

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
April 23, 2019

<u>Minute No.</u>	<u>Event/Action</u>
	General
	Chairman Campo convened the Port Commission meeting and welcomed everyone
	Minutes
2019-0423-01	Approve the minutes of the March 26, 2019 Port Commission meeting
	Port Commission Committee Updates
2019-0423-02	Chairman Campo reported on the Audit Committee Meeting- April 16, 2019
2019-0423-03	Approve the Port Authority's fiscal year 2018 Comprehensive Annual Financial Report
2019-0423-04	Commissioner Fitzgerald reported on the Pension and Benefits Committee Meeting - April 16, 2019
	Appearances
2019-0423-05	Chairman Campo introduced Jim Blackburn, Co-Director, Severe Storm Prediction, Education, & Evacuation from Disasters (SSPEED) Center at Rice University, who introduced Charles Penland, Walter P Moore, and both addressed the Port Commission
2019-0423-06	Chairman Campo introduced John Martin, Martin & Associates, who addressed the Port Commission
2019-0423-07	Chairman Campo introduced Bruce Birdwell, Director Risk Management, who provided the Total Cost of Risk Annual Report to the Port Commission
2019-0423-08	Chairman Campo asked if anyone else would like to address the Port Commission; there was no response

<u>Minute No.</u>	<u>Event/Action</u>
	F. Executive
2019-0423-09	Staff Report – Summary of selected financial and operational matters – Roger Guenther, Executive Director
2019-0423-10	Amend the Port Commission resolution adopted April 8, 2019 regarding limitations on ships calling Port Authority container terminals
	G. Commercial
2019-0423-11	Staff Report – selected agenda items – John Moseley, Chief Commercial Officer
2019-0423-12	Award a creative and graphics design services contract, expiring December 31, 2020 with an option for a one-year extension, to Adcetera Design Studio, Inc.
2019-0423-13	Approve (i) the cancellation of a 99-year lease for approximately 13.77 acres of submerged and filled submerged property leased to Moda Vopak Houston, LLC, and (ii) a fifty-year lease agreement with Vopak Moda Houston Holdco, LLC, effective no earlier than May 1, 2019, for approximately 50 acres of submerged and filled submerged land at the northern edge of the George Ross Survey, Abstract 646 and the George M. Patrick Survey, Abstract A-264, in Harris County, at an annual base rent of \$525,000 beginning at full operations of Phase 1, no later than 36 months from the commencement date, and subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index
2019-0423-14	Approve a lease agreement with Dixie Cullen Interests, Inc. for approximately 2.35 acres located at 927 Maxine St. effective no earlier than July 1, 2019, for a twenty-four and one-half year term co-terminus with its 9100 Mississippi St. lease, at an annual rate of \$67,652 once operational, subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index
2019-0423-15	Approve a lease agreement with R. Warehousing and Port Services, Inc. for approximately 2.5 acres located at 922 Maxine St., effective no earlier than May 1, 2019, for a one-year term with a one-year option, at an annual rate of \$61,200 subject to an annual increase of 3%
2019-0423-16	Approve a lease agreement with Alltrans Port Services, LLC for approximately 2.61 acres out of Block 23A at Industrial Park East, effective July 1, 2019, for a three-year term with one three-year mutual option, at an annual rental of \$99,456 subject to an annual increase of the greater of 3% or Consumer Price Index

<u>Minute No.</u>	<u>Event/Action</u>
2019-0423-17	Approve a lease agreement with Conestoga Supply, LLC for approximately 0.87 acres out of Block 24 at Industrial Park East, effective May 1, 2019, for a one-year term with a two-year mutual option to extend, at an annual rental of \$17,883
2019-0423-18	Approve a lease agreement with Hansen-Mueller Company for approximately 2.07 acres out of Block 17A in the Turning Basin Area, effective July 1, 2019, for a five-year term with an annual rental of \$42,550 and an annual increase of the greater of 3% or Consumer Price Index
2019-0423-19	Approve a second amendment to the lease agreement with Cooper/Ports America LLC, effective June 1, 2019, for approximately 3.20 acres which includes Warehouse 21-A, the apron adjacent to Warehouse 21-A, an additional open area of approximately 57,210 sq. ft., and a rail spur of approximately 500 linear ft. at the Turning Basin Terminal for an additional one-year term at an annual base rent of \$84,680

H. Finance

Approve the Port Authority's fiscal year 2018 Comprehensive Annual Financial Report (*Approved above – see Minute No. 2019-0423-03*)

I. Infrastructure

2019-0423-20	Staff Report – selected agenda items – Rich Byrnes, Chief Infrastructure Officer
2019-0423-21	Award a construction contract for the rehabilitation of Wharf 3, construction of electrical infrastructure, and Lighter Aboard Ship Vessel (LASH) dock demolition at Barbours Cut Terminal to the top-ranked proposer: McCarthy Building Companies
2019-0423-22	<p>Approve staff's ranking of vendors and award a professional services contract to perform construction material testing services during the rehabilitation of Wharf 3 at Barbours Cut Terminal to the top-ranked proposer – first, Aviles Engineering Corporation; second, HVJ Associates, Inc.; and third, Braun Intertec Corporation</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2019-0423-23	Amend the professional services contract with BGE, Inc. to perform construction phase and field inspection services for the rehabilitation of Wharf No. 3, construction of electrical infrastructure, and demolition of the Lighter Aboard Ship Vessel (LASH) dock at Barbours Cut Terminal

<u>Minute No.</u>	<u>Event/Action</u>
2019-0423-24	<p>Approve staff's ranking of vendors and award two professional services contracts, each in an amount not to exceed \$2,000,000 and for a five-year term, to provide professional services for engineering, design, construction management, project coordination, and other general assistance for the Houston Ship Channel Project and beneficial use sites to the top-ranked proposers: staff ranking – first, Turner Collie & Braden and Gahagan & Bryant Associates Joint Venture; second, HDR Engineering, Inc.; and third, Lloyd Engineering, Inc.</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2019-0423-25	Award a construction contract to Blastco Texas, Inc. for the annual wharf crane and rubber tire gantry crane painting at Bayport Container Terminal and Barbours Cut Terminal for 2019
2019-0423-26	Award a construction contract to Triumph Cabling Systems, LLC for the relocation of communications infrastructure along Peninsula Boulevard
2019-0423-27	Issue a marine construction permit to TDWP Terminals 1, LLC to place six spud barges and two deck barges associated with leased barge fleet and staging areas, along with associated dredging, adjacent to the Houston Ship Channel
2019-0423-28	Approve a barge fleet lease agreement with TDWP Terminals 1, LLC for approximately 9 acres of submerged lands, approximately 4,300 feet downstream of Greens Bayou, on the Houston Ship Channel at a monthly rental amount of \$2,526 and for a ten-year term
2019-0423-29	Issue an access license to Enterprise Texas Pipeline, LLC to cross the Port Authority's Rosa Allen ditch property
2019-0423-30	Amend a surface site license for Magellan Pipelines Holdings, L.P. to add 71 square feet to the existing surface site just east of Witter Street in the Pasadena Cut-off railroad right-of-way
J. Operations	
2019-0423-31	Staff Report – selected agenda items – Jeff Davis, Chief Port Operations Officer
2019-0423-32	Approve staff's ranking of vendors and award a contract for the purchase of one loaded container handling machine for Bayport Container Terminal to the top-ranked proposer: staff ranking – first, Taylor Machine Works, Inc.; second, Darr Equipment; and third, Briggs Equipment, Inc.

Minute No.

Event/Action

- Port Commission adopted the staff-recommended ranking and authorized award
- 2019-0423-33 Approve staff's ranking of vendors and award a contract for the purchase of six empty container handling machines for Barbours Cut Terminal to the top-ranked proposer: staff ranking – first, Briggs Equipment, Inc.; second, Taylor Machine Works; and third, Equipment Depot
- Port Commission adopted the staff-recommended ranking and authorized award
- 2019-0423-34 Issue a purchase order to Caldwell County Chevrolet for purchase of fifty Chevrolet vehicles, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in an amount not to exceed \$1,449,001; and issue a purchase order to Caldwell County Chevrolet for purchase of one Ford vehicle, using the Texas Comptroller's TxSmartBuy, a cooperative purchase program, in an amount not to exceed \$54,480
- 2019-0423-35 Issue a purchase order to Heil of Texas for purchase of a street sweeper for Turning Basin Terminal, using the Houston-Galveston Area Council Cooperative Purchasing Program
- 2019-0423-36 Enter into a contract to West Gulf Maritime Association for payroll services, safety training, and related services for a five-year term
- 2019-0423-37 Approve a Port Authority tariff increase regarding gang detention, and the addition of dockage credits for daylight restricted vessels, to be included and published in Port Authority Tariff Nos. 8, 14, and 15 effective June 1, 2019

K. People

- 2019-0423-38 Staff Report – selected agenda items – David McNamara, Interim Chief People Officer
- 2019-0423-39 Amend the Service Agreement with Houston International Seafarers Centers, Inc. to provide that the Port Authority invoice a voluntary \$98 charge on vessels calling at Port Authority terminals to support the operations of the seafarers centers

L. Port Security and Emergency Operations

- 2019-0423-40 **Staff Report** – Selected agenda items – Marcus Woodring, Chief Port Security and Emergency Operations Officer

<u>Minute No.</u>	<u>Event/Action</u>
2019-0423-41	Award two purchase orders for emergency standby products and services if required in the event of an emergency, in contract amounts not to exceed \$50,000 each, for three-year terms with options of two- year extensions each, to both Garner Environmental Services and T & T Salvage, LLC
	M. Technology
2019-0423-42	Staff Report – Selected agenda items – Charles Thompson, Chief Technology Officer
2019-0423-43	Issue a purchase order to Insight Public Sector, Inc. for renewal of the Adobe Enterprise Term License Agreement for subscriptions for Adobe Acrobat DC Professional and Adobe Sign, using Texas Department of Information Resources' cooperative purchase program for a three-year term invoiced annually
2019-0423-44	Issue a purchase order to Mythics, Inc. for the annual software license fee increase for JDEdwards Enterprise Resource Planning software, using a State of Texas Department of Information Resources cooperative purchase contract
2019-0423-45	Issue a purchase order to SHI Government Solutions, Inc. for purchase of VMware annual software licensing and software support to the Port Authority's existing Information Technology's infrastructure, using Texas Department of Information Resources cooperative purchase program
	N. Recess Open Meeting and Convene Executive Session
	O. Reconvene Open Meeting
2019-0423-46	Authorize the Port Authority to enter into a settlement agreement with Spinnaker Equipment Services, Inc., as court-appointed Equipment Recovery Agent acting on behalf of the bankruptcy trustee for Hanjin Shipping Co., Ltd., on the terms discussed in Executive Session, and to do all things reasonable or necessary to give effect to the foregoing
	P. Adjourn Meeting

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

**Houston, Texas
April 23, 2019**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on April 23, 2019 at 9:02 a.m., at the Port of Houston Authority Executive Office, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following commissioners, staff, and counsel were present:

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

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

(2019-0423-01) Chairman Campo called for a motion to approve the minutes of the March 26, 2019 Port Commission meeting. Commissioner Corgey moved for approval, seconded by Commissioner Fitzgerald. The minutes were approved as written.

(2019-0423-02) Chairman Campo reported on the Audit Committee Meeting – April 16, 2019.

Chairman Campo noted that the Audit Committee received the Port Authority's 2018 Comprehensive Annual Financial Report ("CAFR") and External Auditor's Report Update. There was a finding of noncompliance in reporting related to 2 CFR 200 Uniform Guidance Requirements for the Single Audit, regarding the Federal Emergency Management Agency (FEMA) Public Assistance Grant Program. The Port Authority received an unmodified or "clean" opinion on both the CAFR and the Promotion and Development ("P&D") financial statements. Chairman Campo recommended that the Port Commission approve the 2018 CAFR as presented in agenda item H-1.

He went on to note that staff provided an overview of the Port Authority-wide Summary of Audits, and as a supplement to the report, Ryan Dixon, Lead Environmental Compliance Coordinator, Environmental Affairs Department, provided an overview of regulatory activity within the Environmental Department, and shared a plaque noting the Port Authority's recent re-certification under the ISO 14001 program.

Major internal audit reports included Contract Compliance Audit – Marketing & Media Services; ISO 14001, and the P&D Fund Review for the 4th quarter of 2018.

Chairman Campo concluded by reporting that there were two issues reported under the Port Authority's "whistleblower" hotline during the first three months of 2018. Both were minor policy matters which had been addressed.

Chairman Campo asked if there were any questions; there were none.

(2019-0423-03) RCA H1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2019-0423-04) Commissioner Fitzgerald reported on the Pension and Benefits Committee Meeting – April 16, 2019.

He noted that staff provided a review of the investment performance for the Pension Plan and OPEB Plan. As of December 31, 2018, the Pension Plan had assets of \$167 million with a negative 5.5% return for the year, and the OPEB Plan had assets of \$66 million and a negative return of 5.3% for the year. However, both plans showed positive returns of 5.5% for the quarterly period that ended March 31, 2019. The Pension Plan had a funded ratio of 98.4% and the OPEB Plan had a funded ratio of 88%.

The committee also discussed Pension and OPEB Plan asset allocation and investment managers. AndCo Consulting provided information on two new asset categories for consideration: (i) private infrastructure and (ii) private real estate. Commissioner Fitzgerald noted that staff and the pension consultants would conduct additional research on investment managers within these two asset categories and planned to make recommendations at a future meeting.

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

Appearances

(2019-0423-05) Chairman Campo introduced Jim Blackburn, Co-Director, Severe Storm Prediction, Education, & Evacuation from Disasters ("SSPEED") Center at Rice University, who introduced Charles Penland, Walter P Moore, who addressed the Port Commission regarding the Galveston Bay Park plan.

Mr. Blackburn stated that hurricanes and hurricane surge was a huge potential problem in the future. A category 3 storm could generate a 24-foot storm surge up the Houston Ship Channel, which would result in devastating damage and would be an economic, national security, and environmental disaster, the worst seen in U.S. history.

The Galveston Bay Park Plan proposed by the SSPEED Center offered a unique opportunity to overlap flood and surge protection with the potential widening of the Houston Ship Channel. That plan proposed a 25-foot barrier from Chambers County down the Houston Ship Channel, to tie into the Texas City levee system.

Mr. Blackburn discussed the various elements being considered. He advised that dredged material would be needed to build the dike, which the Port Authority would have available if the widening of the Houston Ship Channel goes forward. He also discussed the conversion of dikes to a levee. He opined that environmental clearance has already been obtained for the widening of the Houston Ship Channel all the way to Morgan's Point, i.e. the draft environmental impact statement has been published, but how to pay for the project and its maintenance once completed was currently in dispute.

Mr. Blackburn then introduced Mr. Penland, who presented a slide show illustrating benefits of the plan.

Chairman Campo inquired if this project would benefit the public for recreational purposes. Mr. Blackburn stated that there would be approximately 10,000 acres available for public use, including recreational boating and pedestrian and vehicle access.

Further discussion ensued regarding permitting requirements and approvals and how it would affect channel widening projects in the future.

Chairman Campo thanked Mr. Blackburn for the presentation and asked that the SSPEED Center keep the Port Commission informed of progress.

(2019-0423-06) Chairman Campo introduced John Martin, Martin & Associates, who addressed the Port Commission.

Mr. Martin presented results of his firm's 2018 study regarding the direct and indirect economic impacts of the Port of Houston. He stated that data was collected from surveys and interviews with 986 companies, from September through December 2018, and summarized those impacts on the U.S. economy: 3,208,000 jobs were supported by the Port of Houston's public and private facilities, producing \$801.9 billion of annual total economic activity, and \$38.1 billion of federal, state, and local taxes were annually generated by its activity.

In the state of Texas, 1,350,000 jobs were supported by Port Authority and private terminal activities. The Port of Houston generated \$339.0 billion of annual economic value, which equated to 20% of the state's GDP (gross domestic product) and resulted in almost \$6 billion state and local taxes generated annually.

Between 2014-2018, activity driven by the petrochemical liquid bulk industry as well as container cargo resulted in 513,000 new jobs supported by public and private facilities and \$172.5 billion of economic value in the U.S., and 176,000 jobs and \$74.1 billion in total economic value in Texas.

Mr. Martin asked if there were any questions, and Commissioner Corgey asked if the 3.2 million jobs were American jobs. Mr. Martin confirmed that and noted the jobs were terminal-related and applied to the downstream supply chain.

Commissioner Fitzgerald asked if there had been an increase in container business to Houston since the expansion of the Panama Canal. Mr. Martin was unsure of that amount but reported that since 2014 over one million tons of containerized cargo had come through the Port of Houston, but he did not know the specific amount of cargo that came to Houston through the Panama Canal.

(2019-0423-07) Chairman Campo introduced Bruce Birdwell, Director Risk Management, who provided the Total Cost of Risk Annual Report to the Port Commission.

Mr. Birdwell noted that the four components to Total Cost of Risk (“TCOR”) were (i) *claim costs* – all retained costs related to workers’ compensation and liability claims; (ii) *insurance* – premiums for all property and casualty coverage; (iii) *administrative costs* – internal costs, which encompassed salaries and benefits and costs of the Risk Management and Safety departments, and external costs, which included brokers, consultants, claims administrators, and actuarial studies (which are included in Risk Management’s budget); and (iv) *uninsured losses* – active and passive.

Mr. Birdwell reported there had been zero passive losses over the past 11 years. Administrative costs had dropped, both due to work being carried out internally and a 25% staff reduction. Since 2013 insurance premiums were up 3% and TCOR had been reduced by 49%, driven by increased revenues and stable risk management program costs. Safety statistics were down to 3.27 injuries per 100 employees, a substantial decrease in number of injuries vs. hours worked. He concluded by noting that the Self-Insurance Loss Fund had a balance of \$4,257,000 as of February 28, 2019.

Chairman Campo thanked Mr. Birdwell for his report and asked if there were any questions.

Commissioner Corgey also thanked Mr. Birdwell for his report and noted that he and staff did an excellent job in keeping costs down.

Commissioner Fitzgerald asked if the Port Authority was also self-insured for workers' compensation. Mr. Birdwell responded that since 2010, the Port Authority had been self-insured for the first \$500,000 for most employees, and the first \$750,000 for any claim for police and fire employees. Mr. Heidt added that this was self-insurance for casualty and workers' compensation, and not medical benefits, and that a report would be provided next year on the self-insurance program for medical benefits, as it had just started.

Chairman Campo commented that the statistics were very impressive and complimented Mr. Birdwell and his staff on the excellent job they were doing in managing claims.

(2019-0423-08) Chairman Campo asked if anyone else would like to address the Port Commission; there was no response.

(2019-0423-09) Mr. Guenther presented a summary of operational and financial matters as follows:

- Through March the Port Authority has handled 10 million tons of cargo, an increase of 6% over last year, as both container terminals and the Turning Basin general cargo and steel have continued their upward trend in 2019.
- Mr. Guenther noted that twenty-foot equivalent units ("TEUs") for the first quarter set a record at 694,000, an increase of 12% over the first quarter of last year.
- Operating revenues were tracking well to the budget approved by the Port Commission.
- Mr. Guenther congratulated Ray Yi, Senior Director, Treasury, and the finance group, for receiving the Investment Policy Certificate of Distinction award from the Government Treasurers' Organization of Texas:

In recognition of the Port Authority's outstanding written investment policy in meeting the requirements of the Public Funds Investment Act and upholding the standards for prudent and public investing.

The certificate would be effective for two years. He added that it was first awarded to the Finance Department in 2013, which had received consecutive certificates since then.

- Mr. Guenther concluded his remarks by explaining that Navis N4 was the tool used by the Operations and Billing groups for managing all Port Authority

facilities as well as external users including ocean carriers, truckers, BCOs, agents, brokers, forwarders, and others. Navis N4 underwent a major version update two weeks ago from version 2.6 to 3.6, with minimal interruption in service. He thanked all parties involved in this endeavor.

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

(2019-0423-10) RCA F1 was presented, moved by Commissioner Corgey, seconded by Commissioner Branch.

Chairman Campo asked if there were any questions or comments.

Commissioner DonCarlos inquired if the resolution as now worded would allow flexibility in the event the Houston Pilots become more comfortable with the larger ships and restrictions were eased. Mr. Eriksson affirmed that by noting that a few tweaks were made to the original resolution, and that he had spoken to members of the Coalition for a Fair and Open Port and believed they were comfortable with the language.

Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F1 PASSED.

Mr. Guenther stated that he wanted to make all to be aware that there were four ships in regular service that would require one-way traffic through the end of July. He noted that two of the ships were already on the water prior to the Resolution being signed and had docking dates of April 28th and May 2nd. He noted that technically they were arriving during a different week, but a few days apart, and he felt it was important that this be handled appropriately by the pilots.

Mr. Eriksson observed that the Port Authority operated public terminals which were obligated to be open to all vessels.

Chairman Campo noted that in one instance a ship was listed incorrectly; it was categorized as 335 meters long but a .7 was missing from the manifest, which put the ship slightly over 1,100 feet.

He further stated that the Port Authority would continue to publish the vessel schedule as updates were received every week from the container carriers about estimated arrivals and vessels sizes, as the Port Authority wanted to remain within the spirit of the resolution.

Commissioner Mease inquired as to the status of the working group that the Port Authority put aside \$500,000 to fund. Chairman Campo advised him that discussion of that matter was on the agenda for the next Pilot Board meeting.

(2019-0423-11) Mr. Moseley, Chief Commercial Officer provided a report of selected agenda items.

Mr. Mosely advised that eight items were on the agenda for consideration; seven related to real estate matters and the other was a marketing request. The latter, Item G1, was a request to award a creative and graphics design contract to Adcetera Design Studio, Inc. for \$700,000. This contract would be for twenty months with a one-year extension option, and would cover production and distribution of the annual report, quarterly magazines, and newsletters; print/digital campaigns, including flyers and brochures; and web design and communication of the Port Authority's message to the public.

Item G2 was for the cancellation of a 99-year lease of approximately 13.77 acres with Moda Vopak Houston, LLC, and approval of a 50-year lease with the company for approximately 50 acres. The lease rate provided for in the 1963 lease would be increased.

Commissioner DonCarlos asked what the payments were going to be, as the first lease would be cancelled, and the new lease would not go into effect until Phase 1 was fully operational. Mr. Moseley noted that the tenant would be making a \$60 million capital investment to dredge and to construct a new dock. Mr. Heidt explained that the rate would be \$210,000 per year during the construction period, in addition to a \$30,000 option fee for the acreage the tenant would not be building out. Commissioner DonCarlos also inquired about the \$8 million abatement provision for contaminated soil, and Mr. Heidt explained that this soil would be removed to comply with law and would be deposited into a special placement area.

Chairman Campo asked Mr. Moseley to explain the Minimum Annual Guarantee ("MAG") payment. Mr. Moseley stated the MAG was 22 million barrels and the Port Authority would receive 3.5 cents per barrel.

Commissioner Branch inquired as to the small business component of RCA G1. Mr. Moseley responded it was 5% and the firm was local, woman-owned, and established in 1982.

(2019-0423-12) RCA G1 was presented, moved by Commissioner Branch, seconded by Commissioner Mease. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2019-0423-13) RCA G2 was presented, moved by Commissioner Branch, seconded by Commissioner Mease. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G2 PASSED.

(2019-0423-14) RCA G3 was presented, moved by Commissioner Branch, seconded by Commissioner Mease. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G3 PASSED.

(2019-0423-15) RCA G4 was presented, moved by Commissioner Branch, seconded by Commissioner Mease. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G4 PASSED.

(2019-0423-16) RCA G5 was presented, moved by Commissioner Branch, seconded by Commissioner Mease. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G5 PASSED.

(2019-0423-17) RCA G6 was presented, moved by Commissioner Branch, seconded by Commissioner Mease. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G6 PASSED.

(2019-0423-18) RCA G7 was presented, moved by Commissioner Branch, seconded by Commissioner Mease. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G7 PASSED.

(2019-0423-19) RCA G8 was presented, moved by Commissioner Branch, seconded by Commissioner Mease. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G8 PASSED.

RCA H1 approved above – see Minute No. 2019-0423-03.

(2019-0423-20) Mr. Rich Byrnes, Chief Infrastructure Officer, provided a report on selected agenda items.

Mr. Byrnes noted there were ten items presented for consideration by the Port Commission. He added that in November the Port Commission authorized an approximately \$287 million capital improvements budget, and the items on the agenda encompassed 25% of those monies, or approximately \$70 million.

Items I1, I2, and I3 were all related to the rehabilitation program at Barbours Cut Terminal. The subject rehabilitation of Wharf 3 would take approximately 18 months. The three major components included: (i) wharf construction; (ii) electrical and communications infrastructure; and (iii) demolition of the LASH (lighter aboard ship) dock

to improve navigation. Mr. Byrnes noted that there was a 16% small business requirement and the recommended company met that goal.

Items 12 and 13 were related to that wharf rehabilitation, i.e. performance of construction materials testing services during the rehabilitation, and construction phase and field inspection services.

Item 14 was for two professional services contracts for engineering, design, construction management, project coordination, and other general assistance for the Houston Ship Channel Project and beneficial use sites. Staff proposed using two companies, to obtain a broader and diverse set of skills that were complimentary to one another and to give the Port Authority more flexibility to take on challenges like the 217(b) program. That program provided benefits to private industry by allowing firms to place their dredged material into public sites at lower cost.

Item 16 was a contract for the relocation of communications infrastructure along Peninsula Boulevard. Due to the expansion of this road by the Texas Department of Transportation (TxDOT), conduits carrying fiber optic cables located between JacintoPort and Care Terminals would have to be relocated. This project would be 100% performed by a small business.

Item 17 and Item 18 were related to submerged lands. The Port Authority would be leasing 9 acres of submerged lands in addition to providing a marine construction permit to place spud barges next to the premises.

Item 19 and Item 110 were pipeline licenses for Enterprise Texas Pipeline, LLC and Magellan Pipelines Holdings, L.P.

Commissioner DonCarlos asked if Orion Construction, as listed on Item 11, was related to the dredge company Orion. He was advised it was the same company and that its proposal price was much higher than the winner.

Commissioner Don Carlos commented that breaking up the LASH dock into phases seemed to be more expensive and he questioned if staff had considered requesting a bid that required the complete demolition of the LASH dock. Mr. Byrnes responded that staff had a separate contract for the demolition; however, during negotiations the contract fell through due to requirements the vendor placed on the Port Authority.

He further noted that staff had never considered taking out the entire LASH dock as the water depth there was only 4 feet and to go further back and take out the entire structure would be cost prohibitive.

Mr. Guenther interjected that in 2016 a commitment was made to Houston Pilot leadership that the Port Authority would remove the LASH dock so that larger ships could be brought in. The work would increase the turning radius at Barbours Cut Channel, which served not only Barbours Cut but also the biggest ethane export facility in the nation, so it was being carried out for the benefit of all.

After observing that 42 vendors downloaded the specifications, Commissioner DonCarlos noted that only two proposals were received, but conceded that this was a very specialized field.

Commissioner DonCarlos finally asked why Item I6 was a second procurement and the first was rejected. Mr. Byrnes advised him that the first resulted in a much higher cost than the engineers had estimated; this bid was 40% lower.

(2019-0423-21) RCA I1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I1 PASSED.

(2019-0423-22) RCA I2 was presented. Commissioner DonCarlos moved for staff ranking - first, Aviles Engineering Corporation; second, HVJ Associates, Inc.; and third, Braun Intertec Corporation, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2019-0423-23) RCA I3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2019-0423-24) RCA I4 was presented. Commissioner DonCarlos moved for staff ranking - first, Turner Collie & Braden and Gahagan & Bryant Associates Joint Venture; second, HDR Engineering, Inc.; and third, Lloyd Engineering, Inc., seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2019-0423-25) RCA I5 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I5 PASSED.

(2019-0423-26) RCA I6 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I6 PASSED.

(2019-0423-27) RCA I7 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I7 PASSED.

(2019-0423-28) RCA I8 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I8 PASSED.

(2019-0423-29) RCA I9 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I9 PASSED.

(2019-0423-30) RCA I10 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I10 PASSED.

(2019-0423-31) Mr. Jeff Davis, Chief Operations Officer, provided a report on selected agenda items.

Mr. Davis highlighted Item J2; purchase of six empty container handling machines for Barbours Cut Terminal. Three of the existing units were at the end of their useful life and no longer reliable. He noted that while the Port Authority currently handled approximately 50% of the containers that move through Barbours Cut, a tenant handled the balance, and since that lease would end in 2021, in the next year he would be back to the Port Commission to request more empty handlers. Between the tenant and the Port Authority approximately a half a million lifts are carried out each year.

Item J3 was for the purchase of 51 Chevrolet vehicles from Caldwell County Chevrolet. Forty-five of the vehicles were replacement vehicles for use throughout the Port Authority. Mr. Davis noted this is an annual occurrence: last year the Port Commission authorized the purchase of 41 vehicles, with 22 replacements.

Item J5 was for payroll services, safety training, and related services provided by the West Gulf Maritime Association ("WGMA"). The Port Authority has been contracting with WGMA for these services since 2004, which provides them for the Port Authority's International Longshoremen's Association workers, who receive their training and certification through WGMA.

Item J6 was to increase the tariff for gang detention and the addition of dockage credits for daylight restricted vessels, to be included and published in Port Authority Tariff Nos. 8, 14, and 15 effective June 1, 2019.

Gang detention credits are provided back to the ocean carriers when Port Authority cranes fail during vessel operations. Cranes are tracked individually, and each crane has a 30-minute deductible (i.e. no reimbursement for the first 30 minutes of down time). Cranes are down approximately 1% of the time rented, and the Port Authority offered the credit because labor was standing by when the cranes were not performing. The current gang detention credit had not kept up with labor costs; currently the Port Authority paid \$1,400 an hour and the proposed new rate would be \$2,100 an hour.

The Port Authority had made many investments to attract large vessels and due to pilot safety rules, certain larger vessels were restricted to daylight sailings. The proposed rule would provide dockage relief for ships that completed operations late in the day or at night and were unable to sail due to larger-vessel daylight restrictions. This would apply to any daylight-restricted vessel calling at Barbours Cut, Bayport, and Turning Basin facilities where dockage was invoiced by the Port Authority, with the provision that the vessels timely depart at the next opportunity to do so.

Chairman Campo inquired what the cost would be to the Port Authority; Mr. Davis stated he did not have the exact numbers, but it was project to equal approximately \$340,000. Chairman Campo verified whether this was a benefit to the customers and Mr. Davis confirmed that was correct.

Regarding equipment failures, Commissioner Branch questioned how many times such delays had occurred within the last year. Mr. Davis stated that the 1% failure rate equaled approximately \$212,000 that was returned to customers during the last 12 months. Commissioner Branch asked if Mr. Davis had the number of failures, Mr. Davis said he did not have the number readily available but could provide that information.

Commissioner Mease inquired why Briggs Equipment, Inc. placed third on Item J1 but was the top proposer on Item J2. Mr. Guenther explained that these were two different pieces of equipment and asked Paulo Soares, Senior Director, Maintenance, to explain. Mr. Soares stated that the proposal from Briggs Equipment on Item J1 was less than the top proposer's price, but it was not to specifications, i.e. the crane capacity requested by the Port Authority was not what was quoted.

Commissioner Branch asked if the equipment was compatible. Mr. Soares responded that they had the same engines and major components, but the machines were different: Item J2 was for empty containers and Item J1 was for loaded containers, a much bigger machine.

(2019-0423-32) RCA J1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2019-0423-33) RCA J2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2019-0423-34) RCA J3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J3 PASSED.

(2019-0423-35) RCA J4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J4 PASSED.

(2019-0423-36) RCA J5 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J5 PASSED.

(2019-0423-37) RCA J6 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J6 PASSED.

(2019-0423-38) Mr. David McNamara, Interim Chief People Officer, provided a report on selected agenda items.

Mr. McNamara announced the item was to amend the services agreement with the Houston International Seafarers' Centers, Inc. to allow the Port Authority to collect a voluntary \$98 charge on vessels calling at Port Authority terminals and pass the funds along to support the centers. The Port Authority had been handling these voluntary collections for years and this was to document the process in case anyone had questions. He added that the Port Authority collected approximately \$20,000 a month.

(2019-0423-39) RCA K1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Commissioner DonCarlos abstained. Nays none. RCA K1 PASSED.

(2019-0423-40) Captain Marcus Woodring, Chief Port Security and Emergency Operations Officer, provided a report on selected agenda items.

Captain Woodring stated that this item was to award two purchase orders for emergency standby products and services, if required in the event of an emergency. He noted that having standby contracts with pre-negotiated prices before a disaster allowed the Emergency Management Department to expeditiously procure necessary emergency equipment at pre-disaster market rates, and that those costs were eligible for FEMA reimbursement.

Staff selected two vendors and would issue a purchase order to each for \$50,000; obviously if a crisis occurred that cap would probably be exceeded. The contracts would be for three-year terms, each with a two-year extension option.

(2019-0423-41) RCA L1 was presented, moved by Commissioner Branch, seconded by Commissioner Corgiey. Chairman Campo, and Commissioners Branch, Corgiey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2019-0423-42) Mr. Charles Thompson, Chief Technology Officer, provided a report on selected agenda items.

Mr. Thompson advised that there were three items, two for maintenance support of Port Authority-wide software licenses, and the other was a direct result of business growth. He explained that when the Port Authority budget increased, Oracle Corporation increased licensing costs. Mr. Thompson noted that the Chief Financial Officer must certify the Port Authority's budget each year to the firm, which then calculates the delta.

(2019-0423-43) RCA M1 was presented, moved by Commissioner Mease, seconded by Commissioner Corgiey. Chairman Campo, and Commissioners Branch, Corgiey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2019-0423-44) RCA M2 was presented, moved by Commissioner Mease, seconded by Commissioner Corgiey. Chairman Campo, and Commissioners Branch, Corgiey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M2 PASSED.

(2019-0423-45) RCA M3 was presented, moved by Commissioner Mease, seconded by Commissioner Corgiey. Chairman Campo, and Commissioners Branch, Corgiey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M3 PASSED.

Commissioner Fitzgerald commented that he felt the Port Authority and Mr. Guenther were treated unfairly in Austin. He recognized that Chairman Campo did a good job explaining the issues, but that nobody was prepared to listen.

Commissioner Mease noted that everyone was now aware that Commissioner Kennedy had resigned. He declared that had he spent six years working alongside

Commissioner Kennedy and found him to be a very capable and hardworking appointee, that he enjoyed serving with him, and that he appreciated the time he spent and the service he gave to the Port Authority.

Chairman Campo agreed with Commissioner Mease's comments and commented that he was saddened that he did not get to work more with him, adding that he was a steadfast supporter of the Port Authority and the Small Business Development Program. He added that there would be a more formal acknowledgment of his service at another time.

At 10:41 a.m., Chairman Campo called for a brief recess and advised that the Executive Session would follow. At 10:53 a.m., Chairman Campo instructed Mr. Eriksson to make the following announcement:

It is now 10:53 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code (1) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultation regarding (i) limitations on ships calling Port Authority container terminals, and (ii) claims of the Port Authority against Spinnaker Equipment Services, Inc., as court-appointed Equipment Recovery Agent acting on behalf of the bankruptcy trustee for Hanjin Shipping Co., Ltd.; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*); (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*); and (5) Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*). The Port Commission will reconvene in public session after the closed meeting is adjourned.

Immediately thereafter the Port Commission retired into closed session.

At 11:12 a.m., Chairman Campo reconvened the open meeting at the Port of Houston Authority Executive Office Boardroom, at 111 East Loop North, Houston, Texas 77029, with the following Commissioners, staff and counsel in attendance:

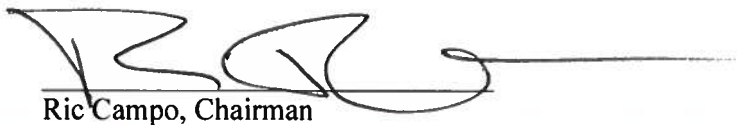
Ric Campo, Chairman
Theldon R. Branch, III, Commissioner
Dean E. Corgey, Commissioner
Stephen H. DonCarlos, Commissioner
Clyde E. Fitzgerald, Commissioner

Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
J. Kent Friedman, outside counsel

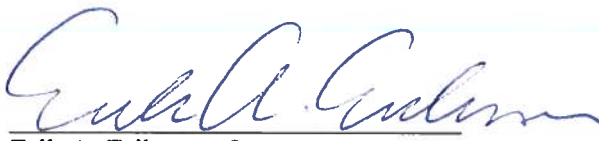
(2019-0423-46) Commissioner Branch moved to authorize the Port Authority to enter into a settlement agreement with Spinnaker Equipment Services, Inc., as court-appointed Equipment Recovery Agent acting on behalf of the bankruptcy trustee for Hanjin Shipping Co., Ltd., on the terms discussed in Executive Session, and to do all things reasonable or necessary to give effect to the foregoing, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

At 11:12 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the April 23, 2019 meeting of the Port Commission of the Port of Houston Authority.



Ric Campo, Chairman



Erik A. Eriksson, Secretary

F. EXECUTIVE

Subject	1. Possible action to amend the Port Commission resolution adopted April 8, 2019 regarding limitations on ships calling Port Authority container terminals.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action, Report
Recommended Action	The Port Commission, at its April 23, 2019 meeting, take possible actions to amend the Port Commission resolution adopted April 8, 2019 regarding limitations on ships calling Port Authority container terminals, 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 several working rules for handling vessels over 1,100 feet in length. Those measures limited these larger ships to daylight passage and one-way traffic, beginning north from Buoy 18, where the channel narrows to 530 feet at the intracoastal waterway.

The Port Commission considered these matters at its March 26, 2019 meeting, and at its April 8, adopted a resolution that provides in pertinent part as follows:

Only one vessel that imposes "one-way traffic" on all deep-water ships transiting the Houston Ship Channel within Galveston Bay to call facilities within the Port of Houston (a "Subject Vessel") may call on a Port Authority terminal in a given week, and no Subject Vessel shall call and depart from a Port Authority terminal on the same day.

On April 10 the Pilots amended this protocol to now provide as follows:

"... container vessels with an LOA of less than or equal to 1110' and beam less than or equal to 150' may meet other vessels sized less than or equal to 601'x106' with a draft less than 35'."

Staff Evaluation/Justification:

Staff now requests that the Port Commission take possible actions to amend its resolution, including changes to reflect the amendment to the Pilots' working rule. Attached as Exhibit A are the draft resolution and proposed tariff amendments.

AMENDED RESOLUTION REGARDING CERTAIN VESSELS
CALLING PORT AUTHORITY TERMINALS

THE STATE OF TEXAS	§
COUNTY OF HARRIS	§
PORT OF HOUSTON AUTHORITY	§

A. The Port Commission (the “Port Commission”) of the Port of Houston Authority of Harris County, Texas (the “Port Authority”) facilitates navigation within, and helps improve, the Port of Houston and the Houston Ship Channel and its tributary waterways, and manages, governs, and controls the operations and development of the Port Authority;

B. The Houston Pilots Association represents the branch pilots licensed by the State of Texas to provide pilot services for Harris County ports including the Port of Houston and the Houston Ship Channel;

C. The “Working Rules, Including Navigation Safety Guidelines for the Houston Ship Channel” (the “Guidelines”) promulgated by the Houston Pilots Association currently provide that vessels greater than 1,100 feet in length shall not meet any other ships in the Houston Ship Channel north of “Buoy 18;”

D. Unlike other provisions of the Guidelines that similarly bar vessels from meeting other ships in the Houston Ship Channel, when this limitation is in effect it imposes “one-way traffic” on all deep-water ships transiting the Houston Ship Channel through Galveston Bay in order to call facilities within the Port of Houston (the “One-way Limitation”);

E. The Port Authority is working with the U.S. Army Corps of Engineers and other representatives of the federal government, as well as Port of Houston and Houston Ship Channel stakeholders, to obtain authorization, and accelerated funding and completion, of the widened ship channel, which together with vessel experience, should result in easing the One-way Limitation.

F. Until the Galveston Bay reach of the Houston Ship Channel north of Buoy 18 can be widened to accommodate all traffic, an interim solution to address the One-way Limitation may help maintain two-way traffic during daylight hours along that portion of the ship channel; and

G. Failing to implement an interim solution to the One-way Limitation may give undue or unreasonable preference or advantage, or impose undue or unreasonable prejudice or disadvantage, with respect to Port of Houston and Houston Ship Channel participants.

H. On April 8, 2019, the Port Commission adopted a resolution as an interim solution to the One-way Limitation.

I. On April 10, 2019, the Houston Pilots announced a revision to the Guidelines that permits container vessels with lengths of less than or equal to 1,110 feet and beams of less

Port Commission of the Port of Houston Authority of Harris County, Texas
Resolution Regarding Certain Vessels Calling Port Authority Terminals
April ____, 2019
Page 2

than or equal to 150 feet to meet other vessels sized less than or equal to 601 feet in length and 106 feet in beam, and less than 35 feet in draft.

G-J. The Port Commission now intends to amend its prior resolution.

NOW THEREFORE BE IT RESOLVED, that

1. Only one vessel that imposes “one-way traffic” on all or any deep-water ships transiting the Houston Ship Channel within Galveston Bay to call facilities within the Port of Houston (a “Subject Vessel”) may call on a Port Authority terminal in a given week, and no Subject Vessel shall call and depart from a Port Authority terminal on the same day. For the avoidance of doubt, only one of any type ship that causes one-way traffic within Galveston Bay as a result of the application of the “Working Rules, Including Navigation Safety Guidelines for the Houston Ship Channel” of the Houston Pilots Association may call on a Port Authority terminal in a given week.

2. Section 1 does not apply to “one-way traffic” associated with natural disasters and other force majeure events, including fire, flood, fog, and maritime allisions and collisions. Every Subject Vessel must be capable of turning around within the turning basin serving the applicable Port Authority terminal.

3. The Executive Director of the Port Authority is authorized to do and perform all acts and things, and to execute and deliver in the name and on behalf of the Port Authority all instruments and other documents, including tariff amendments, as are necessary or desirable to carry out this Resolution.

PASSED AND APPROVED this April ____, 2019.

Chairman, Port Commission
Port of Houston Authority of
Harris County, Texas

ATTEST:

Secretary, Port Commission
Port of Houston Authority of
Harris County, Texas

G. COMMERCIAL

Subject **1. Award a creative and graphics design services contract in the amount not to exceed \$700,000, expiring December 31, 2020 with an option for a one-year extension, to Adcetera Design Studio, Inc.**

Meeting Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its April 23, 2019 meeting, award a creative and graphics design services contract in the amount not to exceed \$700,000, expiring December 31, 2020 with an option for a one-year extension, to Adcetera Design Studio, Inc., 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 #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:

Awards, Amendments & Change Orders

Department:

Marketing and Branding

Staff Contact:

John Moseley / Bill Hensel

Background:

Two goals of the Port Authority's Strategic Plan are to grow and diversify the Port Authority's business base and sustain the Port Authority for the long term. To achieve these goals, a proactive marketing strategy is necessary, and to build on these efforts, the Port Authority solicited requests for proposals (RFP) for graphic design and related creative design services.

By Minute No. 2018-1030-11, the Port Commission authorized the advertisement of a RFP for professional services. The Port Authority notified vendors regarding its RFP using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. A total of 81 firms received the RFP and 19 firms reviewed it. Ten vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On February 20, 2019, ten 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 Adcetera Design Studio, Inc. as providing best value to the Port Authority.

Accordingly, following staff Executive Committee review, staff recommends that the Port Commission award a contract to Adcetera Design Studio, Inc.

G. COMMERCIAL

Subject **2. Approve (i) the cancellation of a 99-year lease for approximately 13.77 acres of submerged and filled submerged property leased to Moda Vopak Houston, LLC, and (ii) a fifty-year lease agreement with Vopak Moda Houston Holdco, LLC, effective no earlier than May 1, 2019, for approximately 50 acres of submerged and filled submerged land at the northern edge of the George Ross Survey, Abstract 646 and the George M. Patrick Survey, Abstract A-264, in Harris County, at an annual base rent of \$525,000 beginning at full operations of Phase 1, no later than 36 months from the commencement date, and subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index.**

Meeting Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its April 23, 2019 meeting, approve (i) the cancellation of a 99-year lease for approximately 13.77 acres of submerged and filled submerged property leased to Moda Vopak Houston, LLC, and, (ii) a fifty-year lease agreement with Vopak Moda Houston Holdco, LLC, effective no earlier than May 1, 2019 for approximately 50 acres of submerged and filled submerged land at the northern edge of the George Ross Survey, Abstract 646 and the George M. Patrick Survey, Abstract A-264, in Harris County, at an annual base rent of \$525,000 beginning at full operations of Phase 1, no later than 36 months from the lease commencement date, and subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Leases

Department:
Real Estate

Staff Contact:
R. D. Tanner

Background:

Moda Vopak Houston LLC (MVH) currently leases 13.77 acres of submerged and filled submerged property from the Port Authority under a 99-year lease expiring in 2062. An alternate of MVH, Vopak Moda Houston Holdco, LLC, is proposing to build an export terminal for bulk liquids on the leased premises along with additional contiguous acreage totalling 50 acres. The leased premises would be developed in two phases of 35 initial acres and 15 additional option acres and requirements contain two ship docks and four barge docks when fully developed. Substantial throughput requirements, including a guaranteed annual minimum of barrels, and payment of the Port Authority barrel rate, would be provided for in the lease.

Phase I of lease will provide for a 36-month construction period at a rental rate lower than the operations rental rate. The construction period base rent would be subject to annual increases equal to the greater of 3% or the increase in the Consumer Price Index. An option rate would be paid on the 15-acre Phase-I lease area for an option period not to exceed 10 years from the commencement date of the lease.

Once Phase II development commences, the leasee would be limited to a 36-month construction period to commence Phase II operations. The operations rent on Phase II would be at the same rate as the Phase I leased area and with annual increases equal to the greater of 3% or the increase in the Consumer Price Index from the commencement date of the lease.

The lease would include a rent abatement provision, not to exceed \$8 million, equal to the actual provable cost to be determined for the removal and disposal of dredge material requiring special handling. The abatement would be amortized over a seven-year period on an annual straight line basis after a four-year initial ramp-up period. The abatement would only be deducted from the additional rents generated from throughput barrels and not from base rental of the leased premises.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the cancellation of a 99-year lease with MVH and approve a fifty-year lease with Vopak Moda Houston Holdco, LLC, on the terms described above.

G. COMMERCIAL

Subject **3. Approve a lease agreement with Dixie Cullen Interests, Inc. for approximately 2.35 acres located at 927 Maxine St. effective no earlier than July 1, 2019, for a twenty-four and one-half year term co-terminus with its 9100 Mississippi St. lease, at an annual rate of \$67,652 once operational, subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index.**

Meeting Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its April 23, 2019 meeting, approve a lease agreement with Dixie Cullen Interests, Inc. for approximately 2.35 acres located at 927 Maxine St. effective no earlier than July 1, 2019, for a twenty-four and one-half year term co-terminus with its 9100 Mississippi St. lease, at an annual rate of \$67,652 once operational, subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Leases

Department:
Real Estate

Staff Contact:
R. D. Tanner

Background:

The Port Authority completed acquisition of 927 Maxine St (the Subject Premises) on March 29, 2019. Previously, the Port Authority leased to Dixie Cullen Interests, Inc. (Dixie Cullen) a 10.40 acres tract located at 9100 Mississippi St., a site that is directly across the street from the Subject Premises. Dixie Cullen now seeks to lease the Subject Premises as well, and use both sites together to handle heavy foreign trade zone cargo crossing Turning Basin Terminal docks.

Dixie Cullen has recently completed a total remodel of the existing 30,000 square foot warehouse on the 9100 Mississippi St. premises and is moving towards development of a 190,000 square foot crane-served warehouse at this same location. The Subject Premises would be a key component for Dixie Cullen's operations and its expansion plans with regard to its Mississippi St. leased premises and warehouses.

In the first twelve months, Dixie Cullen would pay Subject Premises rental of \$2,500 per month and would be constructing additional heavy haul roads, making drainage improvements, and stabilized ground improvements to the Subject Premises at its cost, to permit delivery of heavy cargos to both leased premises. The lease would also provide for the option to demolish the existing 13,200 square foot open warehouse and build a new fully enclosed warehouse.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve a twenty-four and one-half year term lease with Dixie Cullen Interests, Inc., supporting general cargo to our Turning Basin Terminal.

G. COMMERCIAL

Subject	4. Approve a lease agreement with R. Warehousing and Port Services, Inc. for approximately 2.5 acres located at 922 Maxine St., effective no earlier than May 1, 2019, for a one-year term with a one-year option, at an annual rate of \$61,200 subject to an annual increase of 3%.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting, approve a lease agreement with R. Warehousing and Port Services, Inc. for approximately 2.5 acres located at 922 Maxine St., effective no earlier than May 1, 2019, for a one-year term with a one-year option, at an annual rate of \$61,200 subject to an annual increase of 3%, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)
Category: Leases	
Department: Real Estate	
Staff Contact: R. D. Tanner	
Background: The Port Authority completed acquisition of 922 Maxine Street on March 29, 2019. R. Warehousing and Port Services, Inc. seeks to lease this property which would be used for lay down of steel products and steel pipe.	
Staff Evaluation/Justification: Staff recommends the Port Commission approve a one-year lease with one-year option with R. Warehousing and Port Services, Inc.	

G. COMMERCIAL

Subject	5. Approve a lease agreement with Alltrans Port Services, LLC for approximately 2.61 acres out of Block 23A at Industrial Park East, effective July 1, 2019, for a three-year term with one three-year mutual option, at an annual rental of \$99,456 subject to an annual increase of the greater of 3% or Consumer Price Index.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting, approve a lease agreement with Alltrans Port Services, LLC for approximately 2.61 acres out of Block 23A at Industrial Park East, effective July 1, 2019, for a three-year term with one three-year mutual option, at an annual rental of \$99,456 subject to an annual increase of the greater of 3% or Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)
Category: Leases	
Department: Real Estate	
Staff Contact: R. D. Tanner	
Background:	Alltrans Port Services, LLC (Alltrans) is currently leasing approximately 2.61 acres out of Block 23A at Industrial Park East on a month-to-month basis.
	Pursuant to negotiations, Alltrans would be canceling its current month-to-month lease, which would be replaced by a three-year term lease with one three-year mutual option, subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index.
Staff Evaluation/Justification:	Staff reviewed the request by Alltrans and recommends the Port Commission approve the proposed lease.

G. COMMERCIAL

Subject **6. Approve a lease agreement with Conestoga Supply, LLC for approximately 0.87 acres out of Block 24 at Industrial Park East, effective May 1, 2019, for a one-year term with a two-year mutual option to extend, at an annual rental of \$17,883.**

Meeting Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its April 23, 2019 meeting, approve a lease agreement with Conestoga Supply, LLC for approximately 0.87 acres out of Block 24 at Industrial Park East, effective May 1, 2019, for a one-year term with a two-year mutual option to extend, at an annual rental of \$17,883, 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:
Conestoga Supply, LLC has proposed to lease from the Port Authority approximately 0.87 acres adjacent to Building 50 at Industrial Park East. The property would be used as a staging and sorting yard prior to storing cargo in Building 50, which is leased by bin on a weekly basis by the Operations Division.

Staff Evaluation/Justification:
Staff reviewed the request by Conestoga Supply, LLC and recommends the Port Commission approve the proposed lease.

G. COMMERCIAL

Subject	7. Approve a lease agreement with Hansen-Mueller Company for approximately 2.07 acres out of Block 17A in the Turning Basin Area, effective July 1, 2019, for a five-year term with an annual rental of \$42,550 and an annual increase of the greater of 3% or Consumer Price Index.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting, approve a lease agreement with Hansen-Mueller Company for approximately 2.07 acres out of Block 17A in the Turning Basin Area, effective July 1, 2019, for a five-year term with an annual rental of \$42,550 and an annual increase of the greater of 3% or Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Leases

Department:
Real Estate

Staff Contact:
R. D. Tanner

Background:

By Minute No. 2019-0226-10, the Port Commission approved an amendment to Hansen-Mueller Company's one-year term lease for an additional five-year term on the adjacent approximately 17 acres which includes the Houston Grain Elevator No. 1.

Hansen-Mueller Company has now proposed that the Port Authority lease it approximately 2.07 acres adjacent to the Houston Grain Elevator #1 in the Turning Basin Area. It would be using the area for stockpiling aggregates and staging empty containers for grain loading.

Staff Evaluation/Justification:

Staff reviewed the request by Hansen-Mueller Company and recommends the Port Commission approve the lease.

G. COMMERCIAL

Subject **8. Approve a second amendment to the lease agreement with Cooper/Ports America LLC, effective June 1, 2019, for approximately 3.20 acres which includes Warehouse 21-A, the apron adjacent to Warehouse 21-A, an additional open area of approximately 57,210 sq. ft., and a rail spur of approximately 500 linear ft. at the Turning Basin Terminal for an additional one-year term at an annual base rent of \$84,680.**

Meeting Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its April 23, 2019 meeting, approve a second amendment to the lease agreement with Cooper/Ports America LLC, effective June 1, 2019, for approximately 3.20 acres which includes Warehouse 21-A, the apron adjacent to Warehouse 21-A, an additional open area of approximately 57,210 sq. ft., and a rail spur of approximately 500 linear ft. at the Turning Basin Terminal for an additional one-year term at an annual base rent of \$84,680, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Leases

Department:
Real Estate

Staff Contact:
R. D. Tanner

Background:

By Minute No. 2017-0524-06, the Port Commission approved a lease with Cooper/Ports America LLC, of approximately 3.20 acres, which includes Warehouse 21-A (approximately 50,000 sq. ft.), the apron area adjacent to Warehouse 21-A (approximately 12,500 sq. ft.), an additional open area (approximately 57,210 sq. ft.), and a rail spur (approximately 500 linear ft.) at the Turning Basin Terminal. By Minute No. 2018-0416-11, the Port Commission approved an amendment extending the term by one year. The property is used for handling of project and break-bulk cargo.

CT Stevedoring Inc. dba Cooper/T. Smith Stevedoring Company had leased the property since 2011 and by Minute No. 2016-0927-57, a change of control among CT Stevedoring Inc., Shippers Stevedores and Cooper/Ports America LLC was approved; as a result, the new operating company and the tenant Cooper/Ports America LLC.

Staff Evaluation/Justification:

Cooper/Ports America LLC has now requested that the Port Authority again extend the lease term by one year, and accordingly, staff recommends the Port Commission approve this proposed second amendment to the lease.

H. FINANCE

Subject	1. Approve the Port Authority's fiscal year 2018 Comprehensive Annual Financial Report.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting, approve the fiscal year 2018 Comprehensive Annual Financial Report (CAFR), including the Report of Independent Public Accountants prepared by Grant Thornton, LLP dated April 23, 2019, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:
General

Department:
Accounting

Staff Contact:
Curtis Duncan

Background:

Texas Water Code Sections 60.002 and 49.191 require the Port Authority to secure an annual audit by a certified public accountant or a public accountant holding a license from the Texas State Board of Public Accountancy. In addition, Texas Water Code Section 49.194 requires the Port Commission to annually approve the audit report and ensure that a copy of the report is submitted with an accompanying filing affidavit to the Executive Director of the Texas Commission on Environmental Quality (TCEQ) within 135 days after the close of the Port Authority's fiscal year.

By Minute No. 2015-0728-14, the Port Commission approved staff's ranking of vendors and awarded a contract for professional auditing services for a three-year period beginning with the fiscal year ending December 31, 2015, with options to renew for two additional one-year terms to Grant Thornton, LLP. In addition to the three years described above, the Port Commission by Minute Number set out above acknowledged that the services of Service Provider for audits of each of the fiscal years ending in 2018 and 2019 may be negotiated, subject to Port Commission approval, as they were.

Staff Evaluation/Justification:

Grant Thornton, LLP has completed its audit of the Port Authority's financial statements for the fiscal year ended December 31, 2018 and made a presentation to the Audit Committee on April 16, 2019.

Staff has provided the Port Commission with the latest draft of the Port Authority's fiscal year 2018 CAFR, which includes the Report of Independent Public Accountants prepared by Grant Thornton, LLP dated April 23, 2019.

The Audit Committee and staff recommend that the Port Commission formally approve the 2018 CAFR, whereupon the Executive Director of the Port Authority will submit the CAFR, along with the required filing affidavit, to the Executive Director of the TCEQ.

I. INFRASTRUCTURE

Subject	1. Award a construction contract in an amount not to exceed \$66,335,800, for the rehabilitation of Wharf 3, construction of electrical infrastructure, and Lighter Aboard Ship Vessel (LASH) dock demolition at Barbours Cut Terminal to the top-ranked proposer: McCarthy Building Companies.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, McCarthy Building Companies; and second, Orion Construction, LLC; (b) award a construction contract to McCarthy Building Companies, Inc. rehabilitation of Wharf 3, construction of electrical infrastructure and Lighter Aboard Ship Vessel (LASH) dock demolition at Barbours Cut Terminal in an amount not to exceed \$66,335,800; and (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

The project would consist of three sub-projects:

(a) The Rehabilitation of Wharf 3 at Barbours Cut Terminal, which consists of upgrades to 1,000-feet of wharf including deck and new shaft foundations, fenders, deck hardware, 100-gage crane features (rail, tie-downs, cable trays, cable horns, and electrical distribution system infrastructure), a new stevedore support building, storm water, potable water, and other utilities and connections.

(b) The Electrical and Telecommunications Infrastructure, which consists of the installation of concrete duct banks, power and fiber optics cables and equipment from the 12.47 kV switchyard along the container yards 4, 5, and 6 to the C6 Admin building and to the Wharf 3. The project would bring electrical power to the cranes on Wharf 3 and telecommunications capabilities to the C6 Admin building.

(c) The LASH Dock Demolition project consists of the partial demolition of the LASH dock (originally constructed in the 1970's), all dolphins, fender system, sections of the access bridges, and dredging of the areas along the fender line. The project's objective would be to improve navigation of vessels entering and leaving the Barbours Cut Channel. Due to its high cost, the complete demolition which includes the removal of all concrete piles and access bridges and large amounts of dredging may be completed in the future.

By Minute No. 2018-0925-24(k), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for the rehabilitation of Wharf 3 at Barbours Cut Terminal.

By Minute No. 2018-1030-16, the Port Commission rescinded the award and authorized re-advertisement for competitive sealed proposals (CSPs) for the demolition of the LASH dock at Barbours Cut Terminal, together with additional scope, to include the rehabilitation of Wharf 3 and the construction of electrical and communications infrastructure at Barbours Cut Terminal. The Port Authority notified vendors regarding its request for CSPs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Forty-two vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On March 20, 2019, two CSPs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as providing the best value for the required services:

- McCarthy Building Companies.
- Orion Construction, LLC.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to McCarthy Building Companies.

I. INFRASTRUCTURE

Subject	2. Approve staff's ranking of vendors and award a professional services contract in the amount not exceed \$300,000 to perform construction material testing services during the rehabilitation of Wharf 3 at Barbours Cut Terminal to the top-ranked proposer – first, Aviles Engineering Corporation; second, HVJ Associates, Inc.; and third, Braun Intertec Corporation.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Aviles Engineering Corp.; second, HVJ Associates, Inc.; and third, Braun Intertec Corp.; (b) award a professional services contract to Aviles Engineering Corp. to perform construction material testing services for the rehabilitation of Wharf 3 at Barbours Cut Terminal in an amount not to exceed \$300,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This procurement includes construction material testing services during the rehabilitation of Wharf 3 at Barbours Cut Terminal. Per Section 60.463(c) of the Texas Water Code, in certain circumstances the Port Authority is required to hire a third-party inspection firm to independently test the acceptability of construction material installed by the contractor. This procurement would provide the third party inspection services.

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

Staff Evaluation/Justification:

On August 8, 2018, nine RFQ responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFQ. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required services:

- Aviles Engineering Corporation
- HVJ Associates, Inc.
- Braun Intertec Corporation

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

I. INFRASTRUCTURE

Subject	3. Amend the professional services contract with BGE, Inc. to perform construction phase and field inspection services for the rehabilitation of Wharf No. 3, construction of electrical infrastructure, and demolition of the Lighter Aboard Ship Vessel (LASH) dock at Barbours Cut Terminal in an amount not to exceed \$848,407.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting, approve an amendment to the professional services contract with BGE, Inc. to perform construction phase and field inspection services for the rehabilitation of Wharf 3, construction of electrical infrastructure, and demolition of the Lighter Aboard Ship Vessel (LASH) dock at Barbours Cut Terminal in an amount not to exceed \$848,407, and authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2017-0321-20, the Port Commission awarded a professional services contract to BGE, Inc. for the design of the rehabilitation of Wharf 3 at Barbours Cut Terminal. At that time it was decided not to include the construction phase services in the design award so as not to encumber funds that would potentially be needed only eighteen months later.

This proposed amendment would revise the professional services contract with BGE, Inc. to include construction phase and field inspection services for the rehabilitation of Wharf 3 and related projects at Barbours Cut Terminal.

Staff Evaluation/Justification:

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

I. INFRASTRUCTURE

Subject **4. Approve staff's ranking of vendors and award two professional services contracts, each in an amount not to exceed \$2,000,000 and for a five-year term, to provide professional services for engineering, design, construction management, project coordination, and other general assistance for the Houston Ship Channel Project and beneficial use sites to the top-ranked proposers: staff ranking – first, Turner Collie & Braden and Gahagan & Bryant Associates Joint Venture; second, HDR Engineering, Inc.; and third, Lloyd Engineering, Inc.**

Meeting Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its April 23, 2019 meeting:
 (a) approve staff's ranking of the most qualified vendor, based on the selection criteria, in the following order – first, Turner Collie & Braden and Gahagan & Bryant Associates Joint Venture; second, HDR Engineering, Inc.; and third, Lloyd Engineering, Inc;
 (b) award professional services contracts to both Turner Collie & Braden and Gahagan & Bryant Associates Joint Venture, and HDR Engineering, Inc., for professional services for engineering, design, construction management, project coordination and other general assistance for the Houston Ship Channel Project and beneficial use sites in an amount not to exceed \$2,000,000 each;
 (c) grant authority, if a contract cannot be negotiated with either the first-or second-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the third-ranked vendor until two contractors are 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:
Channel Development

Staff Contact:
Mark Vincent, P.E.

Background:
As the Local Sponsor for the Houston-Galveston Navigation Channels (HGNC) of the Houston Ship Channel, the Port Authority is deeply involved with all facets of the project with the United States Army Corps of Engineers (USACE) and would continue to be involved in its contractual responsibilities for the HGNC.

The scope of work for this contract would require the consultants to carry out varied functions, including preparation or review of plans and specifications for upland dredge placement construction, Houston Ship Channel dredging, beneficial use site construction, and marsh construction. The vendor would provide technical expertise for design, dredging, beneficial use site construction, upland placement area construction, and marsh creation during Project Coordination Team meetings with the USACE, and perform construction management, including construction inspections, report assembling, communication with the Port Authority project manager, schedule analysis, claim analysis, and general project delivery

tasks as needed. Additionally, the firm may be required to provide other general assistance in support of the Project Cooperation Agreement for the Houston Ship Channel Project, assistance in various matters with the USACE or other agencies as necessary, and providing information and documentation on project matters for the Beneficial Use Group.

By Minute No. 2018-1212-13(g), the Port Commission authorized the advertisement of a request for qualifications (RFQs) for professional services contracts, to provide professional services for engineering, design, construction management, project coordination, and other general assistance for the Houston Ship Channel Project. The Port Authority notified vendors regarding its RFQ using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Twenty-nine vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On March 6, 2019, five RFQ responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFQ. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required services:

- Turner Collie & Braden and Gahagan & Bryant Associates Joint Venture
- HDR Engineering, Inc
- Lloyd Engineering, Inc.

Staff recommends that the Port Commission award contracts to both Turner Collie & Braden and Gahagan & Bryant Associates Joint Venture, and HDR Engineering, Inc., and act as otherwise described above.

I. INFRASTRUCTURE

Subject	5. Award a construction contract to Blastco Texas, Inc. for the annual wharf crane and rubber tire gantry crane painting at Bayport Container Terminal and Barbours Cut Terminal for 2019 in an amount not to exceed \$1,053,000.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting, award a construction contract to Blastco Texas, Inc. for the annual wharf crane and rubber tire gantry crane painting at Bayport Container Terminal and Barbours Cut Terminal for 2019, in an amount not to exceed \$1,053,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

The proposed project consists of crane painting at Bayport Container Terminal and Barbours Cut Terminal. Areas for painting would be identified as needed and would be carried out according to the specifications provided.

By Minute No. 2018-0925-16(h), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for the annual wharf and Rubber Tire Gantry Crane painting at Barbours Cut and Bayport Container Terminals. 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. Six vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On March 20, 2019, one CSP was received, opened, and publicly read. The response was reviewed and evaluated by staff in accordance with the published selection criteria.

Staff recommends that the Port Commission award a contract to Blastco Texas, Inc.

I. INFRASTRUCTURE

Subject	6. Award a construction contract to Triumph Cabling Systems, LLC for the relocation of communications infrastructure along Peninsula Boulevard in an amount not to exceed \$445,052.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting, award a construction contract to Triumph Cabling Systems, LLC for the relocation of communications infrastructure along Peninsula Boulevard in an amount not to exceed \$445,052, and authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This project consists of the relocation of existing Port Authority's manholes and conduits carrying fiber optic cables located between Jacinto Port and Care terminals which are in conflict with other utilities as a result of the Peninsula Boulevard widening project carried out by Harris County.

By Minute No. 2018-0925-16(g), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for the relocation of communications infrastructure along Peninsula Boulevard. The Port Authority notified vendors regarding its request for CSPs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Seventeen vendors downloaded the project materials from BuySpeed and only one proposal was received on January 23, 2019. This proposal was rejected during the February 26, 2019 Port Commission Meeting as it was the only one received and it was much higher than the estimate.

By Minute No. 2019-0226-15(j), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the relocation of communications infrastructure along Peninsula Boulevard.

Staff Evaluation/Justification:

On March 27, 2019, four CSBs was received, opened, and publicly read. The response was reviewed and evaluated by staff in accordance with the published selection criteria.

Following staff Executive Committee review, staff recommends that the Port Authority award a contract to Triumph Cabling Systems, LLC, the responsible bidder submitted the lowest and best bid for the relocation of communications infrastructure along Peninsula Blvd.

I. INFRASTRUCTURE

Subject	7. Issue a marine construction permit to TDWP Terminals 1, LLC to place six spud barges and two deck barges associated with leased barge fleeting and staging areas, along with associated dredging, adjacent to the Houston Ship Channel.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting, authorize the Port Authority to issue a marine construction permit to TDWP Terminals 1, LLC to place six spud barges and two deck barges associated with leased barge fleeting and staging areas, along with associated dredging, adjacent to 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.
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:
TDWP Terminals 1, LLC (TDWP), Port Authority File No. 2018-0230, has applied for a marine construction permit to place six spud barges and two deck barges associated with barge fleeting and staging areas adjacent to the Houston Ship Channel in Houston, in the Richard & Robert Vince Survey, A-76, in Harris County, Texas.

TDWP proposes to establish a 3.5-acre barge fleeting area and 4.5-acre staging area adjacent to their property along the Houston Ship Channel. The fleet would consist of 45 regulation barges with approximately 13 barges arriving or departing a day.

In conjunction with the marine construction permit, staff seeks to enter into a submerged land lease for barge fleeting and staging under Port Authority File No. 2018-0280.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development and Real Estate departments and the Houston Pilots. The permit is to be issued subject to the Port Authority's usual terms and conditions. The \$675 application fee has been paid.

Staff recommends approval, subject to agreement on the terms of a submerged land lease with the applicant.

I. INFRASTRUCTURE

Subject	8. Approve a barge fleeting lease agreement with TDWP Terminals 1, LLC for approximately 9 acres of submerged lands, approximately 4,300 feet downstream of Greens Bayou, on the Houston Ship Channel at a monthly rental amount of \$2,526 and for a ten-year term.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting, authorize the Port Authority to approve a barge fleeting lease agreement to TDWP Terminals 1, LLC for approximately 9 acres of submerged lands, approximately 4,300 feet downstream of Greens Bayou, on the Houston Ship Channel at a monthly rental amount of \$2,526 and for a ten-year term, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

The Port Authority seeks to enter into a barge fleeting lease agreement with TDWP Terminals 1, LLC, Port Authority File No. 2018-0280, for approximately 9 acres of submerged lands, approximately 4,300 feet downstream of Greens Bayou, on the Houston Ship Channel in Houston, in the Richard & Robert Vince Survey, A-76, in Harris County, Texas.

Staff Evaluation/Justification:

The lease would be entered into pursuant to the Port Authority's submerged land lease terms and conditions for a rental amount of \$2,526 per month and for a ten year term. The issuance of the lease is conditioned upon the applicant entering into a marine construction permit.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	9. Issue an access license to Enterprise Texas Pipeline, LLC to cross the Port Authority's Rosa Allen ditch property.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting, authorize the Port Authority to issue an access license to Enterprise Texas Pipeline, LLC to cross the Port Authority's Rosa Allen ditch property, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

Enterprise Texas Pipeline, LLC, Port Authority File No. 2019-0020, has applied for permanent access across a dirt access road on the Port Authority's Rosa Allen ditch property, in the Callahan and Vince Survey, A-9, in Harris County, Texas.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development department. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$7,915. The \$675 application fee has been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	10. Amend a surface site license for Magellan Pipelines Holdings, L.P. to add 71 square feet to the existing surface site just east of Witter Street in the Pasadena Cut-off railroad right-of-way.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting, authorize the Port Authority to amend a surface site license for Magellan Pipelines Holdings, L.P. to add 71 square feet to the existing surface site just east of Witter Street in the Pasadena Cut-off railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Mark Vincent, P.E.

Background:

Magellan Pipelines Holdings, L.P., Port Authority File No. 1986-0221, has applied to amend a surface site license to add 71-square feet to the existing surface site just east of Witter Street in the Pasadena Cut-off railroad right-of-way, in the William Vince Survey, A-78, in Harris County, Texas.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development department and the Port Terminal Railroad Association. The license is to be added subject to the Port Authority's usual terms and conditions and at a pro-rated fee of \$238.56. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

J. OPERATIONS

Subject	1. Approve staff's ranking of vendors and award a contract in the amount not to exceed \$595,000 for the purchase of one loaded container handling machine for Bayport Container Terminal to the top-ranked proposer: staff ranking – first, Taylor Machine Works, Inc.; second, Darr Equipment; and third, Briggs Equipment, Inc.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Taylor Machine Works, Inc.; second, Darr Equipment; and third, Briggs Equipment, Inc.; (b) award a contract to the top-ranked proposer for the purchase of one loaded container handling machine for Bayport Container Terminal in an amount not to exceed \$595,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns a 2006 Kalmar loaded container handling machine at Bayport Container Terminal. This unit is used daily in the swing lines. The difficulty in procuring spare and replacement parts has been an issue which often places this machine out of service.

This new unit will provide needed coverage for swing line. Additionally, this new machine would be equipped with enhanced safety features and would produce fewer emissions.

By Minute No. 2018-1030-11(k), the Port Commission authorized the advertisement for a request for proposals (RFP) for one loaded container handling machine for Bayport Container Terminal. The Port Authority notified vendors regarding its RFP using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Eight vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On February 20, 2019, four RFP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFP. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required product:

- Taylor Machine Works, Inc.
- Darr Equipment
- Briggs Equipment, Inc.

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

J. OPERATIONS

Subject **2. Approve staff's ranking of vendors and award a contract in the amount not to exceed \$1,824,000 for the purchase of six empty container handling machines for Barbours Cut Terminal to the top-ranked proposer: staff ranking – first, Briggs Equipment, Inc.; second, Taylor Machine Works; and third, Equipment Depot.**

Meeting Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its April 23, 2019 meeting:
 (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Briggs Equipment, Inc.; second, Taylor Machine Works; and third, Equipment Depot;
 (b) award a contract to the top-ranked proposer for the purchase of six empty container handling machines for Barbours Cut Terminal in an amount not to exceed \$1,824,000;
 (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and
 (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2018-1030-11(j), the Port Commission authorized the advertisement of a request for proposals (RFPs) for purchase of up to six empty container handling machines for Barbours Cut Terminal. Three of the existing units are at the end of their useful life and no longer provide reliable service. Moreover, an increase in empty container traffic through Barbours Cut Terminal warrants that additional units be purchased to ensure adequate levels of service to the industry.

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

Staff anticipates future increased demands for empty containers handled through the Barbours Cut Terminal and will seek additional approvals for empty handling machines over the next two-years.

Staff Evaluation/Justification:

On February 20, 2019, five RFP responses 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 most qualified to provide the required services:

- Briggs Equipment
- Taylor Machine Works
- Equipment Depot

Following staff Executive Committee review, staff recommends that the Port Authority award a contract to Briggs Equipment, Inc. and act as otherwise described above.

J. OPERATIONS

Subject **3. Issue a purchase order to Caldwell County Chevrolet for purchase of fifty Chevrolet vehicles, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in an amount not to exceed \$1,449,001; and issue a purchase order to Caldwell County Chevrolet for purchase of one Ford vehicle, using the Texas Comptroller's TxSmartBuy, a cooperative purchase program, in an amount not to exceed \$54,480.**

Meeting Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its April 23, 2019 meeting, issue a purchase order to Caldwell County Chevrolet for purchase of fifty Chevrolet vehicles, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in an amount not to exceed \$1,449,001; and issue a purchase order to Caldwell County Chevrolet for purchase of one Ford vehicle, using the Texas Comptroller's TxSmartBuy, a cooperative purchase program, in an amount not to exceed \$54,480; determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 4c. - Operate safely and securely
STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:
Award, Amendments & Change Orders

Department:
Maintenance

Staff Contact:
Paulo Soares

Background:
The Port Authority is seeking to obtain a total of fifty-one vehicles. The Central Maintenance department, with recommendations from the Barbours Cut Terminal, Bayport Container Terminal, Information Technology, Project & Construction Management, and Security and Port Police departments has prepared specifications for new and replacement vehicles to promote a safe work environment and cost-effective operations. Staff believes that a total of fifty-one vehicles will be needed for 2019 including fifteen units for Bayport Container Terminal (Dept. 129 and 131), twenty-five units for Barbours Cut Terminal (Dept. 127 and 128), two units for Information Technology, two units for Central Maintenance, one for Project & Construction Management, three units for the Security Department, and three units for Port Police.

Staff Evaluation/Justification:
The Director of Procurement Services has determined that procuring vehicles through the Local Government Purchasing Cooperative's (LGPC) BuyBoard program and through the Texas Comptroller's TxSmartBuy purchasing program is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority for these items. Staff has compared vehicle prices from local and non-local dealerships, and has reviewed vehicle specifications from the several dealerships that are pre-approved by BuyBoard and TxSmartBuy. Staff determined that Caldwell County Chevrolet is the vendor for Chevrolet products (using BuyBoard) and for Ford products (using TxSmartBuy), offering the best price and availability for the vehicles meeting the Port Authority's requirements, under the pricing

schedules obtained from Caldwell County Chevrolet's contracts with BuyBoard and with the Comptroller's TxSmartBuy programs.

Accordingly, staff recommends that the Port Commission approve these best value determination and awards.

J. OPERATIONS

Subject	4. Issue a purchase order to Heil of Texas for purchase of a street sweeper for Turning Basin Terminal, using the Houston-Galveston Area Council Cooperative Purchasing Program, in a total amount not to exceed \$254,000.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting, approve a purchase order to Heil of Texas for purchase of a street sweeper, using the Houston-Galveston Area Council Cooperative Purchasing Program, in a total amount not to exceed \$254,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Award, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns a 2005 Elgin Eagle street sweeper operating at Turning Basin Terminal. Due to its outdated mechanical design and years of operation this machine has become costly to maintain and non-reliable. The proposed street sweeper will be environmentally friendly and equipped with superior dust control.

By Minute No. 99-1129-29, the Port Commission authorized the Port Authority to enter into an interlocal agreement with the Houston-Galveston Area Council (H-GAC) to participate in its Cooperative Purchasing Program. The 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.

Staff Evaluation/Justification:

Staff has compared street sweeper prices obtained from non-H-GAC local dealerships and H-GAC providers. Procuring a sweeper through the H-GAC, using its Cooperative Purchasing Program, is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority. Additionally, a Diesel Emissions Reductions Act (DERA) grant from the United States Environmental Protection Agency in the amount of \$37,500 is expected to be received to defray a portion of the purchase price.

The H-GAC website lists several pre-approved vendors. Staff has reviewed sweeper specifications from H-GAC providers and determined that Heil of Texas is the vendor with the best price for the Avalanche High Dump Mechanical Street Sweeper and meets the Port Authority's requirements. Heil of Texas pricing for the selected model was reviewed and approved by H-GAC.

Accordingly, staff requests the Port Commission approve this purchase.

J. OPERATIONS

Subject **5. Enter into a contract to West Gulf Maritime Association for payroll services, safety training, and related services in an amount not-to-exceed \$1,141,090 for a five-year term.**

Meeting Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its April 23, 2019 meeting, award a contract to the West Gulf Maritime Association to provide payroll and administrative services; safety, health, and training services; and related services for the Port of Houston Authority's International Longshoremen's Association workers for a five-year term beginning May 1, 2019 and ending April 30, 2024 in the not-to-exceed amount of \$1,141,090; and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Operations

Staff Contact:

Jeff Davis

Background:

The West Gulf Maritime Association (WGMA) is a non-profit corporation with a separate Payroll Division that currently processes all payrolls for direct employers and other parties hiring International Longshoremen's Association, AFL-CIO (ILA) workers in the Port of Houston and handles all management information system functions for the ILA pension, vacation, and welfare plans.

By Minute No. 2014-0325-34, the Port Commission authorized a five-year contract with the WGMA to provide payroll processing services and numerous other services to the Port Authority for its ILA workers. This contract will expire on April 30, 2019.

Staff Evaluation/Justification:

The WGMA is uniquely qualified to provide payroll and other services to the Port Authority for its ILA workers because WGMA processes other ILA member payrolls in the Port of Houston, and is in a unique position to compile workers' hours for submission to benefit plans from one central source, to provide uniform drug testing services pursuant to ILA's collective bargaining agreement, and to coordinate the training and certification of all ILA equipment operators working at the Port Authority. The WGMA has agreed to continue to provide payroll processing services and other additional services for a flat rate of \$214,929 in year one of the contract. The flat rate will be subject to a maximum increase of 3% or maximum decrease of 3% annually based on the previous year's total wages processed for the remaining four years of the contract.

Additional services that the WGMA would provide for Port Authority's ILA workers include (i) handling unemployment compensation claims, time-off data involving suspensions from work, light duty, insurance runs, record auditing, and accident data and reports; (ii) providing direct access to all safety, health and training programs, HAZMAT/HAZCOM training, required physical examinations for ILA workers, Occupational Safety and Health Administration (OSHA) record keeping analysis, training and certification of all ILA equipment operators, Powered Industrial Trucks (PIT) compliance and re-certification, new skills training, new entry training, including safety awareness, as well as supervisory training; (iii) providing for Port Authority's participation in the distribution of personal protective equipment and the required longshore, warehouse, and clerks and checkers physical examinations; and (iv) performing random and post-accident drug testing.

This contract would be for a term of sixty (60) months, beginning May 1, 2019 and terminating April 30, 2024, and in the total not-to-exceed amount of \$1,141,090. Port Authority staff has determined that continuing these services would be beneficial to the Port Authority, and requests that the Port Commission approve this proposed agreement.

J. OPERATIONS

Subject **6. Approve a Port Authority tariff increase regarding gang detention, and the addition of dockage credits for daylight restricted vessels, to be included and published in Port Authority Tariff Nos. 8, 14, and 15 effective June 1, 2019.**

Meeting Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its April 23, 2019 meeting, a Port Authority tariff increase regarding gang detention, and the addition of dockage credits for daylight restricted vessels, to be included and published in Port Authority Tariff Nos. 8, 14, and 15 effective June 1, 2019, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Operations

Staff Contact:
Jeff Davis

Background:

Port Authority terminals must remain competitive to meet the increasing demands of the maritime trades. Current Gang Detention Expense Credits to the Vessel Operator in tariff 14 and tariff 15 for mechanical failure of the Port Authority's wharf cranes during vessel operations have not kept pace with the actual increased stevedore longshore gang cost. In order to better align with those costs, this proposed tariff change would increase the credit from \$117.38 per five minute increment for each eligible increment to \$176.07. The Gang Detention Expense Credits section would also address situations where a stevedore orders a longshore gang following Port Authority approval but the Port Authority was then unable to provide a crane. In that case, rather than providing a Gang Detention Expense Credit, with appropriate support documentation the Port Authority would refund the cost of the gang for its guarantee period.

Additionally, larger vessels calling Port Authority container and general cargo facilities are subject to daylight transit restrictions on the Houston Ship Channel resulting in circumstances where vessels that have completed operations are unable to depart Port Authority wharves. In order to remain competitive and attract larger ships, the proposed addition to Port Authority Tariff Nos. 8, 14, and 15 would allow a credit of ½ days of dockage fees when ships are required to remain overnight after completion of operations.

Staff Evaluation/Justification:

In view of escalating costs and expense increases and recognizing the need to keep Port Authority terminals competitive and operating at compensatory levels to meet the ever-increasing demands of the maritime trades, staff has determined that it is advisable to implement these tariff changes for qualifying ships. These changes should enable the Port Authority to provide services as a competitive port and continue to meet the needs of its customers.

Staff recommends the Port Commission approve the above tariff changes.

K. PEOPLE

Subject	1. Amend the Service Agreement with Houston International Seafarers Centers, Inc. to provide that the Port Authority invoice a voluntary \$98 charge on vessels calling at Port Authority terminals to support the operations of the seafarers centers.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2018 meeting, approve an amendment to the Service Agreement with Houston International Seafarers Centers, Inc. to provide that the Port Authority invoice a voluntary \$98 charge on vessels calling at Port Authority terminals to support the operations of the seafarers centers, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

People

Staff Contact:

Leslie Herbst

Background:

At its December 12, 2018 meeting, the Port Commission authorized a one-year Service Agreement with Houston International Seafarers Centers, Inc., effective January 1, 2019, in the amount of \$100,000, to provide humanitarian services to seafarers whose vessels call at the terminals of the Port Authority.

By Minute Number 2001-0827-50, the Port Commission authorized the deletion of Subrule 084 from Port Authority Tariff No. 8 pertaining to dues and assessments levied by the Houston International Seafarers Centers, Inc. for recreational, cultural, etc. services and facilities available without discrimination to seamen of vessels of all countries visiting the Port of Houston. Staff recommended this revision as Subrule 084 did not pertain to Port Authority rates and charges.

Since the elimination of Subrule 084 from Tariff No. 8, the Port Authority has continued to invoice vessels with a voluntary charge when docking at Port Authority terminals. Staff now seeks to formally memorialize this voluntary charge by amendment to the current Service Agreement.

Staff Evaluation/Justification:

Port Authority staff has reviewed the voluntary charge invoiced to vessels calling at Port Authority terminals and recommends the Port Commission approve the amend memorializing this charge.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	1. Award two purchase orders for emergency standby products and services if required in the event of an emergency, in contract amounts not to exceed \$50,000 each, for three-year terms with options of two-year extensions each, to both Garner Environmental Services and T & T Salvage, LLC.
Meeting	Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its April 23, 2019 meeting, award two purchase orders for emergency standby products and services if required in the event of an emergency, in contract amounts not to exceed \$50,000 each, for three-year terms with options of two-year extensions each, to both Garner Environmental Services and T & T Salvage, LLC, 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 4c. - Operate safely and securely

Category:

Awards, Amendments & Change Orders

Department:

Emergency Management

Staff Contact:

Colin Rizzo

Background:

The Port Authority is seeking to obtain standby contracts for equipment and services to serve Port Authority terminals during a disaster. By obtaining a list of equipment, with pre-negotiated prices before a disaster, the Emergency Management Department is able to expeditiously procure necessary emergency equipment at pre-disaster market rates. Examples of items on the equipment list include generators with a variety of outputs, heavy equipment, and portable toilets.

By competitively bidding this contract in advance of a crisis, the procurement process is streamlined, and the equipment and services are potentially reimbursable under federal disaster declaration relief programs via the Federal Emergency Management Agency (FEMA).

By Minute No. 2019-012911(d), the Port Commission authorized the advertisement of a request for proposals (RFP) to supply equipment to support Port Authority emergency response efforts. The Port Authority notified eighty-two vendors regarding its RFP using the Port Authority's Buyspeed Eprocurement System. A total of fourteen companies downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

The Port Authority received seven proposals. Staff selected the two named proposers and determined their prices to be competitive with industry standards, and the companies each fully capable of meeting the requirements of the contract. These proposers provide a major advantage to the Port Authority as a majority of Garner Environmental Services and T & T Salvage, LLC products and equipment are listed on Government Services Administration (GSA) contract pricing, thus insuring maximum state or federal reimbursement in a declared disaster.

These contracts are "standby" contracts which will only be activated in an emergency situation.

Staff recommends that the Port Commission award emergency standby products and services contracts to both Garner Environmental Services and T & T Salvage, LLC for three-year terms, with options of two-year extensions each.

M. TECHNOLOGY

Subject **1. Issue a purchase order to Insight Public Sector, Inc. for renewal of the Adobe Enterprise Term License Agreement for subscriptions for Adobe Acrobat DC Professional and Adobe Sign, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$150,000, for a three-year term invoiced annually.**

Meeting Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its April 23, 2019 meeting, issue a purchase order to Insight Public Sector, Inc. for renewal of the Adobe Enterprise Term License Agreement (ETLA) for subscriptions for Adobe Acrobat DC Professional and Adobe Sign, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$150,000, for a three-year term invoiced annually, 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

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Ron Farrow

Background:

The Port Authority is seeking to renew its Adobe Enterprise Term License Agreement (ETLA). This is a three year agreement paid annually in installments, and is necessary to ensure license compliance with Adobe for Acrobat DC Professional and Sign subscription services.

The Texas Legislature enacted Government Code Chapter 2054 (the Information Resources Management Act) which established the State of Texas Department of Information Resources (DIR). DIR has a cooperative purchasing program that enables governmental entities to efficiently pool their purchasing power to negotiate favorable pricing for computer hardware, software, and technology services. Under this program, the State of Texas though DIR has entered into contracts with providers of products and related services that comply with applicable procurement laws of the State of Texas.

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

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring Adobe Enterprise Term License Agreement three-year renewal to be paid annually 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 department has determined that the best availability, price, and contract term for the item needed is provided 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 Mythics, Inc. for the annual software license fee increase for JDEdwards Enterprise Resource Planning software, using a State of Texas Department of Information Resources cooperative purchase contract, in an amount not to exceed \$89,732.**

Meeting Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its April 23, 2019 meeting, approve a purchase order to Mythics, Inc. for the annual software license verification fee increase for JDEdwards Enterprise Resource Planning software, using a State of Texas Department of Information Resources cooperative purchase contract, in an amount not to exceed \$89,732, determine that this procurement method provides 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

Category:
Awards, Amendments & Change Orders

Department:
Information Technology

Staff Contact:
Chris Brown

Background:
The Port Authority uses JDEdwards Enterprise Resource Planning software to track financial transactions related to Payroll, Accounts Payables, Accounts Receivable, procurements, and receipts associated with the procurement process. The licensing agreement related to the software is based upon the Port Authority's audited operating budget.

The State of Texas Department of Information Resources (DIR) was established under Texas Government Code, Chapter 2054 (known as the Information Resources Management Act). DIR has a cooperative purchasing program that enables governmental entities to efficiently pool their purchasing power to negotiate favorable pricing for computer hardware, software, and technology services. DIR has entered into contracts with providers of such products and related services in compliance with applicable procurement laws, and allows state agencies and local governments to purchase such products and services under DIR contracts.

Pursuant to Texas Government Code, Section 2054.0565, procurements using DIR contracts satisfy competitive procurement requirements. In addition, since DIR is a state agency, the use of a DIR contract is a purchasing method acceptable for the Port Authority in accordance with Texas Water Code, Section 60.454.

Staff Evaluation/Justification:
The Director of Procurement Services has determined that State of Texas DIR cooperative contract program provider Mythics, Inc., would offer the necessary JDEdwards Enterprise Resource Planning software licensing at the DIR governmental entity pricing in an amount not to exceed \$89,731.95, is the method that both satisfies both competitive purchase requirements and provides best value to the Port Authority.

Accordingly, since staff has determined that the price and availability from Mythics, Inc. provides the best value to the Port Authority, and recommends that this method be used to procure this item, it additionally recommends that the Port Commission approve this best value declaration and contract.

M. TECHNOLOGY

Subject **3. Issue a purchase order to SHI Government Solutions, Inc. for purchase of VMware annual software licensing and software support to the Port Authority's existing Information Technology's infrastructure, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$125,000.**

Meeting Apr 23, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its April 23, 2019 meeting, approve a purchase order to SHI Government Solutions, Inc. for the purchase and renewal of a one-year contract for annual VMware licensing and support, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$125,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)
Strategic Objective 1c. - Implement streamlined processes supported by technology

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Ron Farrow

Background:

The Port Authority is seeking to obtain renewal of licenses and maintenance for VMware, a software for server and client virtualization. Virtualization allows the Information Technology (IT) Department to reduce hardware expenses and benefit from centralized management of servers that the Port Authority relies on to complete daily tasks. This includes Navis (N4), automated gate operating system and OCR portal, SharePoint, and many other business critical services. IT has been utilizing VMware software for over nine years in support of the Port Authority's virtual technology environment and considers the technology reliable and proven. It is critical to renew these licenses (and maintenance/support) in order to minimize business disruptions.

The State of Texas Department of Information Resources (DIR) was established under Texas Government Code, Chapter 2054 (known as the Information Resources Management Act). DIR has a cooperative purchasing program that enables governmental entities to efficiently pool their purchasing power to negotiate favorable pricing for computer hardware, software, and technology services. DIR has entered into contracts with providers of such products and related services in compliance with applicable procurement laws, and allows state agencies and local governments to purchase such products and services under the DIR contracts.

Pursuant to Texas Government Code, Section 2054.0565, procurements using DIR contracts satisfy competitive procurement requirements. In addition, since DIR is a state agency, the use of a DIR contract is a purchasing method acceptable for the Port Authority in accordance with Texas Water Code,

Section 60.454. Staff has determined that using this purchasing method provides the best value to the Port Authority and recommends that this method be used to procure this item.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring VMware licenses and maintenance 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 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 DIR, and is therefore recommending this purchase.

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