceases.

Chairman Campo stated that staff needed to continue to analyze the data and make sure that everybody understood what the impacts were. Currently there were some delays, but it did not appear to be negatively impacting business over the long term. He noted that the Coalitions modelling was of 200 vessels over 1,100 feet entering the channel and presumed one-way traffic from all of them, and that would have a significant impact on the channel traffic. However, to date only ten large vessels had entered the channel.

The concerns that the energy sector had was that it needed to make significant investments today to accommodate the increase in petrochemical exports expected because of the energy boom in the Permian Basin, and ultimately the channel needed to be widened and deepened.

Chairman Campo reported that a traffic efficiency group may be created by the Legislature. The group would include the Houston Pilots, U.S. Coast Guard, the Port Authority, and industry representatives from all the different industries that use the channel, and information would be shared by all parties and placed into a repository, so users could see what is going on in the channel at any given time to assist with planning and maximize the efficiency of the channel.

Commissioner Fitzgerald suggested that Chairman Campo, Mr. Guenther, and the Houston Pilots meet with the energy industry and container representatives, and sit down and come to a mutual understanding regarding the larger vessels in the channel.

Commissioner Corgey agreed with Commissioner Fitzgerald's comments and stated that he appreciated Ms. Larmond's comments and when she said "compromise." The two sides needed to meet and come to a mutually satisfactory agreement so that the port and region will continue to prosper.

Commissioner Branch asked how many hours the channel was closed due to the ITC incident. Captain Woodring replied that to date, 72 to 96 hours, which would of course influence the data. Mr. Guenther stated that three large vessels were due into port between now and July, and that the ITC fire did not affect the results of the the MSC SANA and MSC PAMELA data.

Commissioner DonCarlos commented that he was confident that a mutually agreeable compromise could be reached with all parties for a temporary solution and that a strategy was being contemplated for the long-term solution.

Commissioner Mease commented that the Port Commission needed to investigate funding for the deepening and widening of the channel and suggested that Washington and Austin politicians needed to be approached to make them aware of the issue.

Chairman Campo noted that he hoped to have a suitable compromise in place within the next few weeks for the short-term solution. On a high note he stated that only 20 large vessels were expected in 2019. After a short-term solution was reached, the group will be able to focus on how to fund the widening and deepening project and how to have the government recognize it as a priority matter.

Mr. Guenther stated there was an item on the agenda for approval to seek proposals for financial advisory services relating to channel infrastructure funding strategies.

Chairman Campo reminded all that his top two priorities were to fix this short-term problem and deepen and widen the channel.

Commissioner Kennedy commented that it would be helpful if all present at the meeting could talk to their legislators and senators to emphasize the importance of the long-term solution for the region and the state of Texas. Chairman Campo commented that talking points were being prepared and would be shared with stakeholders in the next week or two.

Chairman Campo asked if anybody else in the audience had any comments. There was no response.

(2019-0326-12) RCA F2 was presented, "Establish a Compensation Committee of the Port Commission and approve committee and task force chairs and members."

Chairman Campo noted that the duties of the newly formed Compensation Committee would include (i) review of senior management compensation; (ii) creation of a succession planning document; and (iii) review of overall Port Authority compensation programs.

Chairman Campo, and Commissioners Branch, Corgey, and Fitzgerald volunteered to be members of the Compensation Committee. A vote would be taken at the first meeting to appoint a chair.

Commissioner Corgey moved for approval of the Compensation Committee members, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. Motion PASSED.

Chairman Campo noted that standing committee members would remain the same as follows.

- Audit Committee – Commissioners Fitzgerald and Branch, and Chairman Campo;
- Governance Committee – Commissioners DonCarlos and Kennedy, and Chairman Campo;
- Pension and Benefits Committee – Commissioners Fitzgerald and Corgey, and Chairman Campo; and
- Procurement and Small Business Development Task Force – Commissioners Kennedy, Branch, and Mease.

Chairman Campo then presented the Community Relations Committee. He explained that it would hold broad discussions of community-related matters. All commissioners expressed a desire to serve on the committee.

Commissioner Mease moved for approval of the proposed committee assignments, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. Motion PASSED.

(2019-0326-13) RCA F3 was presented.

Commissioner Kennedy reported that agenda Items F3-F6 were recommendations from the Procurement and Small Business Development Task Force.

He briefed the Port Commission on proposed amendments to the Port Authority's Procurement Policy.

Commissioner Kennedy moved for approval, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy and Mease voted Aye. Nays none. RCA F3 PASSED.

(2019-0326-14) RCA F4 was presented.

Commissioner Kennedy stated that the task force wished to amend the Small Business Development Program Policy and Procedures to add the South Central Texas Regional Certification Agency, the Texas Comptroller of Public Accounts, and the Texas

Department of Transportation as certifying agencies acceptable to the Port Authority, which would broaden and expand the agencies accepted for small business certification. Currently accepted were the Women's Business Enterprise Alliance, Houston Minority Supplier Development Council, METRO, City of Houston, and the U.S. Small Business Administration.

Commissioner Mease moved for approval, seconded by Commissioner Branch, Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy and Mease voted Aye. Nays none. RCA F4 PASSED.

(2019-0326-15) RCA F5 was presented.

Commissioner Kennedy reported that the task force agreed to recommend that proposals be sought to provide services for a vendor demographics study that would potentially be phase one of a future disparity study. He advised that the task force had been investigating the recommendations from members of the Procurement and Small Business Advisory Council that the Port Authority conduct a disparity study, and commented that METRO, Harris County and the City of Houston were exploring disparity studies, and some were underway.

Commissioner Kennedy mentioned that notwithstanding the suggestions to conduct a disparity study, that the Port Authority had received no complaints or lawsuits regarding unfair treatment or practices but had received compliments on the existing program. However, the recommendation was taken seriously by the task force which had been considering the request since late last year. Commissioner Kennedy stated that the majority of the task force supported the race- and gender-neutral small business and procurement program and believed the current program has served the Port Authority extremely well since 2001.

Commissioner Kennedy advised that the program had improved through the years to eliminate bureaucracy, expand the use of co-op purchases and hard bids, and reduce the time it took for contract awards, and added that "best value" had been sought in all contracts and procurements. Commissioner Kennedy noted the program was fundamentally sound and high performing and had won many awards through the years. He observed that it was disconcerting to some to inject race and gender into best value decisions, and that every proposal should continue to be awarded on merit and value to the Port Authority, and no proposal should be favored or disfavored due to race or gender.

Commissioner Kennedy reported there was an additional recommendation to reconfigure the Port Authority's software to allow vendors to self-report race and gender items to allow that data to be tracked. This recommendation was made unanimously by the task force.

Commissioner Mease moved for approval, seconded by Commissioner Kennedy. Commission Branch requested the item be discussed.

Commissioner Branch felt the item was unnecessary and a delay to prevent a full disparity study, and that doing both studies would be a waste of money. He explained his view that the current small business program was not in question, but the issue is whether the Port Authority had served underutilized communities in the city. He suggested that the Port Authority needed the data of a disparity study to determine whether the current program was a fair broad-based program across all communities in the city, and that the vote should be “no” on Item 5 for a demographics study and “yes” on Item 6 for a disparity study.

Commissioner DonCarlos asked for an explanation of the difference between a disparity study and a demographic study.

Mr. Eriksson was asked to respond. He explained that the task force was briefed on the several components that were part of a full disparity study, based on a series of Supreme Court decisions that required certain steps to be taken by a government agency if it is going to have a race/gender-conscience program. One part would be to examine whether there had been a history of discrimination based on race or gender in the relevant communities, the Port Authority’s jurisdiction. Furthermore, the study would look at whether the discrimination had impacted the vendor communities for the particular types of contracts that the institution was going for.

The second part of a disparity study would be to look at those various vendor communities and determine whether they had contract “capacity.” For example, for a project using architects, the study would review outreach to the full community and whether there were a sufficient number of women architects, African-American architects, or Hispanic architects to justify including those measures in your procurement and in certain targets and goals.

The third piece was the “demographic study,” which would look at how the institution was performing to date. Using the same example, assuming there had been ten architectural services contracts over the years, and that number was a statistically significant amount, what was the breakdown for gender, race, etc.

All those components would make up a disparity study. Mr. Eriksson noted that as Commissioner Kennedy had stated, Item 5 was really the last piece of the study and the notion was that the services contract could be structured so that after receiving that information, the Port Authority could go to the other steps. The other alternative, as Commissioner Branch said, was to do the whole study at once.

Commissioner DonCarlos agreed that the Port Authority should be enabling gender and minority communities to do business with it, but added that the Port Authority had several specialized contracts, such as rebuilding piers and wharves, etc.

Chairman Campo referenced a project he was part of, involving MWBEs (Minority- and Women-Owned Business Enterprises) for the Marriott Marquis Hotel. The contract also had several specialized requirements, and when there were specialized requirements that could not be performed locally or by MWBE contractors (like cranes that are built overseas and shipped to the Port Authority), they would have to be excluded.

The MWBE program had a goal of 30%, however it did not require that 30% be reached or that specific race, gender, and minority businesses be hired. "Race conscious" was not about having a certain percentage of minorities, but rather was about broadening capacity and letting everybody compete fairly in the business, and perhaps helping the capacity grow, which our Small Business Program does an excellent job doing.

Chairman Campo stated that he would recommend that proposals for both studies be submitted to determine best value and then the Port Commission could decide how to proceed after reviewing all the proposals.

Commissioner Fitzgerald shared the consensus that the Port Authority's program was doing a good job but agreed that it is time to proceed with a study, whether it be one or both studies.

Commissioner Corgey advised that he understood there had been no official complaints but that he had received complaints from the Hispanic, African American and Asian communities, saying they did not feel they were getting a fair shot. Because he doesn't know what the numbers are he is at a loss at what to tell them. Commissioner Corgey agreed that a study should be conducted to provide the Port Commission the information needed and believed that Item 6, a disparity study, would provide the most information.

Commissioner Mease noted that he had not received any complaints about the current program and felt a study was unfounded and only being done because others were doing them. He supported Item 5, a demographics study, to first determine if a disparity study was even needed.

Commissioner DonCarlos stated that he was in favor of proceeding with Item 6 for a disparity study.

Chairman Campo called the item to a vote.

Chairman Campo, and Commissioners Kennedy and Mease voted Aye. Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Nay. RCA F5 FAILED.

(2019-0326-16) RCA F6 was presented.

Commissioner Fitzgerald moved for approval, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, and Fitzgerald voted Aye. Commissioners Kennedy and Mease voted Nay. RCA F6 PASSED.

RCA F7 was moved to the end of the agenda. (*Approved by Minute No. 2019-0326-46*).

(2019-0326-17) RCA F8 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy and Mease voted Aye. Nays none. RCA F8 PASSED.

(2019-0326-18) Prior to Mr. Tom Heidt, Chief Operating Officer, providing a report on selected agenda items, Mr. Guenther reported on RCA G1.

Mr. Guenther reported that he had just received the recent economic income report prepared by John C. Martin Associates which was updated with 2018 data (the prior report used 2014 data). Highlighting the economic impacts of the Houston Ship Channel, its impact to the state of Texas was \$339 billion annually compared to \$265 billion in 2014, a 28% increase. Job creation was \$1.35 million, a 15% increase, and taxes paid to the state of Texas and local taxes were \$5.64 billion, a 12% increase. Mr. Guenther advised that the full report was expected in the next couple of weeks and that Mr. Martin would be present at the April Port Commission meeting to discuss the details of the report and answer questions.

Commissioner Kennedy inquired if the report showed how much of the \$339 billion came from the Port Authority and how much came from the other industries on the ship channel. Mr. Guenther responded that this information was requested in the study and it was approximately half.

Commissioner Fitzgerald noted that the ship channel was for everybody and all groups along the channel were important to this region and state. Chairman Campo concurred and stated that a deeper and wider channel was needed. Mr. Guenther added that this would be the eleventh time a channel improvement project was needed.

Commissioner Corgey expressed that an overlooked segment of our economic activity was the barge industry and stressed the importance of barge lanes staying intact.

Mr. Heidt advised that the Item G1 request was to expand on the Martin report to provide the economic impact on each county in the United States to provide to representatives in Washington and advise on the economic benefit of deepening and widening the channel.

(2019-0326-19) RCA G1 was presented, moved by Commissioner Mease, seconded by Commissioner Kennedy. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy and Mease voted Aye. Nays none. RCA G1 PASSED.

Mr. Heidt advised that Item G2 was a lease renewal which now included submerged land. The lease rate has increased to \$41,900 per month from the \$14,700 per month.

Mr. Heidt also addressed Item G4. He noted that the Port Commission approved the lease of 44 acres in January for a lay-down area; CB&I LLC has now requested to lease an additional 14 acres on the same terms, for an annual increase of \$411,600 and making the total annual rental \$1,702,848.

(2019-0326-20) RCA G2 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy and Mease voted Aye. Nays none. RCA G2 PASSED.

(2019-0326-21) RCA G3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy and Mease voted Aye. Nays none. RCA G3 PASSED.

(2019-0326-22) RCA G4 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy and Mease voted Aye. Nays none. RCA G4 PASSED.

(2019-0326-23) RCA G5 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy and Mease voted Aye. Nays none. RCA G5 PASSED.

(2019-0326-24) Mr. Tom Heidt, Chief Operating Officer, provided a report on selected agenda items.

Mr. Heidt highlighted Item H1(j), a request for proposals for a position detection system at the container terminals to improve safety and efficiency.

(2019-0326-25) RCA H1(a-l) was presented, moved by Commissioner Corgey, seconded by Commissioner Kennedy. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA H1(a-l) PASSED.

(2019-0326-26) Mr. Rich Byrnes, Chief Infrastructure Officer, provided a report on selected agenda items. Mr. Byrnes noted there were two awards and two pipeline licenses on the agenda.

Item I1 was an award for remodeling a gate services building at Bayport for use by the United States Department of Agriculture (“USDA”) to bring an inspection lab closer to cargo. Inspections normally done at Hobby Airport would now be conducted at the terminal, making the turnaround time much quicker. CMC Development & Construction Corporation LLC, the recommended vendor, was a certified small business and approximately 48% of the subcontractors participating in this remodel were small businesses. Additionally, the USDA would reimburse the Port Authority for approximately 75% of the costs.

Item I2 was an update on a project that the Port Authority was coordinating with the Texas Department of Transportation (“TxDOT”) to improve drainage along the feeder roads of the 610 Loop at the Turning Basin. The Port Commission previously authorized an amount which enabled TxDOT to initiate their bidding and letting process. TxDOT had since received seven bids, selected the lowest bid, and this amount was a true-up to actual costs.

The last two items were licenses for a 36-inch crude pipeline and a 20-inch products pipeline. These reflected the continuing expansion of the energy and petrochemical sector as well as the Port Authority’s continuing support of these sectors.

(2019-0326-27) RCA I1 was presented. Commissioner Branch moved for staff ranking – first, CMC Development & Construction Corporation LLC; second, IKLO Construction; and third, Nash Industries, Inc., subject to United States Department of Agriculture reimbursement of \$678,486 (74% of the original cost); resulting in a net cost to the Port Authority of \$238,386, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy and Mease voted Aye. Nays none. RCA I1 PASSED.

(2019-0326-28) RCA I2 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgy, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2019-0326-29) RCA I3 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgy, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2019-0326-30) RCA I4 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgy, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2019-0326-31) Mr. Jeff Davis, Chief Operations Officer, provided a report on selected agenda items. Mr. Davis noted that he would highlight Item J-3.

The Port Authority currently has 338 vehicles requiring annual registrations. This was a very time-consuming process and through this zero-dollar agreement it could be accomplished in-house. He added that protocols would be put in place to ensure its governance.

Commissioner DonCarlos asked Mr. Davis to comment on Item J4, as one of today's appearances had addressed this item. Mr. Davis explained that HT came to staff, advised that it was going to seek a stevedore license agreement, and provided necessary documentation. Staff was somewhat aware of a relationship between Ceres Gulf and HT inside the organization but did not have any intimate knowledge of that. Staff was asking this body to approve the license contingent upon HT meeting all necessary requirements and obligations for license issuance.

After a brief discussion on this matter, Chairman Campo asked for a motion for Items J1-J4.

(2019-0326-32) RCA J1 was presented, moved by Commissioner Branch, seconded by Commissioner Corgy. Chairman Campo, and Commissioners Branch, Corgy, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2019-0326-33) RCA J2 was presented, moved by Commissioner Branch, seconded by Commissioner Corgy. Chairman Campo, and Commissioners Branch,

Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2019-0326-34) RCA J3 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J3 PASSED.

(2019-0326-35) RCA J4 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA J4 PASSED.

(2019-0326-36) Ms. Jessica Shaver, Chief People Officer, provided a report on selected agenda items. Ms. Shaver described the agenda items for consideration.

Item K1 was a routine two-year cleaning services contract for the Executive Building, Port Coordination Center, Sam Houston Pavilion restrooms, and ten gatehouses.

Item K2 was the adoption of the Group Benefits Funding and Insurance Program Policy. The Port Authority transitioned from a fully insured program to a self-funded program in 2019 and this policy would outline the roles and responsibilities of staff for the administration and funding of this program.

(2019-0326-37) RCA K1 was presented. Commissioner Mease moved for staff ranking - first, Maintenance of Houston, Inc.; second, GMW Quality Cleaning Solutions, LLC dba Hospitality Cleaning Solutions; and third, Marfran Cleaning, LLC, seconded by Commissioner Kennedy. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2019-0326-38) RCA K2 was presented, moved by Commissioner Mease, seconded by Commissioner Kennedy. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2019-0326-39) Captain Marcus Woodring, Chief Port Security and Emergency Operations Officer, provided a report on selected agenda items.

Captain Woodring noted that Item L1 was for the purchase of 11 self-contained breathing apparatus and twelve cylinders for the Fire Department, as the current technology is being phased out over the next couple years. Item L2 was a request to issue a purchase

order for radio parts. Captain Woodring advised the Port Commission that a radio technician had recently been hired for repair of radios for the entire Port Authority.

(2019-0326-40) RCA L1 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2019-0326-41) RCA L2 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA L2 PASSED.

(2019-0326-42) Mr. Charles Thompson, Chief Technology Officer, provided a report on selected agenda items.

Mr. Thompson advised that both items were annual maintenance/support agreements. Item M1 was for Microsoft support services which provides proactive support for all the software from Microsoft. Item M2 was for a contract with Cyberark which allows the Port Authority to protect accounts that have privileged/elevated access and places them in a vault.

(2019-0326-43) RCA M1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Corgey, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2019-0326-44) RCA M2 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Corgey, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA M2 PASSED.

At 10:47 a.m., Chairman Campo called for a brief recess and advised that the Executive Session would follow. At 11:02 a.m., Chairman Campo instructed Mr. Eriksson to make the following announcement:

It is now 11:02 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 Port of Houston Authority v. M/V Global Leader and Global Maritime Ltd., In the United

States District Court for the Southern District of Texas, Houston Division; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*); (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*), including deliberations regarding public employees; and (5) Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*). The Port Commission will reconvene in public session after the closed meeting is adjourned.

Immediately thereafter the Port Commission retired into closed session.

At 11:18 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
John D. Kennedy, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
J. Kent Friedman, outside counsel

(2019-0326-45) Commissioner DonCarlos moved to authorize the Executive Director to settle *Port of Houston Authority v. M/V Global Leader and Global Maritime Ltd.* 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 Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. MOTION PASSED.

(2019-0326-46) RCA F7 was presented, moved by Commissioner Branch, seconded by Commissioner Kennedy. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, Kennedy, and Mease voted Aye. Nays none. RCA F7 PASSED.

(2019-0326-47) Continued deliberation, public comment, and possible action regarding measures to address one-way traffic impacts on the Houston Ship Channel.

Chairman Campo advised that during today's meeting the Port Authority received word that the Senate Select Committee on Texas Ports would be holding a hearing tomorrow (March 27), regarding the bills that have been filed.

Chairman Campo stated that the Coalition supported the bills that had been filed and staff was working on its response to these bills. He noted there had been a discussion with the Coalition to potentially work together to come up with bills that all could support, but there had been no further discussions yet. He then asked Mr. Eriksson to summarize the bills.

Mr. Eriksson stated that three bills plus companions had been filed. The three Senate bills would be heard at tomorrow's hearing and were sponsored by Senator Creighton, Chairman of the select committee. A fourth Senate bill had been filed by Senator Alvarado, who is the Vice Chair of the committee.

1. Senate Bill 2221, filed by Senator Creighton, which has no hearing date set, proposes an amendment to the Port Authority's special statute, adding a new section as follows:

Sec. 5007-001. SHIP CHANNEL TRAFFIC. The authority shall control traffic in the ship channel in a manner consistent with:

- (1) best practices for the navigation of large ships; and
- (2) fair and equitable access to the ship channel for all vessels."

2. Senate Bill 2222, filed by Senator Creighton, would be heard March 27.

S.B. 2222 primarily required that there be a separate appointment process for the Pilot Board, using the Port Commission appointment provisions currently in place as a separate process for the Pilot Board, e.g. when the City and County appointed a Chairman for the Port Commission, they would need to take separate action to appoint the Chairman of the Pilot Board. Currently under the statute, the Port Commission is automatically deemed to be the Pilot Board.

3. Senate Bill 2223, filed by Senator Creighton, would also be heard March 27.

Mr. Eriksson explained that this bill defines "two-way route" and "two-way traffic." It also addressed the Pilot Board's rule making authority and adds the word "safe" to the current statute where it states the Pilot Board regulates "efficient pilot services." The bill also adds a new phrase that the rule making authority would also cover "minimizing the interference of two-way routes."

The most onerous piece of the legislation would limit the maximum vessel length to 1,100 feet. He noted that the Pilot rule in effect since September stated that when a vessel exceeded 1,100 feet it must be in daylight and with one-way traffic. The legislation included a provision that the requirement could be eased if the Pilot Board determined that two-way routes in traffic could be “safely and efficiently maintained.” To do so would require consultation with and approval from a majority of the Pilots. In addition, prior to issuing any new rules the Pilot Board would be required to conduct at least two public hearings, giving ten days notice before each hearing.

Mr. Eriksson stated that Captain Mitchem had informed him that as the Pilots became more familiar with the 1,100-foot vessels they might be able to open the channel to two-way traffic meeting smaller vessels, noting of course that sufficient notice would be given to the public and it was dependent on the comfort level of the pilots. He added that the Pilot Board had appointed a working group to discuss those matters.

Mr. Eriksson noted that two things could happen in the future.

- If the Pilots allowed over 1,100-foot vessels in the ship channel they would become more familiar with their operations, as had been the case in the past as the larger vessels came in over time. As was noted earlier, the channel has been deepened and widened approximately 10 or 11 times over its 100-year history; and
- As the Pilots became more comfortable with the larger vessels they would open the channel to two-way traffic for smaller vessels. However, it would be difficult for the Pilots to gain experience with the larger vessels if they were restricted to 1,100 feet.

Chairman Campo commented that if the legislature had banned 500-foot ships thirty years ago, the area would not have grown to a \$330 billion economic engine. He also noted that while currently it was just container vessels that were over 1,100 feet, this ban would also apply to other vessels that would be coming into the channel that exceeded 1,100 feet.

Chairman Campo also queried how a state law could regulate a federal channel, and Mr. Eriksson commented that at the end of the day the final authority for the ship channel was the United States Coast Guard.

Commissioner Mease commented that it was his understanding that the oil companies were bringing in larger ships to Texas City and they would like to come to the Port of Houston. He stated that everybody needs to sit down and discuss a reasonable solution to this matter.

4. Senate Bill 1915, filed by Senator Alvarado, would also be heard March 27.

Mr. Eriksson stated that after the senate committee meeting on March 6, a conversation occurred among various stakeholders and it was discussed that possibly there was some sort of apparatus to bring all the stakeholders together on a systematized regularized basis, as described by Chairman Campo. A bullet list of items that needed to be considered has been prepared for discussion which would include all stakeholders, including the Pilots and the Coast Guard.

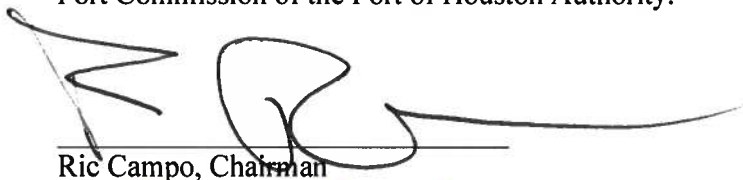
Chairman Campo thanked Mr. Eriksson for his summary and noted he had read all the bills and spoken to various people in the Coalition about parts of them and it appeared to him that two issues could be problematic for the Port Authority. The first, changing the Pilot Board make-up, and second, the specific identification of 1,100-foot ships.

Chairman Campo acknowledged that the Coalition had valid arguments, needed to make investment decisions today, and needed certainty in the future, the issue needed to be solved, and the Port Authority needed to make sure that it gave everyone certainty for the channel for the long term.

On a lighter note, before adjourning the meeting, Chairman Campo announced that in view of the loud “bang” during the meeting, at the next meeting he would be wearing his cowboy boots and no tie.

At 11:51 a.m., Chairman Campo adjourned the Port Commission meeting.

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



Ric Campo, Chairman



Erik A. Eriksson, Secretary

F. EXECUTIVE

Subject	1. Continued deliberation, public comment, and possible action regarding measures to address one-way traffic impacts on the Houston Ship Channel.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, continue to deliberate, hear public comment, and take possible action regarding measures to address one-way traffic impacts 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 the point the channel narrows to 530 feet at the intracoastal waterway.

Ten container vessels have now been subject to this protocol since the first arrived in September.

Port Authority staff, the Houston Pilots, and representatives of the liquid bulk industry (including members of the "Coalition for a Fair and Open Port"), container lines, and other cargo carriers calling Houston have worked to review these protocols and resolve short-term stakeholder concerns, the Pilots have taken several measures as a result, and these developments have been previously reported to the Board of Pilot Commissioners. Legislation has also been filed by Texas legislators to potentially address these matters.

Meanwhile, it is also 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 others to accelerate the process, and the widened channel (as well as vessel experience) should result in easing these protocols.

Staff Evaluation/Justification:

The Port Commission most recently considered these matters at its February 26, 2019 meeting, and heard a presentation by representative of the Coalition. Staff now requests that the Port Commission again deliberate, hear public comment, and consider guiding staff regarding measures that the Port Authority may undertake, in collaboration with ship channel stakeholders, to continue to minimize or prevent impacts to traffic on the Houston Ship Channel, including one-way traffic impacts.

F. EXECUTIVE

Subject	2. Establish a Compensation Committee of the Port Commission and approve committee and task force chairs and members.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, approve the establishment of a Compensation Committee of the Port Commission and the appointment of committee and task force chairs and members, as set forth on Exhibit "A."
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:

General

Department:

Executive

Staff Contact:

Roger Guenther

Background:

The Amended and Restated Bylaws of the Port Authority provides for five standing committees or task forces of the Port Commission:

- Audit Committee
- Community Relations Committee
- Governance Committee
- Pension and Benefits Committee
- Procurement and Small Business Task Force

In addition to these standing committees, the Port Commission periodically meets as the Dredge Task Force, a "committee of the whole."

The Chairman of the Port Commission may create additional committees or task forces, and is also tasked with appointing their chairs and members, subject to the consent of each appointee and Port Commission approval.

Staff Evaluation

At its meeting on February 26, 2019 the Port Commission deliberated regarding committee activities, the existing committee structure, and the roster of committee members.

Chairman Campo proposed that a Compensation Committee be established, to carry out the duties set forth on Exhibit "A." He now also proposes to designate Port Commissioners to serve on those committees and task forces as additionally set forth on Exhibit "A."

Staff requests that the Port Commission approve these actions.

Draft

Port Commission Committees and Task Forces							
March 2019							
Task Force:	Audit Committee	Community Relations Committee	Compensation Committee	Governance Committee	Pension & Benefits Committee	Procurement & Small Business Task Force	Dredge Task Force
Task Force Duties:	<i>Advises on the Port Authority's financial statements, its accounting and financial reporting processes, and financial statement audit.</i>	<i>Updates the Port Commission's Sponsorship Policy and Procedures and advises on community relations matters.</i>	<i>Advises on goals and attainment issues and compensation for the Executive Director; reviews pay policies, benefit policies, and work-culture issues for all employees; and advises on succession planning.</i>	<i>Prepares and updates the Port Authority's governance policies and procedures, for the Port Commission's consideration and action, and reviews governance-related matters.</i>	<i>Advises on the administration of the Port Authority Restated Retirement Plan, the investment of Plan assets, and other employee benefits.</i>	<i>Prepares and updates procurement policies and procedures for the Port Commission's consideration and action; also updates Small Business Development Program policies and procedures and advises on other small business development matters.</i>	<i>Considers Houston Ship Channel matters, and the use of Port Authority resources for dredging, dredge material disposal, and disposal area maintenance.</i>
Commissioner Assignments							
Chairman Campo	Chair	Chair	Chair	Member	Member		Chair
Commissioner Branch	Member					Member	Member
Commissioner Corgey					Member		Member
Commissioner DonCarlos				Chair			Member
Commissioner Fitzgerald	Member				Chair		Member
Commissioner Kennedy				Member		Chair	Member
Commissioner Mease						Member	Member

F. EXECUTIVE

Subject	3. Consideration of and possible action to approve the amended Port of Houston Authority Procurement Policy.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, approve the amended Port of Houston Authority Procurement Policy, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Executive

Staff Contact:
Erik Eriksson

Background:

The Port Commission, at its meeting on January 27, 2014, adopted the Procurement Policy. One of the policy provisions is that the Procurement and Small Business Development Task Force (Task Force) regularly evaluate the policy's effectiveness and recommend updates as needed to the Port Commission.

The Port Commission amended the policy at its December 16, 2014 meeting to further address the solicitation of formal procurements as recommended by the Sunset Advisory Commission and by the Port Authority's Governance Committee. The Port Commission again amended the policy at its September 27, 2016 meeting to memorialize the Port Authority's wider use of competitive sealed bids and to make certain other minor updates.

Staff Evaluation/Justification:

At its March 14, 2019 meeting, the Task Force considered updates to improve the policy's effectiveness.

One proposed change would remove the requirement that the Port Commission approve all individual procurement solicitation advertisements in advance. Removing this requirement is expected to streamline the purchasing process and shorten the time period required to obtain and begin using items needed for Port Authority operations.

The other proposed changes are technical and are designed to more accurately reflect the process required by Texas Government Code Section 2254.004 for soliciting and evaluating services of engineers, architects, and surveyors.

Following its review and discussion, the Task Force acted to recommend that the Port Commission approve the amended policy.

Accordingly, staff recommends that the Port Commission approve the amended Procurement Policy in the form attached as Exhibit A.

**Port of Houston Authority
PROCUREMENT POLICY
Amended _____ 2019**



I. Purpose

The Port Commission of the Port of Houston Authority (the "Port Authority") hereby establishes this policy (the "Procurement Policy") for the procurement of goods and services.

II. Policy Statement

It is the policy of the Port Authority that its procurement of goods and services should conform to the Port Authority's mission and applicable law.

III. Definitions

A. "Item" means any service, equipment, goods, or other tangible or intangible personal property, including insurance and high technology items.

B. "Formal Procurement" means the procurement of goods and services that must be approved by the Port Commission pursuant to Texas Water Code Chapter 60.

C. "Misconduct" means a violation of law or Port Authority procurement policies, standards, or procedures, by a Port Commissioner, employee, or third-party acting in connection with the Port Authority.

D. "No-Contact Period" for a particular solicitation for Formal Procurement proposals means the period commencing on public issuance by the Port Authority of such solicitation, and ending when the Port Authority publicly posts notice of the agenda for the Port Commission meeting, during which award of the Formal Procurement subject to such solicitation is scheduled for action.

E. "Respondents" means actual and prospective respondents (including their representatives and persons acting on their behalf) to a Formal Procurement, including those who have not been chosen as finalists for a solicitation for a Formal Procurement.

F. "Task Force" means the Port Commission Procurement and Small Business Development Task Force.

IV. Authority of the Port Commission

Port Authority procurement is under the sole control of the Port Commission, which approves and oversees Port Authority expenditures in conformity with the Texas Water Code and this Procurement Policy. This Procurement Policy is not intended to restrict the authority of the Port Commission as permitted by law.

V. Adoption of Applicable Procurement Laws

The Port Commission hereby reaffirms its prior adoption of applicable Texas procurement laws, including without limitation, Texas Water Code Chapter 60, Subchapter N “Competitive Bidding Requirements.”

VI. Solicitation of Formal Procurements

A. Port Commission Determination of Best Value. Prior to the advertisement or award, as applicable, of a Formal Procurement, the Port Commission shall determine which Formal Procurement purchasing method provides “best value” for the Port Authority.

B. Customary Best Value Methods. Unless the Port Commission otherwise takes action, the following purchasing methods (the “Customary Best Value Methods”), are determined to provide “best value” to the Port Authority:

1. Solicitation of “Competitive Sealed Bids” for:
 - a. construction, repair, rehabilitation, or alteration of facilities, for which the scope is limited, and price is the material evaluation factor (e.g. parking lot construction, annual concrete repair, annual painting, annual fencing, etc.);
 - b. construction, repair, rehabilitation, or alteration of facilities, in which the costs would be paid or reimbursed by third parties (e.g., “damage claims”); and
 - c. commodity-type or other simple non-construction Items for which price is the material evaluation factor (e.g. paper products, lighting equipment, parts and repair services, facility maintenance, etc.).
2. Solicitation of “Competitive Sealed Proposals” for:
 - a. construction, repair, rehabilitation, or alteration of facilities, for which the scope is complex and criteria in addition to price are material evaluation factors (e.g. wharf construction/rehabilitation, container yard construction/rehabilitation; installation or replacement of rail and switch equipment, crane painting, etc.); and
 - b. non-construction Items for which the scope is complex and criteria in addition to price are material evaluation factors.
3. Solicitation of “Requests for Proposals” for Items for which the proposals

may be negotiated to obtain “best and final offers,” including information technology Items, “high-technology” Items, insurance services, professional services (*other than* engineering, architectural, land surveying), etc.

C. Requests for Qualifications. The Port Authority shall select providers of architectural, engineering, and land surveying services on the basis of demonstrated competence and qualifications to perform the services, in accordance with Texas Government Code Sec. 2254.004.

D. Approval to Advertise or Solicit Bids, Proposals, or Qualifications. In the event that a method other than the applicable Customary Best Value Method may offer “best value” to the Port Authority for a specified Formal Procurement for construction services, Port Authority staff may:

1. request that the Port Commission determine whether another statutory purchasing method may offer “best value” to the Port Authority for such Formal Procurement; and
2. request approval to advertise or solicit bids, proposals, or qualifications, as applicable.

E. Delegation of Authority. In the event that the Port Authority is considering using a method other than the applicable Customary Best Value Method for the purchase of non-construction Items, or the “Request for Qualifications” set out in subsection D, the Executive Director is delegated the authority to determine the purchasing method that provides the best value to the Port Authority. By its approval of the award of contract, the Port Commission shall ratify such best value determination.

VII. Formal Procurement Communications

A. Respondent Restrictions. Except as provided below, during the No-Contact Period, Respondents are prohibited from communicating with members of the Port Commission and Port Authority employees regarding the subject Formal Procurement.

B. Port Commission and Port Authority Staff Restrictions. Except as provided below, during the No-Contact Period, any Port Commissioner and any Port Authority employee contacted by a Respondent regarding the subject Formal Procurement shall instruct the Respondent to contact the Director of Procurement Services or his or her designee, and shall not otherwise communicate with the Respondent regarding such Formal Procurement.

C. Exceptions. Notwithstanding the foregoing, the following types of communications are permitted during the No-Contact Period:

1. Formal responses to the Port Authority's solicitation;
2. Publicly-made communications at the Port Authority's pre-bid/pre-proposal conferences, and public meetings of the Port Commission and Port Commission committees and task forces;
3. Written questions or clarification requests made to the Director of Procurement Services or his or her designee during the period designated by the Port Authority for such purpose, including questions or requests presented via electronic means;
4. Communications during oral interviews and presentations conducted at the request of the Port Authority to assist with its evaluation of the subject Formal Procurement proposals;
5. Authorized negotiation of the contract that is the subject of the Formal Procurement, engaged in by designated Port Authority employees; and
6. A report of Misconduct to a Port Commissioner and/or a Port Authority employee.

VIII. Formal Procurement Awards

The following procedures apply to Formal Procurements using the "Competitive Sealed Proposals," "Requests for Proposals," or "Requests for Qualifications" purchasing methods. Awards using the "Competitive Sealed Bids" purchasing method shall be governed by Texas Water Code Section 60.408.

A. Customary Staff Responsibilities for Evaluation of Proposals.

1. Port Authority staff should evaluate, in relation to the published selection criteria, the proposals received by the Port Authority in response to a Formal Procurement using the "Competitive Sealed Proposals" or the "Requests for Proposals" purchasing methods.
2. Thereafter, the staff should:
 - a. Select the highest-ranked proposer that it believes may offer the "best value" to the Port Authority,
 - b. Rank all additional proposers that it believes may also offer "best value" to the Port Authority, and
 - c. Otherwise rank proposers as required by law.

3. Following the staff selection process, a staff “executive committee” should review the preliminary evaluations of proposals.

a. The executive committee should include (i) the Executive Director, (ii) the Chief Officers, (iii) the Director of Procurement Services, (iv) the Senior Director of Small Business and Education Outreach, (v) the applicable department director, and (vi) any other responsible director or manager, unless the Executive Director reasonably determines otherwise.

b. Following its review, the executive committee may

i. Approve, modify, or reject each selection committee recommendation,

ii. Require that the selection committee reevaluate the proposers or service providers, or

iii. Require that staff conduct a new solicitation.

4. Following this two-step staff process, staff should submit its evaluations and rankings to the Port Commission for action at a public meeting.

5. Staff may terminate the Formal Procurement in the event that it determines that no proposal offers “best value” to the Port Authority, provided staff shall notify the Port Commission of such termination and obtain its concurrence in the event the Port Commission authorized such Formal Procurement.

B. Port Commission Action on Proposals.

1. The Port Commission may:

a. Approve the ranking and (i) authorize negotiation of a contract or (ii) award the contract (as applicable),

b. Reject all proposals and require that staff conduct a new solicitation, or

c. Reject all proposals and terminate the Formal Procurement.

2. In the event that Port Commission authorizes negotiation with the proposer offering the best value, but staff cannot negotiate a satisfactory contract with that proposer, staff shall formally end negotiations with that proposer in accordance with applicable law.

If Port Commission approved a ranking of the additional proposers, staff may then continue to the next most highly ranked proposer and attempt to negotiate a contract with that proposer.

3. In the event the Port Commission has only authorized negotiation of a contract, subsequent Port Commission action is required to award such contract following negotiation by staff.

C. Customary Staff Responsibilities for Evaluation of Qualifications.

1. Port Authority staff should evaluate, on the basis of demonstrated competence and qualifications to perform the services, the qualifications received by the Port Authority in response to a Formal Procurement using the “Request for Qualifications” purchasing method.

2. Thereafter, the staff should:

a. Select the most highly qualified provider of those services, on the basis of demonstrated competence and qualifications, and

b. Consider ranking one or more “next most highly qualified” provider(s) by the level of their qualifications, on the basis of demonstrated competence and qualifications.

3. Following the staff selection process, the staff executive committee should review the preliminary evaluations of qualifications.

a. Following its review, the executive committee may

i. Approve, modify, or reject each selection committee recommendation,

ii. Require that the selection committee reevaluate the qualifications, or

iii. Require that staff conduct a new solicitation.

b. Provided that the executive committee has approved the selection committee’s recommendation of the most highly qualified provider and the ranking, if any, of the next most highly qualified provider(s), the executive committee may authorize staff to negotiate a contract at a “fair and reasonable price” with the most highly qualified proposer.

4. Following this two-step staff process, staff should submit its selection and ranking to the Port Commission for action at a public meeting.

5. Staff may also request that the Port Commission consider taking action to award the contract at that time, in the event that staff has determined in good faith that only one provider is the most highly qualified on the basis of demonstrated competence and qualifications to perform the required services and staff has negotiated with the provider a contract at a fair and reasonable price.

6. Staff may terminate the Formal Procurement in the event that it determines that no proposal offers the most highly qualified provider of the required services on the basis of demonstrated competence and qualifications, provided staff shall notify the Port Commission of such termination and obtain its concurrence in the event the Port Commission authorized such Formal Procurement.

D. Port Commission Action on Qualifications.

1. The Port Commission may:

- a. Approve the staff's selection of the most highly qualified provider and (i) authorize negotiation of a contract, or (ii) award the contract (as applicable),
- b. Reject all proposals and require that staff conduct a new solicitation, or
- c. Reject all proposals and terminate the Formal Procurement.

2. In the event the Port Commission authorizes negotiation with the most highly qualified provider, but staff cannot negotiate a satisfactory contract with that provider, staff shall formally end negotiations with that provider. If the Port Commission approved a ranking of the additional providers in order of qualifications, staff may then continue to the next most highly qualified provider and attempt to negotiate a contract with that provider.

3. Following the successful negotiation of a contract for a fair and reasonable price, subsequent Port Commission action is required to award such contract, except as otherwise described in subsection D(1)(a)(ii) above.

IX. Vendor Debarment

A. Debarment. The Port Authority may bar ("Debar") any individual or firm ("Proposer") from eligibility for participation in any Port Authority procurement for up to two years, as provided in this Procurement Policy.

B. Grounds for Debarment.

1. A Proposer found to have committed any of the following acts in the two-year period preceding referral to the Director of Procurement Services may be Debarred:

a. Any material breach of a contract, including without limitation, wrongfully or negligently:

i. Failing to fully perform work in accordance with the terms of a contract and accepted industry practices, including performance of the contract work within the contract time;

ii. Failing to comply with state, federal, or local laws or regulations applicable to the performance of the contract; or

iii. Failing to fully perform any other contract obligations.

b. Knowingly using a Debarred Proposer as a subcontractor or supplier.

c. Falsifying or misrepresenting the Proposer's abilities.

d. Conferring or offering to confer upon any person conducting a procurement an unlawful or unethical gift, gratuity, favor, or advantage, present or future.

e. Violating a Port Authority policy, procedure, or standard with respect to procurement.

f. Any other conduct that evidences the inability of the Proposer to responsibly perform a contract on behalf of the Port Authority.

2. Conviction or civil adjudication of the Proposer, or the Proposer's officers or owners, of a criminal offense or civil misconduct in connection with the Proposer's business.

3. A Proposer may be Debarred for actions taken in connection with work undertaken for the Port Authority, other public entities, or private entities.

C. Debarment Procedure.

1. In the event that grounds to Debar a Proposer are referred to Port Authority

staff, the Executive Director shall select a hearing officer who shall conduct a hearing to consider whether such alleged conduct provides grounds for the Proposer to be Debarred.

a. Notice of such hearing, and the Proposer's alleged conduct, shall be provided to the Proposer at least fifteen (15) calendar days prior to the hearing.

b. Such hearing shall be conducted informally, but parties may be represented by counsel, present evidence, and cross-examine witnesses.

c. Following the hearing, the hearing officer shall promptly notify the Proposer of its determination whether, and for what period of time, the Proposer should be Debarred.

2. In the event that the hearing officer recommends that the Port Authority Debar such Proposer, the Proposer may appeal by filing a written notice of appeal with the Director of Procurement Services no later than fifteen (15) calendar days following notice of the final decision of the hearing officer.

3. Port Authority staff shall promptly submit the Respondent's appeal of the hearing officer's recommendation to the Port Commission for possible action. Notice thereof shall be provided to the appealing Proposer at least ten (10) calendar days prior to the Port Commission meeting at which the action may be taken.

4. The procedure for Port Commission action shall also be informal, without the formal admission of evidence as in a court of law. The hearing shall include:

a. The submission to the Port Commission of the hearing officer's recommendation, and written submissions by staff, the Proposer, and any other interested parties; and

b. Oral presentations by the staff, the Proposer, and any other interested parties, provided that the right to question presenters shall be limited to the Port Commission.

5. The Port Commission may:

a. Adopt the recommendation and Debar the Proposer for the recommended period of time;

b. Adopt the recommendation with modifications;

c. Return the recommendation to the hearing officer for further action;

or

- d. Reject the recommendation and take no action against the Proposer.

X. Other Staff Responsibilities

A. Routine Procurements. Except as may otherwise be provided by the Port Commission from time to time, the Executive Director and his or her designees shall have the authority to make routine purchases or contracts as permitted by Texas Water Code Section 60.403, as amended from time to time.

B. Emergency Procurements. Except as may otherwise be provided by the Port Commission from time to time, the Executive Director and the Chief Operating Officer shall have the authority to make emergency purchases or contracts or emergency amendments to existing purchase orders or contracts as permitted by Texas Water Code Section 60.4035, as amended from time to time.

C. Staff Procurement Standards and Procedures.

1. Staff shall prepare and from time-to-time update standards and procedures consistent with this Procurement Policy for Port Authority staff administration of procurement services.

2. Standards and procedures developed by staff shall not contain restrictions on the authority of the Port Commission or impose obligations on the Port Commission.

D. Periodic Procurement Reports. The Executive Director or his or her designees shall periodically report to the Port Commission or the Task Force regarding Port Authority procurement and supply management activities.

XI. Policy Authority

A. Statutory.

1. Texas Government Code, Chapter 2254
2. Texas Special District Local Laws Code, Chapter 5007
3. Texas Water Code, Chapters 60, 61, and 62

B. Port Commission-enacted.

1. Bylaws

Procurement Policy
Amended _____ 2019
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2. Amended and Restated Code of Ethics
3. Procurement and Small Business Development Task Force Charter
4. Amended Local Preference Program and Policy
5. Amended Local Preference Program Standards and Procedures
6. Promotion and Development Fund Policy and Standards
7. Small Business Development Program Policies and Procedures (Revised)
8. Surplus, Salvage, and Unclaimed Property Disposition Policy
9. Vendor Protest Procedure

XII. Policy Responsibility

A. Procurement Policy Updates. The Task Force shall evaluate this Procurement Policy's effectiveness and recommend updates as needed to the Port Commission for possible action at regularly scheduled meetings.

B. Staff Responsibility. The Director of Procurement Services is responsible for implementation of this Procurement Policy and is the contact for staff members seeking its interpretation.

XIII. Adoption

This Procurement Policy was originally adopted by the Port Commission on January 27, 2014, as evidenced by Minute No. 2014-0127-01; amended by its action dated December 16, 2014, Minute No. 2014-1216-04(C); amended by its action dated September 27, 2016, Minute No. 2016-0927-16; and amended by its action dated _____, 2019, Minute No. 2019-_____-_____.

Policy Owner: Procurement Services
Policy Version: Third Amendment

F. EXECUTIVE

Subject **4. Amend the Small Business Development Program Policy and Procedures to add the South Central Texas Regional Certification Agency, the Texas Comptroller of Public Accounts, and the Texas Department of Transportation as certifying agencies acceptable to the Port Authority.**

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

Access Public

Type Action

Recommended Action The Port Commission, at its March 26, 2019 meeting, amend the Small Business Development Program Policy and Procedures to add the South Central Texas Regional Certification Agency, the Texas Comptroller of Public Accounts, and the Texas Department of Transportation as certifying agencies acceptable to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 4b. - Cultivate productive relationships with all stakeholders

Category:
General

Department:
Legal

Staff Contact:
Erik Eriksson

Background:

The Port Commission, at its meeting on May 29, 2001, adopted the Small Business Development Program (the "Program") as its coordinated plan of activities and procedures for encouraging local small business participation and creating opportunities in Port Authority procurement and contracting.

The Program's guiding document, the "Port of Houston Authority Small Business Development Program Policy and Procedures" (the "Policy and Procedures") was issued in 2001. Section V(G)(2) of the Policy and Procedures provides in part as follows:

PHA recognizes certification by the following private agencies and governmental units: Women's Business Enterprise Alliance, Houston Minority Supplier Development Council, METRO; City of Houston and Small Business Administration 8(a).

At its meeting of March 14, 2019, the Procurement and Small Business Development Task Force approved a motion directing staff to "pursue new and optimized partnerships and take other similar measures to improve its Small Business Development Program." Among those measures, as described by staff at that meeting, would be to expand the group of agencies from which the Port Authority accepts certifications to include the South Central Texas Regional Certification Agency (SCTRCA), the Texas Comptroller of Public Accounts, and the Texas Department of Transportation.

- The SCTRCA provides certification of businesses as African American, Asian American, Disabled Individual, Emerging Small Business, Hispanic American, Minority, Native American, Small, Veteran, and Woman-owned.
- The Texas Comptroller certifies Historically Underutilized Business (HUB) certification as Asian Pacific American, Black American, Hispanic American, Native American, American Women, and Service Disabled Veteran businesses.

- Finally, TxDOT also provides Disadvantaged Business Enterprise (DBE) and Small Business Enterprise (SBE) certification.

The Task Force instructed staff to bring the Port Commission a request to amend the Policy and Procedures to add these three agencies.

The Policy and Procedures will continue to provide that program applicants must also meet the Port Authority's eligibility requirements for certification.

Staff Evaluation/Justification:

Accordingly, staff recommends that the Port Commission amend the Small Business Development Program Policy and Procedures as described above.

F. EXECUTIVE

Subject	5. Deliberation and possible action to authorize the Port Authority to advertise and receive proposals to provide services for a vendor demographics study.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, deliberate regarding and possibly act to authorize the Port Authority to advertise and receive proposals to provide services for a vendor demographics study, 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

Category:
General

Department:
Legal

Staff Contact:
Erik Eriksson

Background:
The agenda of the March 14, 2019 meeting of the Procurement and Small Business Development Task Force included the following item:

Staff briefing, discussion, and possible action regarding disparity study matters.

In connection with that item, the Task Force approved the following motion:

The Port Authority should collect information on the demographics of its vendors, using outside expertise, and separately reconfiguring its procurement software to require vendor self-reporting and allow demographic tracking.

The Task Force directed staff to bring the first portion of that action to the Port Commission this month.

A study collecting information on the demographics of Port Authority vendors is expected to include a review of Port Authority contract records to compile vendor information, a review of certification materials obtained for vendors in connection with the Port Authority's Small Business Development Program, outreach to the certifying agencies, outreach to vendors, and related work to prepare a report.

It is anticipated that the successful vendor would also be qualified to conduct additional work as may be required to provide a disparity study, in the event the Port Authority authorized the vendor to do so.

Pursuant to the request of Commissioner Branch, staff has brought to the Port Commission a separate item set forth on the agenda as ____, to provide for deliberation and possible action to authorize the Port Authority to advertise and receive proposals to provide services for a disparity study

Staff Evaluation/Justification:

Accordingly, staff recommends that the Port Commission consider and take possible action as described above.

F. EXECUTIVE

Subject **6. Deliberation and possible action to authorize the Port Authority to advertise and receive proposals to provide services for a disparity study.**

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

Access Public

Type Action

Recommended Action The Port Commission, at its March 26, 2019 meeting, deliberate regarding and possibly act to authorize the Port Authority to advertise and receive proposals to provide services for a disparity study, 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

Category:
General

Department:
Legal

Staff Contact:
Erik Eriksson

Background:
The agenda of the March 14 meeting of the Procurement and Small Business Development Task Force included the following item:

Staff briefing, discussion, and possible action regarding disparity study matters.

In connection with that item, the Task Force approved the following motion:

The Port Authority should collect information on the demographics of its vendors, using outside expertise, and separately reconfiguring its procurement software to require vendor self-reporting and allow demographic tracking.

Additionally, the Task Force directed staff to bring the first portion of that action to the Port Commission this month, which accordingly is set forth on the agenda as Item ____.

Commissioner Branch also requested staff to bring to the Port Commission a separate item, to provide for deliberation and possible action to authorize the Port Authority to advertise and receive proposals to provide services for a disparity study.

Staff Evaluation/Justification:
Article I, Section 8(b) of the Amended and Restated Bylaws of the Port of Houston Authority provide as follows:

The Chairman shall add any items requested by a Port Commissioner to the proposed agenda of a regular meeting.

Accordingly, staff recommends that the Port Commission consider and take possible action as described above.

F. EXECUTIVE

Subject	7. Deliberation and possible action to appoint Commissioner Stephen DonCarlos as a member of the Board of Directors of HAS Development Corporation.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, deliberate and take possible action to (i) rescind its action designated as Minute No. 2018-1218-40 and (ii) appoint Commissioner Stephen DonCarlos as a member of the Board of Directors of HAS Development Corporation, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term) Strategic Objective 4b. - Cultivate productive relationships with all stakeholders

Category:
General

Department:
Legal

Staff Contact:
Erik Eriksson

Background:

HAS Development Corporation (HASDC) was incorporated in 2001 to benefit the City of Houston and the Houston Airport System, by working to increase air travel to and through Houston and the volume of air transport-related trade activities. The Bylaws of HASDC provide that the Port Authority appoints a member of the Board of Directors of HASDC.

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

At its meeting of December 18, 2018, the Port Commission acted (Minute No. 2018-1218-40) to:

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

HASDC has not seated Mr. Jordan to date on its Board of Directors.

Staff Evaluation/Justification:

Staff recommends that the Port Commission deliberate and take possible action to (i) rescind its action designated as Minute No. 2018-1218-40 and (ii) appoint Commissioner Stephen DonCarlos as a member of the Board of Directors of HASDC.

F. EXECUTIVE

Subject	8. Amend the professional services contract with Greenberg Traurig, LLP for state and federal governmental policy consulting and support, in an additional amount of \$56,000.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, amend the professional services contract with Greenberg Traurig, LLP for state and federal governmental policy consulting and support, in an additional amount of \$56,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:

Awards, Amendments & Change Orders

Department:

Government Relations

Staff Contact:

Spencer Chambers

Background:

The Port Authority currently contracts with Greenberg Traurig, LLP to consult on state and federal policy priorities, assist in developing strategic plans and objectives, and facilitate effective communication with government officials and their staffs. That contract expired at year-end and was extended through March under the authority of the Executive Director.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize an additional extension of the firm's contract. The total authorized amount would permit these services to be provided through July 2019, which would align with the currently extended terms of the Port Authority's state legislative consultants. Staff anticipates returning to the Port Commission before that time for its consideration of staff's recommendations for consulting team members for the balance of the year and thereafter.

G. COMMERCIAL

Subject	1. Award a professional services contract to John C. Martin Associates, LLC for the development of an economic impact study in an amount not to exceed \$65,000.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, award a professional services contract to John C. Martin Associates, LLC for the development of an economic impact study in an amount not to exceed \$65,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base) STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:
Awards, Amendments & Change Orders

Department:
Trade Development and Marketing

Staff Contact:
John Moseley

Background:
John C. Martin Associates, LLC (Consultant) has completed prior economic impact studies for the Port Authority, as well as approximately 60 other United States ports. The Port Authority engaged Consultant's services in 2002, 2006, 2012, and 2015 and most recently in 2018.

Staff now recommends performing new work to supplement and expand the study completed in 2018, using current and additional data. This new work would meet two prime objectives:

- It would provide additional information to measure 2018 economic impacts of the greater Port of Houston throughout the United States extending to a county level of detail. Impacts of both the current flows of petroleum, crude and chemical products, container, and general cargo product would be identified, including employment, employee earnings, business revenue, and state and local tax effects.
- The second scope would focus on quantification of the economic benefits of the proposed widening of the Houston Ship Channel, consistent with the benefit metrics included in the U.S. Army Corps of Engineers navigational projects, as well as in the U.S. Department of Transportation benefits criteria for BUILD grants and other federal grants.

Staff Evaluation/Justification:
Contracting this study to Consultant is the most cost-effective means of completing the work, and additionally permits study results to be compared both to the results of previous Port Authority data, and information collected on other U.S. ports.

Staff recommends the Port Commission award a professional services contract as described above.

G. COMMERCIAL

Subject **2. Approve a lease agreement with Greens Bayou Fleeting, LLC for approximately 2.75 acres of upland and shoreline access, and approximately 13.37 acres of submerged property at Greens Bayou out of Block 7 at the Bulk Materials Handling Plant effective no earlier than April 1, 2019 for a twenty-year term with two five-year mutual options, at an annual rental of \$502,872, subject to an annual 3% increase.**

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

Access Public

Type Action

Recommended Action The Port Commission, at its March 26, 2019 meeting, approve a lease agreement with Greens Bayou Fleeting, LLC for approximately 2.75 acres of upland and shoreline access, and approximately 13.37 acres of submerged property at Greens Bayou out of Block 7 at the Bulk Materials Handling Plant, effective no earlier than April 1, 2019 for a twenty-year term with two five-year mutual options, at an annual rental of \$502,872, subject to an annual 3% increase, 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. 2009-0218-17, the Port Commission approved a lease to Megafleet Towing Company, Inc. (Megafleet) of approximately 1.85 acres of land and 3,450 linear feet of water frontage along Greens Bayou. The term of the approved lease was ten years, with two 5 year options.

Effective November 2009, Megafleet and Kinder Morgan (KM) entered into a Consent Assumption and Transfer Agreement assigning the Lease Agreement from Megafleet to KM.

Effective February 2011 the Port Authority, KM, and Greens Bayou Fleeting, LLC (GBF) entered into a Consent, Assumption, and Transfer Agreement (Second Consent Agreement) amending the Lease Agreement and assigning the Lease from KM to GBF. Pursuant to the second Consent Agreement, KM remained liable for the performance of all obligations under the Lease Agreement. GBF was a joint venture between Kirby Inland Marine LP (Kirby Inland) and KM, with Kirby Inland acting as the operating partner. At that time, Kirby Inland owned 51% of GBF and KM owned 49%.

In January 2017 Kirby Inland and KM ended their joint venture relationship in GBF, and Kirby Inland bought KM's 49% interest, to which the Port Authority consented. Kirby Inland continued to unconditionally guarantee all Greens Bayou Fleeting LLC obligations under the Lease.

The initial term of this lease will expire this month.

Staff Evaluation/Justification:

Staff proposes that the Port authority enter into a new lease with Greens Bayou Fleeting, LLC rather than extending the prior lease, to add submerged lands and amend other provisions, and recommends approval.

G. COMMERCIAL

Subject	3. Approve a lease agreement with Irvin Schoeneman for approximately 34.35 acres out of Block 4 at Rosa Allen effective June 1, 2019, for a three-year term, at an annual rental of \$858.75.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, approve a lease agreement with Irvin Schoeneman for approximately 34.35 acres out of Block 4 at Rosa Allen effective June 1, 2019, for a three-year term, at an annual rental of \$858.75, 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. 2014-0422-47, the Port Commission authorized the Port Authority to enter into a grazing lease agreement with Irvin Schoeneman for approximately 34.35 acres out of Block 4 at Rosa Allen for a five-year term for livestock grazing. Mr. Schoeneman has been on the property since 2000.

Grazing leases provide valuable service to the Port Authority in areas that are difficult or pending for long term development including this future dredge placement area. Grazing tenants provide eyes on the ground that are helpful in the prevention of dumping. Irvin Schoeneman now seeks to renew the current lease term for an additional three years. The lease rate would be increased from \$20 per acre per year to \$25 per acre per year.

Staff Evaluation/Justification:

Staff reviewed the request by Irvin Schoeneman and recommends approval of a lease agreement.

G. COMMERCIAL

Subject	4. Approve an amendment to the lease agreement with CB&I LLC at the Bayport Container Terminal east of Freight Station Road increasing the leased premises by approximately 14 acres for a total of approximately 57.92 acres effective no earlier than April 1, 2019, at a total annual rental of \$1,702,848 subject to an annual 3% increase.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, approve an amendment to the lease agreement with CB&I LLC at the Bayport Container Terminal east of Freight Station Road increasing the leased premises by approximately 14 acres for a total of approximately 57.92 acres effective no earlier than April 1, 2019, at a total annual rental of \$1,702,848 subject to an annual 3% increase, 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. 2019-0129-09, the Port Commission approved a thirty-two-month term lease with CB&I LLC at the Bayport Container Terminal east of Freight Station Road, effective no earlier than February 1, 2019, at an annual rental of \$1,291,248 subject to an annual 3% increase.

CB&I LLC has now been awarded a contract to construct Bayport Polymers, LLC's polyethylene expansion and construction project near the Bayport Container Terminal. As a result, CB&I LLC has now requested the Port Authority lease it an additional 14 acres south of the existing leased tract as a heavy project cargo lay-down and parking area. CB&I LLC would be responsible for improving and stabilizing the site and bringing needed utilities to the site at its expense.

Staff Evaluation/Justification:

Staff reviewed the negotiated request by CB&I LLC and recommends approval of a lease amendment.

G. COMMERCIAL

Subject	5. Amend the lease with Watco Transloading, LLC of approximately 5.31 acres at Industrial Park East to extend the term for an additional one-year, effective May 1, 2019, at an annual rental of \$112,381 subject to annual increase of 3%.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, amend the lease with Watco Transloading, LLC of approximately 5.31 acres at Industrial Park East to extend the term for an additional one-year, effective May 1, 2019, at an annual rental of \$112,381 subject to annual increase of 3%, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

By Minute No. 2018-0416-07, the Port Commission approved the Watco Transloading, LLC (Watco) lease of approximately 5.31 acres at Industrial Park East. Watco's original lease, effective May 1, 2018, expires April 30, 2019.

Watco has now proposed to extend its one-year term by an additional one year commencing no earlier than May 1, 2019, and expiring April 30, 2020.

Staff Evaluation/Justification:

Staff reviewed the negotiated request by Watco Transloading, LLC and recommends approval of this amendment to the lease agreement.

H. FINANCE

Subject	1. Authorize advertisement and receipt of responses for twelve formal procurements.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	<p>The Port Commission, at its March 26, 2019 meeting, authorize the Port Authority to advertise and receive responses for twelve formal procurements, determine that the proposed procurement methods provide the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing for these procurements.</p> <p>(a) Request for competitive sealed bids for a two-year contract for the purchase of commercial paper products for Turning Basin, Barbours Cut, and Bayport Container Terminals</p> <p>(b) Request for competitive sealed bids for a three-year contract for tire repair services for Barbours Cut Terminal, Bayport Container Terminal and Turning Basin Terminal</p> <p>(c) Request for competitive sealed bids for a two-year contract for purchase of Cummins diesel engine parts and related services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal</p> <p>(d) Request for competitive sealed bids for purchase of LED lighting for wharf cranes at Bayport Container Terminal</p> <p>(e) Request for competitive sealed bids for purchase of electrical repair services to high voltage cables at Bayport Container Terminal</p> <p>(f) Request for competitive sealed proposals for bed-leveling the berths at Barbours Cut Terminal</p> <p>(g) Request for competitive sealed proposals to install rail and switch replacement at Turning Basin in 2019-2020</p> <p>(h) Request for proposals for staff augmentation for qualified Information Technology project management oversight services</p> <p>(i) Request for proposals for professional EDI application management, database management, and server monitoring services</p> <p>(j) Request for proposals for position detection system</p> <p>(k) Request for proposals for the Human Resource Benefits Integration Services Contract</p> <p>(l) Request for proposals for financial advisory services relating to channel infrastructure funding strategies</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 twelve new Formal Procurements. Staff has evaluated and recommends the customary best value methods for each procurement.

I. INFRASTRUCTURE

Subject	1. Approve staff's ranking of vendors and award a contract, in an amount not to exceed \$916,872, for the United States Department of Agriculture APHIS Houston Maritime Lab at Bayport Terminal Complex (remodeling the Gate Services Building at Bayport Container Terminal), to the top-ranked proposers: staff ranking – first, CMC Development & Construction Corporation LLC; second, IKLO Construction; and third, Nash Industries, Inc., subject to United States Department of Agriculture reimbursement of \$678,486 (74% of the original cost); resulting in a net cost to the Port Authority of \$238,386.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, CMC Development & Construction Corporation LLC; second, IKLO Construction; and third, Nash Industries, Inc.; (b) award a contract, for the United States Department of Agriculture APHIS Houston Maritime Lab at Bayport Terminal Complex (remodeling the Gate Services Building at Bayport Container Terminal) in an amount not to exceed \$916,872; (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:
By Minute No. 2018-0925-11, the Port Commission approved a ten-year lease agreement with the United States Department of Agriculture (USDA) for approximately 1,345 square feet of office space within the old Gate Services Building (GSB) at the Bayport Container Terminal effective no earlier than November 1, 2018, at an annual rental of \$33,624 subject to an annual increase of 3%. This agreement also stipulated that upon completion USDA will reimburse approximately 74% (\$678,486) of the work performed in the project to modify the inside of the building; while the Port Authority net resulting cost will be 26% (\$238,386). Reimbursement of the USDA portion to the Port Authority will occur upon substantial completion of the project.

This project, therefore, consists of remodeling approximately 1,345 square feet of the existing GSB at Bayport Container Terminal to be utilized by the USDA as an inspection laboratory. The project would also include enclosing the roof overhang around the building to create a larger tenant space, and the

installation of laboratory equipment, office space, a communications equipment room, additional HVAC, and associated items.

By Minute No. 2018-0925-16(i), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for the USDA APHIS Houston Maritime Lab at Bayport Terminal Complex (remodeling the Gate Services Building at Bayport Container Terminal). The Port Authority notified vendors regarding its request for CSPs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Eight vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On February 09, 2019, three CSP's were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as providing best value for the required services:

- CMC Development & Construction Corporation LLC
- IKLO Construction
- Nash Industries, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to CMC Development & Construction Corporation LLC and act as otherwise described above.

I. INFRASTRUCTURE

Subject	2. Authorize a second amendment of the Advanced Funding Agreement with the Texas Department of Transportation to increase the funding for drainage improvements associated with the Southbound Loop 610 Feeder Road at the Turning Basin Terminal in the amount of \$152,093.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, authorize the Port Authority to amend the existing Advanced Funding Agreement with the Texas Department of Transportation, Houston District Office, to increase the funding for drainage improvements associated with the Southbound Loop 610 Feeder Road at the Turning Basin Terminal in the amount of \$152,093, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2016-1213-25, the Port Commission awarded a professional services contract to CivilTech Engineering to design drainage improvements associated with the Southbound Loop 610 Feeder Road at the Turning Basin Terminal.

By Minute No. 2017-0926-29, the Port Commission authorized an Advanced Funding Agreement (AFA) with Texas Department of Transportation (TxDOT) in the amount of \$509,788 for these drainage improvements. Pursuant to the AFA, TxDOT agreed to fund up to \$200,000 and perform 100% of the construction, management/inspection, material testing, and all environmental permitting in its right-of-way.

By Minute No. 2019-0129-19, due to an expanded scope, the Port Commission authorized an amendment of the AFA with TxDOT in the amount of \$334,967 for a total of \$844,755. The additional work consists of the removal and installation of a security fence, a traffic control plan, tree planting, supplementary pipe installation, temporary shoring, asphalt pavement, and more signs, barricades and inlets.

On March 6, 2019, TxDOT notified the Port Authority that seven construction bids were received, and that the lowest bid was higher than the amount authorized by the Port Commission per Minute No. 2019-0129-19 by \$152,093. This second amendment, therefore, is required to increase AFA funding by \$152,093.

CivilTech Engineering has reviewed the lowest bid and found it to be fair and reasonable.

Staff Evaluation/Justification:

Staff recommends that the Port Commission approve this amendment.

I. INFRASTRUCTURE

Subject	3. Issue a pipeline license to ExxonMobil Pipeline Company for one 36-inch crude oil pipeline under and across Scott Bay, Houston Ship Channel, and Upper San Jacinto Bay.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, authorize the Port Authority to issue a pipeline license to ExxonMobil Pipeline Company for one 36-inch crude oil pipeline under and across Scott Bay, Houston Ship Channel, and Upper San Jacinto Bay, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Development

Staff Contact:
Mark Vincent, P.E.

Background:
ExxonMobil Pipeline Company, Port Authority File No. 2019-0067, has applied for a pipeline license for one 36-inch crude oil pipeline under and across Scott Bay, Houston Ship Channel, and Upper San Jacinto Bay, in Harris County, Texas.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development department. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$138,285. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	4. Issue a pipeline license to ExxonMobil Pipeline Company for one 20-inch refined products pipeline under and across Scott Bay, Houston Ship Channel, and Upper San Jacinto Bay.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, authorize the Port Authority to issue a pipeline license to ExxonMobil Pipeline Company for one 20-inch refined products pipeline under and across Scott Bay, Houston Ship Channel, and Upper San Jacinto Bay, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

ExxonMobil Pipeline Company, Port Authority File No. 2019-0068, has applied for a pipeline license for one 20-inch refined products pipeline under and across Scott Bay, Houston Ship Channel, and Upper San Jacinto Bay, in Harris County, Texas.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development department. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$81,265. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

J. OPERATIONS

Subject 1. Award a two-year contract to United Air Conditioning Supply for purchase of spare and replacement parts for Daikin and Liebert HVAC systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$300,000; award a two-year contract to Johnson Supply for purchase of spare and replacement parts for Baird and Friedrich HVAC systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$300,000; and award a two-year contract to InSCO Distributing, Inc. for purchase of spare and replacement parts for York HVAC systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$150,000.

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

Access Public

Type Action

Recommended Action The Port Commission, at its March 26, 2019 meeting, award a two-year contract to United Air Conditioning Supply for purchase of spare and replacement parts for Daikin and Liebert HVAC systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$300,000; award a two-year contract to Johnson Supply for purchase of spare and replacement parts for Baird and Friedrich HVAC systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$300,000; and award a two-year contract to InSCO Distributing, Inc. for purchase of spare and replacement parts for York HVAC systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$150,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Award, Amendments & Change Orders

Department:
Maintenance

Staff Contact:
Paulo Soares

Background:
The Port Authority owns several brands of HVAC systems. They range from small non-commercial units to more complex water-chilled systems, and are installed on hundreds of buildings and terminal equipment in all three facilities. They are relied upon daily for proper operation of Information Technology server rooms and terminal equipment, as well as to maintain the work environment in office buildings. Given the large number of brands, staff recommended a divisible two-year contract.

By Minute No. 2018-1030-11(b), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for a two-year contract for purchase of spare and replacement parts for HVAC systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. The Port Authority notified vendors regarding its CSB using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Seven vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On February 28, 2019, four CSBs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Following staff's Executive Committee review, staff recommends that the Port Authority award a two-year contract to United Air Conditioning Supply for purchase of spare and replacement parts for Daikin and Liebert HVAC systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$300,000; award a two-year contract to Johnson Supply for purchase of spare and replacement parts for Baird and Friedrich HVAC systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$300,000; and award a two-year contract to Insko Distributing, Inc. for purchase of spare and replacement parts for York HVAC systems at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$150,000, the responsible bidders each submitting the lowest and best bids, for spare and replacement parts for the applicable HVAC systems.

J. OPERATIONS

Subject	2. Award a two-year contract to ABB, Inc., the sole source provider, for quarterly inspection services for motor control drives on wharf cranes at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$125,000.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, award a two-year contract to ABB, Inc., the sole source provider, for quarterly inspection services for motor control drives on wharf cranes at Barbours Cut Terminal and Bayport Container Terminal, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns fifteen wharf cranes equipped with ABB motor control drives for gantry, main and boom hoist, and trolley functions. These systems require periodic inspections to ensure optimal performance during vessel operations. Since 2006, the Port Authority has hired ABB, Inc. to perform such inspections on a quarterly basis. As the manufacturer, ABB, Inc. is the most qualified company to provide this service. As the number of wharf cranes grew to fifteen over the years so did contract amounts, and accordingly staff recommends that a two-year contract be issued.

Staff Evaluation/Justification:

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

Staff recommends that the Port Authority enter into a two-year contract with ABB, Inc. for quarterly inspection services for motor control drives on wharf cranes at Barbours Cut Terminal and Bayport Container Terminal.

J. OPERATIONS

Subject	3. Enter into an agreement with Harris County, on behalf of the Harris County Tax Office, to use the Texas Registration and Title System to issue vehicle registrations and inspection insignias for Port Authority vehicles.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, authorize the Port Authority to enter into an agreement with Harris County, on behalf of the Harris County Tax Office, to use the Texas Registration and Title System to issue vehicle registrations and inspection insignias for Port Authority vehicles, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand) Strategic Objective 2b. - Deliver cost and service advantages through innovation and efficiency

Category:
General

Department:
Operations

Staff Contact:
Paulo Soares

Background:

The Port Authority Central Stores Manager must currently travel to a local Texas Department of Motor Vehicles (TxDMV) office to obtain motor vehicle registrations for Port Authority vehicles. The manager pays for the transaction and completes an expense report to obtain reimbursement for the fees, due to TxDMV requirements. The cost for registrations vary from month-to-month based on the amount of inspections listed in the State of Texas Registry.

Staff Evaluation/Justification:

Staff has determined that it would be more efficient and cost-effective to establish a registration and inspection insignia function at the Turning Basin Terminal Central Maintenance facility to handle TxDMV requirements for Port Authority vehicles.

The proposed agreement with Harris County would permit Port Authority access to the TxDMV WebSub "application," with on-premises Web-enabled capabilities to carry out these registration and inspection insignia functions.

Accordingly, staff recommends that the Port Commission authorize the proposed agreement to permit use of the Texas Registration and Title System.

J. OPERATIONS

Subject	4. Issue a Stevedore License for a nine-month term commencing April 1, 2019 and expiring December 31, 2019, to Houston Terminal LLC upon applicant's satisfactory completion of all requirements and obligations for license issuance.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission at its March 26, 2019 meeting, authorize the Port Authority to issue a Stevedore License for a nine-month term commencing April 1, 2019 and expiring December 31, 2019, to Houston Terminal LLC, upon applicant's satisfactory completion of all requirements and obligations for license issuance, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base) Strategic Objective 4b. - Cultivate productive relationships with all stakeholders

Category:
General

Department:
Operations

Staff Contact:
Jeff Davis

Background

Houston Terminal LLC is a joint venture between Ceres Gulf, Inc. (Ceres) and Container Marine Terminals, LLC, formed to operate a marine terminal and provide container stevedoring, terminal, and related services. Houston Terminal LLC has operated as a stevedore at Port Houston facilities since 2008 under the stevedore license of Ceres. Houston Terminal LLC has applied for a new license independent of Ceres.

Staff Evaluation/Justification:

Staff is in the process of reviewing the license application.

Staff recommends that it be authorized to issue a license to Houston Terminal LLC as set forth above for such Port Authority facilities as determined by staff; provided however, that issuance would be conditioned upon the applicant's satisfactory completion of outstanding license requirements and obligations, if any, and satisfaction of current license requirements.

K. PEOPLE

Subject **1. Approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$283,055 for cleaning services for two years beginning April 1, 2019, for the Executive Office Building, Port Coordination Center, Sam Houston Pavilion restrooms, and ten gatehouses to the top-ranked proposer: staff ranking - first, Maintenance of Houston, Inc.; second, GMW Quality Cleaning Solutions, LLC dba Hospitality Cleaning Solutions; and third, Marfran Cleaning, LLC.**

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

Access Public

Type Action

Recommended Action The Port Commission, at its March 26, 2019:
 (a) approve staff's ranking of proposals based on the selection criteria, in the following order – first, Maintenance of Houston, Inc.; second, GMW Quality Cleaning Solutions, LLC dba Hospitality Cleaning Solutions; and third, Marfran Cleaning, LLC;
 (b) award a contract to Maintenance of Houston, Inc. for cleaning services and optional cleaning services for two years, beginning April 1, 2019;
 (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 selection 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 #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:

Awards, Amendments & Change Orders

Department:

Office and Building Services

Staff Contact:

Jessica Shaver

Background:

By Minute No. 2018-1030-11(i), the Port Commission authorized the advertisement of a request for proposals (RFP) for a two-year contract for cleaning services at the Executive Office Building, Port Coordination Center, Sam Houston Pavilion, and ten gatehouses at the Turning Basin Terminal. The Port Authority notified vendors regarding its RFP using the Port Authority's BuySpeed Eprocurement System, and the project was advertised on the Port Authority website and in a local newspaper. Eleven vendors downloaded the project materials from the BuySpeed.

Staff Evaluation/Justification:

On January 23, 2019, six responses to the RFP were received and opened. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as providing the best offers to the Port Authority:

- Maintenance of Houston, Inc.
- GMW Quality Cleaning Solutions, LLC dba Hospitality Cleaning Solutions
- Marfran Cleaning, LLC

Staff recommends that the Port Commission award a contract to Maintenance of Houston, Inc. and act as otherwise described above.

K. PEOPLE

Subject	2. Adopt the Group Benefits Funding and Insurance Program Policy.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, adopt the Group Benefits Funding and Insurance Program Policy, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:

General

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

By Minute No. 2018-1212-37, the Port Commission authorized funding for the payment of claims from the Port Authority's group medical self-funded insurance program during calendar year 2019. In addition, the Port Authority has purchased commercial insurance covering other group benefits provided to current and former employees.

In order to more clearly outline the roles and responsibilities with respect to the administration and funding of employee benefits, Port Authority staff has prepared a Group Benefits Funding and Insurance Program Policy. The proposed Policy addresses several key areas, including:

1. The procurement of commercial insurance for employee benefits;
2. The establishment of funds relating to the Port Authority's self-insurance program for employee benefits (Funds);
3. The type and extent of withdrawals that may be paid from the Funds;
4. The authority to invest money from the Funds in accordance with the laws governing the investment of public funds;
5. The retention of outside professionals, including insurance brokers, benefits consultants, actuaries, and third-party claims administrators, to perform services relating to employee benefits or the Funds; and
6. Reporting regarding the status of the employee benefits programs and the Funds.

Staff Evaluation/Justification:

The proposed Policy was prepared and reviewed by members of the Port Authority's People, Finance, and Legal divisions and by outside counsel.

Staff recommends that the Port Commission adopt the Group Benefits Funding and Insurance Program Policy that is on file with the Port Authority.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	1. Issue a purchase order to Metro Fire Apparatus Specialists, Inc. for the purchase of eleven Self Containing Breathing Apparatus and twelve cylinders, using the Houston-Galveston Area Council's cooperative purchasing program, in an amount not to exceed \$82,390.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, issue a purchase order to Metro Fire Apparatus Specialists, Inc. for purchase of eleven Self Containing Breathing Apparatus and twelve cylinders, using Houston-Galveston Area Council's cooperative purchasing program, in an amount not to exceed \$82,390, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success) Strategic Objective 4c. - Operate safely and securely

Category:

Awards, Amendments, & Change Orders

Department:

Fire Department

Staff Contact:

William Buck

Background:

The Fire Department is seeking to purchase eleven Self Containing Breathing Apparatus (SCBA) and twelve cylinders per the Texas Administrative Code Title 37, Part 13, Chapter 435, Rule 435.3 which states that an entity that employs firefighters shall purchase, provide, and maintain a complete SCBA for all on-duty fire protection personnel who engage in operations where immediate danger to life and health atmospheres may be encountered, and shall comply with the National Fire Protection Association (NFPA) 1981 Standard for SCBA for firefighters. Port Authority firefighters' job duty requires that they enter such atmospheres.

Staff anticipates that, parts for its current SCBAs will not be available in the future as manufacturers phase out old technology. Accordingly, staff has budgeted over the next four-years to purchase similar amounts of SCBAs and cylinders each year to spread out the cost and provide a rolling recapitalization. This would ensure that current standards are met, Texas Fire Commission and NFPA requirements are met, and above all, our people are kept safe.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring SCBAs through the purchasing program of Houston-Galveston Area Council (H-GAC) is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority. The Port Authority Fire Department has determined that the best availability, price, and contract terms for the item needed is provided by Metro Fire Apparatus Specialists, Inc. under the pricing schedule obtained from that vendor's contract with H-GAC.

The H-GAC cooperative purchasing program was established in 1973 pursuant to the Texas Interlocal Cooperation Act to enable governmental entities to obtain purchasing services that offer expedited procurement, volume purchasing discounts, contract administration, and research services. All products

and services offered by H-GAC have been subjected to competitive procurement processes in accordance with statutory requirements. By Minute No. 99-1129-29, the Port Commission authorized the Port Authority to enter into an Interlocal Agreement with H-GAC to participate in its cooperative purchasing program.

Staff recommends utilizing the H-GAC cooperative purchasing program for this procurement to provide the best value to the Port Authority and Metro Fire Appartus Specialists Inc., a local fire equipment company, was determined to provide the product sought using H-GAC pricing.

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

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	2. Issue a purchase order to Motorola Solutions for the purchase of Land Mobile Radio equipment including radios, batteries, chargers, related hardware, and accessories for the Operations and Port Security and Emergency Operations divisions using the Houston-Galveston Area Council's cooperative purchase program, in an amount not to exceed \$100,000.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, issue a purchase order to Motorola Solutions for purchase of Land Mobile Radio equipment including radios, batteries, chargers, related hardware, and accessories for the Operations and Port Security and Emergency Operations divisions using the Houston-Galveston Area Council's cooperative purchase program, in an amount not to exceed \$100,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 2b. - Deliver cost and service advantages through innovation and efficiency STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term) Strategic Objective 4c. - Operate safely and securely

Category:

Awards, Amendments, & Change Orders

Department:

Emergency Management

Staff Contact:

Colin Rizzo

Background:

Motorola Land Mobile Radio (LMR) equipment, including handheld, mobile, and base stations, are used daily by Port Authority maintenance and operations personnel, crane operators, and clerks to accomplish their tasks in a safe and efficient manner. The Port Security and Emergency Operations division, including contract security, police and fire departments, also use Motorola LMR equipment to maintain security at all terminals and respond to incidents and other emergencies. As the vast majority of the approximately 800 radios are Motorola products, Motorola parts and accessories are required to service the LMR equipment.

A new radio technician position has been created, and candidates are being interviewed, to consolidate the management of all Port Authority radios. It is expected that this purchase order would provide the funds needed for approximately one year, and be adjusted as necessary as the program matures.

Staff Evaluation/Justification:

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

Staff recommends utilizing the H-GAC cooperative purchasing program for this procurement to provide best value to the Port Authority. Motorola Solutions was determined to provide the products sought using H-GAC pricing. This equipment will be provided by Motorola Solutions under the pricing schedule obtained from that vendor's contract RA05-18.

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

M. TECHNOLOGY

Subject	1. Issue a purchase order to Microsoft Corporation for purchase of Microsoft Unified Support Services (formerly known as Microsoft Premier Services), using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$150,000.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, issue a purchase order to Microsoft Corporation for purchase of Microsoft Unified Support Services (formerly known as Microsoft Premier Services) for proactive technical planning and unlimited Microsoft reactive support, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$150,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

The Port Authority is seeking to obtain the annual renewal for Microsoft Unified Support Services (formerly known as Microsoft Premier Services) for the planning and support (both proactive and reactive) needs for all Port Authority Microsoft technologies, including Office 365, Windows, Windows Server, and SQL Server. These services allow for direct contact with senior engineers who aid in successful implementation, achievement of business priorities, and immediate reactive assistance to troubleshoot critical business applications. 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 Microsoft Unified Support through the Texas Department of Information Resources' (DIR) purchasing program is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

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

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

M. TECHNOLOGY

Subject	2. Issue a purchase order to SHI Government Solutions, Inc. for purchase of Cyberark maintenance and professional services, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in an amount not to exceed \$70,000.
Meeting	Mar 26, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its March 26, 2019 meeting, issue a purchase order to SHI Government Solutions, Inc. for purchase of Cyberark maintenance and professional services, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in an amount not to exceed \$70,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 1c. - Implement streamlined processes supported by technology Strategic Objective 4c. - Operate safely and securely

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Ron Farrow

Background:

The Port Authority is seeking to renew its Cyberark maintenance and professional services in order to provide cybersecurity support for its current digital environment as well as provide additional professional services to assist in further implementation.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring Cyberark maintenance and professional services through the Local Government Purchasing Cooperative's (LGPC) BuyBoard is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority. This cooperative is administered by the Texas Association of School Boards (TASB).

The Information Technology department has determined that the best availability, price, and contract term for the item needed is provided by SHI Government Solutions, Inc. under the pricing schedule obtained from that vendor's contract with Local Government Purchasing Cooperative's BuyBoard, and is therefore recommending this purchase.

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