

I N D E X  
PORT COMMISSION  
OF THE  
PORT OF HOUSTON AUTHORITY  
OF THE PORTS OF HARRIS COUNTY, TEXAS  
May 21, 2019

<u>Minute No.</u>	<u>Event/Action</u>
	<b>General</b>
	Chairman Campo convened the Port Commission meeting and provided opening remarks
	<b>Minutes</b>
2019-0521-01	Approve the minutes of the April 8, 2019 and April 16, 2019 Port Commission meetings
	<b>Port Commission Committee Updates</b>
2019-0521-02	Commissioner Corgey reported on the Community Relations Committee Meeting - April 23, 2019
	<b>Appearances</b>
2019-0521-03	Chairman Campo asked if anyone would like to address the Port Commission; there was no response
	<b>F. Executive</b>
2019-0521-04	Staff Report – Summary of selected financial and operational matters – Roger Guenther, Executive Director
	Continued deliberation, public comment, and possible actions regarding measures to address one-way traffic impacts on the Houston Ship Channel, including possible action to amend the Port Commission resolution adopted April 23, 2019 imposing limitations on ships calling Port Authority container terminals ( <i>Tabled below – see Minute No.2019-0521-36</i> )
	Review and possible action to rescind Port Authority funding of a Houston Ship Channel traffic management group ( <i>Approved below – see Minute No. 2019-0521-37</i> )
2019-0521-05	RCA F3 was tabled

<u>Minute No.</u>	<u>Event/Action</u>
2019-0521-06	Approve and reaffirm the Audit Committee Charter, Internal Audit Charter, and Internal Audit Policies, effective May 31, 2019
2019-0521-07	Amend the Community Relations Committee Charter
2019-0521-08	Amend the Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy
2019-0521-09	Appoint the chairman and members of the Community Relations Committee
	<b>G. Commercial</b>
2019-0521-10	<b>Staff Report</b> – selected agenda items – John Moseley, Chief Commercial Officer
2019-0521-11	Approve the Assignment from Hapag-Lloyd (America) LLC to Texas Stevedoring Services LLC of its Barbours Cut Terminal Administration Building office lease of approximately 1,276 square feet at the Barbours Cut Terminal Administration Building effective no earlier than June 1, 2019, and amend the lease to extend the term for an additional three years to terminate July 31, 2022, at an annual rental of \$24,052 subject to an annual increase of 3% or the increase in the Consumer Price Index
2019-0521-12	Approve an amendment to the lease agreement with American Maritime Services of N.J., Inc. dba Integrated Industries Corp. at Barbours Cut Terminal effective no earlier than June 1, 2019 to increase the leased premises by approximately 4.77 acres for a total combined lease area of approximately 11.22 acres, at an annual base rent of \$468,653 with an annual increase of the greater of 3% or the increase in the Consumer Price Index
	<b>H. Finance</b>
2019-0521-13	<b>Staff Report</b> – Selected agenda items – Tim Finley, Chief Financial Officer
2019-0521-14	Approve staff's ranking of vendors and award a contract for financial advisory services relating to channel infrastructure funding strategies to the top-ranked proposer: staff ranking – first, PFM Financial Advisors LLC; second, Masterson Advisors LLC; and third, Estrada Hinojosa & Company, Inc.
	Port Commission adopted the staff-recommended ranking and authorized award

<u>Minute No.</u>	<u>Event/Action</u>
2019-0521-15	Award a contract to Grant Thornton, LLP for auditing services to be provided to the Port Authority for fiscal year 2019
<b>I. Infrastructure</b>	
2019-0521-16	Staff Report – selected agenda items – Rich Byrnes, Chief Infrastructure Officer
2019-0521-17	Amend the professional services contracts with CH2M HILL Engineers, Inc., Moffatt & Nichol, and Wiss, Janney Elstner Associates, Inc. for the facility inspection and condition assessment program 2019-2020, in respective not-to-exceed amounts of \$853,796, \$743,074, and \$754,900
2019-0521-18	RCA I2 was pulled from the agenda
2019-0521-19	RCA I3 was pulled from the agenda
2019-0521-20	Issue a marine construction permit to Vopak Moda Houston Holdco, LLC to dredge approximately 37,000 cubic yards of material from its proposed berthing area adjacent to Port Houston upland property along the Houston Ship Channel
2019-0521-21	RCA I5 was pulled from the agenda
2019-0521-22	Approve a barge fleeting lease agreement with Accutrans Fleeting Services LLC for approximately 14 acres of submerged lands in Old River at a monthly rental amount of \$12,833.50 for a ten-year term
2019-0521-23	Approve a barge fleeting lease agreement with Enterprise Marine Services LLC for approximately 16.14 acres of submerged lands in Old River at a monthly rental amount of \$4,842 for a ten-year term
2019-0521-24	Approve a barge fleeting lease agreement with ACBL Transportation Services LLC for approximately 5.54 acres of submerged lands in Carpenters Bayou at a monthly rental amount of \$1,506 for a ten-year term
<b>J. Operations</b>	
2019-0521-25	Staff Report – selected agenda items – Jeff Davis, Chief Port Operations Officer
2019-0521-26	Award a two-year contract to HPGR, LLC for purchase of machining services for Barbour's Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal

<u>Minute No.</u>	<u>Event/Action</u>
2019-0521-27	Award a two-year contract to Lockridge Packaging, LLC for the purchase of commercial paper products for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2019-0521-28	Award a two-year contract to T&W Tire, LLC for purchase of miscellaneous tires for trucks and passenger vehicles at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$550,000; award a two-year contract to Beasley Tire Service for purchase of tires for yard tractors for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$200,000; and award a two-year contract to Southern Tire Mart for purchase of RTG tires for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,000,000
2019-0521-29	Award a two-year contract to Alimak HEK Inc., the sole source provider, for purchase of spare and replacement proprietary parts for wharf crane elevators at Barbours Cut Terminal and Bayport Container Terminal
	<b>K. People</b>
2019-0521-30	Staff Report – selected agenda items – David McNamara, Interim Chief People Officer
	<b>L. Port Security and Emergency Operations</b>
2019-0521-31	<b>Staff Report</b> – Selected agenda items – Marcus Woodring, Chief Port Security and Emergency Operations Officer
2019-0521-32	Approve staff's ranking of vendors and award a contract for the purchase of a stand-by generator for Fire Station 1 at Turning Basin Terminal to the top-ranked proposer: staff ranking - first, National Oilwell Varco Portable Power; and second, Marine Techno Services, LLC  Port Commission adopted the staff-recommended ranking and authorized award
	<b>M. Technology</b>
2019-0521-33	<b>Staff Report</b> – Selected agenda items – Charles Thompson, Chief Technology Officer
2019-0521-34	Award a contract to Mythics Inc. for Oracle Cloud Services and Licensing, using a Texas Cooperative Purchasing Network and National Intergovernmental Purchasing Alliance cooperative purchase program, payable over three annual installments

<u>Minute No.</u>	<u>Event/Action</u>
2019-0521-35	Enter into a contract with Netsync Network Solutions, Inc. for the purchase of Cisco WebEx software, a cloud-based collaboration suite that provides online meetings (with or without video), web conference calling, and videoconferencing for a five-year term, using Texas Department of Information Resources' cooperative purchase program
	<b>N. Recess Open Meeting and Convene Executive Session</b>
	<b>O. Reconvene Open Meeting</b>
2019-0521-36	RCA F1 was tabled
2019-0521-37	Rescind Port Authority funding of a Houston Ship Channel traffic management group
	<b>P. Adjourn Meeting</b>

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

**Houston, Texas  
May 21, 2019**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on May 21, 2019 at 9:01 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  
Clyde E. Fitzgerald, Commissioner  
Roy D. Mease, Commissioner  
Roger Guenther, Executive Director  
Erik Eriksson, Chief Legal Officer  
Tom Heidt, Chief Operating Officer  
J. Kent Friedman, outside counsel

Chairman Campo convened the meeting of the Port Commission and provided opening remarks. He stated that he did not have many remarks but that he had been approached before the meeting by an individual wondering what was to be done about the legislation and the 1,100-foot vessel issues. He commented that since the bills were not yet law, the rules of the road were unknown and thus there was not a reason to hold a discussion on the topic, but emphasized that the fundamental issue was that the Port of Houston was open and will be fair to everyone. The channel needs to be widened and deepened and all the stakeholders need to be on the same page.

(2019-0521-01) Chairman Campo called for a motion to approve the minutes of the April 8, 2019 and April 16, 2019 Port Commission meetings. Commissioner Corgey moved for approval, seconded by Commissioner Branch. The minutes were approved as written.

(2019-0521-02) Commissioner Corgey reported on the Community Relations Committee Meeting – April 23, 2019.

Commissioner Corgey reported that the Community Relations Committee met with staff last month for the first time since the committee was reactivated. Commissioner Corgey explained that engagement with the community was a focus, adding that there were many things in the community that could be done to move the Port Authority forward and assist with its mission.

Mr. Guenther reminded everyone the next Community Relations Committee meeting would be held on Wednesday, May 22, 2019.

Commissioner Corgey thanked Chairman Campo for bringing the committee back as he believed it was an important function for the Port Commission to be involved in.

Chairman Campo agreed with Commissioner Corgey's assessment and thought the committee would yield very interesting projects.

(2019-0521-03) Chairman Campo asked if anyone would like to address the Port Commission; there was no response.

(2019-0521-04) Mr. Guenther presented a summary of operational and financial matters as follows:

- Mr. Guenther reported that total tonnage was up 9% for the year, including an 11% increase in loaded container tonnage, which was a strong start to the year. Mr. Guenther continued by stating that total twenty-foot equivalent units (TEUs) were up by 13% for the year, which included 15% increase in April alone, indicating strong growth.
- Mr. Guenther noted steel imports were still strong, with a 31% increase over last year. However, the big driver of growth was the much-anticipated surge in plastic resin exports. To give a sense of what that meant, the exports of all resins combined were up 38%, while polyethylene exports alone were up 62%. Mr. Guenther concluded that there was a lot of momentum across the board in all sectors of business at the public terminals.
- Mr. Guenther announced the retirement of Melissa Nixon, Risk Management Specialist, after 27 years at the Port Authority. Mr. Guenther explained that Ms. Nixon began her career in 1992 as a CRT Operator Trainee – known today as a Logistics Associate – checking trucks in and out. She transferred to the Executive Office Building in 1999 as a Training and Development Department assistant before moving over to the Risk Management Department. Mr. Guenther concluded his remarks by thanking her for her service and wished her the best in retirement.

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

RCA F1 was moved for discussion following the Executive Session.

RCA F2 was moved for discussion following the Executive Session.

(2019-0521-05) RCA F3 was tabled.

(2019-0521-06) RCA F4 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey.

Chairman Campo explained this item went through the Audit Committee meeting and RCA F4 represents technical changes and technical policy changes, which the Audit Committee agreed with.

Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA F4 PASSED.

(2019-0521-07) RCA F5 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA F5 PASSED.

(2019-0521-08) RCA F6 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey.

Mr. Eriksson explained that under the previous Port Commission administration certain approval authority was exercised by the chairman, but at the request of Chairman Campo this amendment was intended to simplify reporting: the Chief Legal Officer would be assigned the duty of reviewing and approving certain requests for reimbursement from the Chairman and Commissioners.

Mr. Eriksson continued by noting that a few years ago, in a change from past policy, requests for travel by commissioners had to be pre-approved. The amendments would also relieve commissioners from that pre-approval administrative process.

Chairman Campo explained his view of the policy changes, stating that if commissioners needed to go to Austin or Washington to lobby, they would understand the policies and procedures on travel, hotel, and meals, and did not need him to approve travel in advance, i.e. he trusts commissioners to follow the policy as written and reviewed, and at the end of the day commissioners were responsible.

Chairman Campo referred to the policy as a “mother, may I?” and noted that he would try to get rid of as many of these as he could. He felt there were many responsible people at the Port Authority who ran a very large business and needed to be able to have the least amount of paperwork possible to do their jobs efficiently, and that would be his fundamental premise of how policies, procedures, and activities were looked at, moving forward. Chairman Campo added that he understood there were statutory issues on contracts and those would continue to be followed, but he that would like to cut as much unnecessary paperwork as possible.

Chairman Campo stated that while he fundamentally felt that an entity such as the Port Authority needed to have policies to make sure it was operating in accordance with the “rules of the road,” it did not need to have policies that were duplicative and often condescending to the people who were operating under them.



Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA F6 PASSED.

(2019-0521-09) RCA F7 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey.

Chairman Campo stated that the chairman of the committee would be Commissioner Corgey and the other members were listed in the printed booklet.

Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA F7 PASSED.

(2019-0521-10) Chairman Campo recognized John Moseley, Chief Commercial Officer, to provide a report of selected agenda items.

Mr. Moseley stated that the Journal of Commerce Gulf Shipping Conference was in town for the week, with about 400 industry stakeholders meeting at the Marriott Marquis. Mr. Moseley invited all to attend and explained that there would be very interesting conversations regarding transportation in and out of the Houston Ship Channel. Mr. Moseley added that Mr. Guenther would be presenting at 5 pm that evening.

Mr. Moseley continued by explaining the two RCAs on his agenda, both of which were Real Estate-related, and both were routine.

Mr. Moseley drew attention to RCA G2, which is an extension of the lease premises for American Marine Services of N.J., Inc., adding an additional 4.77 acres at Barbours Cut for container repair and maintenance services, which helped support Port Authority container business.

(2019-0521-11) RCA G1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2019-0521-12) RCA G2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA G2 PASSED.

(2019-0521-13) Chairman Campo recognized Tim Finley, Chief Financial Officer, to provide a report of selected agenda items.

Mr. Finley reported that that past Thursday the Port Authority had released its request for proposals (“RFP”) for a disparity study. Port Authority staff had worked

together to get a quality, well thought out scope of work on the street. The RFP will be out until June 15<sup>th</sup>, about 5 weeks. He observed that the package had already been downloaded a number of times. The final rankings would be presented to the Port Commission at its July meeting. Mr. Finley stressed that quality, not time, was of the highest importance and that he wanted to get it right before bringing it before the Port Commission.

Mr. Finley explained the two items on the agenda for Finance. RCA H1 was with regards to award for the Houston Ship Channel financing strategy. The Finance group received four responses to its RFP, which was narrowed down to the single firm shown on the agenda. The selected firm had extensive experience in financing strategies, which meant it would help in analyzing the capital and funding strategy associated with the widening and deepening project, as well as supporting internal capital plans and how growth would continue to be funded. The firm would also help to understand the rules and regulations of the U.S. Army Corps of Engineers and federal statutes, and ultimately help the Port Authority go to market with some type of financing arrangement associated with the deepening and widening project.

Mr. Finley continued with RCA H2, a largely administrative item, exercising the option to extend Grant Thornton's auditing services. Mr. Finley explained this was the final year for Grant Thornton, after which these services would go back out on the street for proposals. The funding for this fiscal audit period was roughly flat from what was had in the past, though up a pinch for new Government Accounting Standards Board requirements.

Commissioner Corgey asked what the amount would be for RCA H2 and Mr. Finley noted it would be \$249,500.

(2019-0521-14) RCA H1 was presented. Commissioner Fitzgerald moved for staff ranking - first, PFM Financial Advisors LLC; second, Masterson Advisors LLC; and third, Estrada Hinojosa & Company, Inc., seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2019-0521-15) RCA H2 was presented moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA H2 PASSED.

(2019-0521-16) Chairman Campo recognized Rich Byrnes, Chief Infrastructure Officer, to provide a report of selected agenda items.

Mr. Byrnes noted that there were currently about 100 continuing projects going on in the Infrastructure Division. The projects range from Bayport Container Yard 7 construction to the Wharf 3 rehabilitation that was previously approved by the

Commission. There are also smaller projects, such as design and construction of fender projects and keeping the transit sheds standing. Notably, there was also construction at the entrance ramp at I610 and the Turning Basin, a collaboration with the Texas Department of Transportation to fix drainage issues so that the ramp did not collect knee-deep water during heavy rain.

Mr. Byrnes continued his presentation by talking about another important project starting next month: the Praxair pipeline relocation at Bayport. Getting this pipeline relocated was essential for the buildout of the Bayport master plan.

Mr. Byrnes stated that there were eight items on the agenda, but RCA's I2, I3, and I5 were being pulled. Chairman Campo asked for comment as to why the RCAs were being pulled, and Mr. Heidt explained that was because the pipeline license fee structure could be re-evaluated as well as the license term. Once the research has been completed, the RCAs would be presented to the Port Commission.

Mr. Byrnes explained RCA I1 was comprised of contract extensions for three different companies that have been engaged to execute the strategic asset management program. In addition to current project and planning for long-term future, the asset management program is a mid-range lookout to make sure that all Port Authority assets are in good condition, adding that "FICAP" stands for "facility inspection and condition assessment program."

He continued that the Port Authority has approximately two billion dollars in assets, and their replacement value would be a multiple of that. Those assets included docks and wharves, 139 different structures.

About three years ago FICAP was initiated and was first focused on marine structures to make sure they would remain standing and serve the core business. FICAP was extending this year to categories including electrical and utilities, and corrosion of pipes and steel structures that supported the docks and wharves.

Mr. Byrnes emphasized that 43 marine structures had been assessed to date. The work has generated 400 actions, including a couple of emergency actions but mainly prioritized repairs and upgrades. RCA I1 is focused on the renewal of these contracts and completing that work, so that the entire asset base was understood, and decisions could be made on how to best allocate capital to repair and maintain the marine structures.

Mr. Byrnes explained that RCA I4 was a marine construction permit to dredge submerged lands of the Moda Vopak 99-year lease, that was approved previously by the Port Commission.

Commissioner Fitzgerald acknowledged his recent briefing on the widening of the channel, and how important it was: the future of Houston was the widening of the channel. Commissioner Fitzgerald recognized Mr. Byrnes and Charlie Jenkins, Senior Director, Asset Management and Strategic Coordination, for all their hard work and added that he appreciated the job that was being done.

Mr. Byrnes thanked Commissioner Fitzgerald and noted that it was a team effort with a lot of moving parts and a lot of people working the issue.

(2019-0521-17) RCA I1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA I1 PASSED.

(2019-0521-18) RCA I2 was pulled from the agenda.

(2019-0521-19) RCA I3 was pulled from the agenda.

(2019-0521-20) RCA I4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2019-0521-21) RCA I5 was pulled from the agenda.

(2019-0521-22) RCA I6 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA I6 PASSED.

(2019-0521-23) RCA I7 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA I7 PASSED.

(2019-0521-24) RCA I8 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA I8 PASSED.

(2019-0521-25) Chairman Campo recognized Jeff Davis, Chief Operations Officer, to provide a report of selected agenda items.

Mr. Davis stated there were four Operations Division agenda items for consideration, all of which were primarily driven by maintenance. Maintenance Director Paulo Soares directed those procurements each month.

Mr. Davis highlighted RCA J3, which totaled of \$1.75 million. He noted that there were three vendors included in the agenda item as it was being treated as a divisible contract, because of the unique needs of tire requirements. He noted that the Port Authority owned hundreds of heavy vehicles and heavy equipment which require tires of various sizes and capacities: almost 100 rubber-tired gantries would require about 1,600 tires over the two-year period, 300 tires were allocated for 70 yard tractors, and nearly 800 tires were for 196 yard chassis. The yard tractors and yard chassis are used to move containers around the container facilities for inspections and transfer purposes. There would also be over 1,100 tires for 377 light vehicles and pickup trucks.

Mr. Davis finished his presentation by noting that the total for all four agenda items was just shy of three million dollars.

(2019-0521-26) RCA J1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2019-0521-27) RCA J2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2019-0521-28) RCA J3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA J3 PASSED.

(2019-0521-29) RCA J4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA J4 PASSED.

(2019-0521-30) Chairman Campo recognized David McNamara, Interim Chief People Officer, to provide a report of selected agenda items.

Mr. McNamara noted that the People Division had no agenda items, but he wanted to take a moment to again recognize those employees who were recognized at the employee picnic the previous Saturday for employee awards. Jeanette Estrada, Regina Reiley, and Melissa Perez of the Turning Basin, Barbours Cut, and Bayport, respectively, received awards for donating the most time to volunteer events. Roger Hoh, Robert Fitzpatrick, and Hayden Simpson won safety awards, while the Turning Basin maintenance team received a group safety award. Environmental awards were given to Jeanette Estrada and Kenneth Williams.

Mr. McNamara stated that the award for employee of the year went to Christian Kibbe in the Police Department, who was currently on vacation. Mr. McNamara congratulated the award recipients for all they had done during the past year.

Mr. Guenther added that the employee picnic was a great event and it was great to see the employees and the retirees, who came out en masse.

Chairman Campo agreed. He remarked that he attended the picnic and was interested in the amount of pride the employees and retirees had in the organization. He also appreciated being able to see the families of employees, which showed the Port Authority as a community. Chairman Campo noted the amount of ships visible from the picnic patio and the conversations people were having about the work they were doing. He believed that events such as the picnic were very important and more of them should be done. The people that execute each day for the Port Authority created value for all the constituents and the community, and ultimately did not cost very much and was a massive value proposition.

(2019-0521-31) Chairman Campo recognized Marcus Woodring, Chief Port Security and Emergency Operations Officer, to provide a report of selected agenda items.

Before yielding the floor to Captain Woodring, Chairman Campo spoke about a conversation he had with a Port Authority police officer while leaving the picnic, remarking that the officer was very engaged and allowed him to sit in her vehicle while explaining the various types of equipment used. Chairman Campo was very impressed with the officer's enthusiasm and engagement.

Captain Woodring thanked Chairman Campo and proceeded to introduce Sergeant Jimmy Avalos. Captain Woodring explained how Sergeant Avalos was driving across the ship channel bridge when he saw a car parked along the side of the bridge with a gentleman standing at the ledge. Sergeant Avalos called for backup and was able to talk to the individual and prevent him from jumping, until Sergeant Farrell Jones arrived to assist. The two officers were able to restrain the individual and take him to a medical facility to get him treatment. The parents of the individual were very grateful for the actions of the two officers.

Captain Woodring brought Sergeant Avalos to the podium for recognition for his actions.

Captain Woodring continued by highlighting the fire department's actions in Galveston Bay following the recent barge collision. The damaged barge was successfully brought to Southwest Shipyard while the capsized barge was towed to Barbours Cut, a harbor of safe refuge. These actions allowed the Coast Guard to reopen the Houston Ship Channel to traffic at full bell with no slowdowns. Mr. Woodring mentioned that Tyler

Gavis, Manager, Pilot Administration, was looking into the case and had been involved with many interviews with the National Transportation Safety Board and other entities to gather information. Captain Woodring would not speculate on the events at that time but would further report as information became available.

Captain Woodring continued his presentation, noting that there was only one agenda item for his division, which was the purchase of a generator for Fire Station No. 1 at the Turning Basin. Every fire station should have a generator so that when the power goes out the fireman can still respond, and so the recommendation for the contract was an award to National Oilwell Varco Portable Power, at about \$53,000. Captain Woodring had hoped to acquire the generator before hurricane season in ten days, did not think it would be gotten by then, but wanted it as soon as possible.

(2019-0521-32) RCA L1 was presented. Commissioner Fitzgerald moved for staff ranking - first, National Oilwell Varco Portable Power; and second, Marine Techno Services, LLC, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2019-0521-33) Chairman Campo recognized Charles Thompson, Chief Technology Officer, to provide a report of selected agenda items.

Mr. Thompson noted that cybersecurity was about risk mitigation. He added that he was in the process of applying for port security grants through Homeland Security and FEMA to take advantage of their funding capabilities and would update the Port Commission in September to let them know about the outcome. He has asked for two grants: one for internal items and one for cyber security awareness training.

Mr. Thompson explained the two agenda items for his division. Providing background information, he explained that three years ago the Port Houston leadership team decided not to buy on-premise hardware and storage for the JD Edwards application, a cost-avoidance decision eliminating \$500,000 of capital expenditures. Once the upgrade was successful there would be a redundant solution put in place in Chicago and Ashburn, Virginia, so that the Enterprise Resource Planning systems continued to run. RCA M1 would extend the three-year contract at a cost not to exceed \$1.1 million. If the renewal was approved, Oracle had agreed to give a zero cost contract to move the first-generation cloud solution to the second-generation, while waiting until such a move was forced would cost approximately \$100,000.

Mr. Thompson continued by explaining RCA M2, which would acquire WebEx services for video and audio servicing, a five-year contract not to exceed \$90,000. Currently AT&T was being paid for this function, and the benefit would be a \$12,000 annual savings over AT&T.

(2019-0521-34) RCA M1 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2019-0521-35) RCA M2 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA M2 PASSED.

At 9:35 a.m., Chairman Campo called for a brief recess and advised that the Executive Session would follow. At 9:46 a.m., Chairman Campo instructed Mr. Eriksson to make the following announcement:

It is now 9:46 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; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including disposition of Bayport Terminal vicinity properties; (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*); and (5) Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*). The Port Commission will reconvene in public session after the closed meeting is adjourned.

Immediately thereafter the Port Commission retired into closed session.

At 10:49 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  
Clyde E. Fitzgerald, Commissioner  
Roy D. Mease, Commissioner  
Roger Guenther, Executive Director  
Erik Eriksson, Chief Legal Officer  
Tom Heidt, Chief Operating Officer  
J. Kent Friedman, outside counsel



(2019-0521-36) RCA F1 was tabled.

(2019-0521-37) RCA F2 was presented, "Review and possible action to rescind Port Authority funding of a Houston Ship Channel traffic management group."

Commissioner Mease moved for approval, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Corgey, Fitzgerald, and Mease voted Aye. Nays none. RCA F2 PASSED

At 10:50 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the May 21, 2019 meeting of the Port Commission of the Port of Houston Authority.



Ric Campo, Chairman



Erik A. Eriksson, Secretary

## F. EXECUTIVE

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<b>Subject</b>	<b>1. Continued deliberation, public comment, and possible actions regarding measures to address one-way traffic impacts on the Houston Ship Channel, including possible action to amend the Port Commission resolution adopted April 23, 2019 imposing limitations on ships calling Port Authority container terminals.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, continue to deliberate, hear public comment, and take possible actions regarding measures to address one-way traffic impacts on the Houston Ship Channel, including possible action to amend the Port Commission resolution adopted April 23, 2019 imposing 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 that several safety protocols for handling vessels over 1,100 feet in length would begin to affect Houston Ship Channel traffic. Those measures limit these larger ships to daylight passage and one-way traffic, beginning north from the point the channel narrows to 530 feet at the intracoastal waterway.

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

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

Meanwhile, it is also the Port Authority's highest priority to obtain authorization, funding, and completion of the widened ship channel, to allow it to best handle the growth in our thriving region. Though this work will take several years, the Port Authority is working with the U.S. Army Corps and others to accelerate the process, and the widened channel (as well as vessel experience) should result in easing these protocols.

**Staff Evaluation/Justification:**

The Port Commission has considered these matters at four meetings since March. Staff now requests that the Port Commission again deliberate, hear public comment, and consider acting and guiding staff regarding them.

**F. EXECUTIVE**

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<b>Subject</b>	<b>2. Review and possible action to rescind Port Authority funding of a Houston Ship Channel traffic management group.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, review and take possible action to rescind Port Authority funding of a Houston Ship Channel traffic management group, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

General

**Department:**

Executive

**Staff Contact:**

Erik Eriksson

**Background:**

At its April 8, 2019 meeting, the Pilot Board acted to create and maintain a Houston Ship Channel traffic management group and the Port Commission approved Port Authority funding of such group in an amount not to exceed \$500,000.

**Staff Evaluation/Justification:**

Staff now requests that the Port Commission review and take possible action to rescind such funding.

**F. EXECUTIVE**

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<b>Subject</b>	<b>3. Award a professional services contract to Cassidy and Associates for federal governmental policy consulting and support in an amount not to exceed \$240,000.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, award a professional services contract to Cassidy and Associates for federal governmental policy consulting and support, in an amount not to exceed \$240,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

Awards, Amendments &amp; Change Orders

**Department:**

Government Relations

**Staff Contact:**

Spencer Chambers

**Background:**

In order to advance the project to widen and deepen the Houston Ship Channel, Port Authority staff is seeking additional support to assist its work with the U.S. Army Corps of Engineers regarding its Houston Ship Channel expansion improvement study, as well as with staff's efforts to obtain authorization and funding for the project.

**Staff Evaluation/Justification:**

After staff research and interviews, staff has determined the subject firm has demonstrated the competence and qualifications to perform the services for a fair and reasonable price and accordingly recommends that the Port Commission approve this contract.

## F. EXECUTIVE

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<b>Subject</b>	<b>4. Approve and reaffirm the Audit Committee Charter, Internal Audit Charter, and Internal Audit Policies, effective May 31, 2019.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, approve and reaffirm the Audit Committee Charter, Internal Audit Charter, and Internal Audit Policies, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

**Category:**

General

**Department:**

Internal Audit

**Staff Contact:**

Maxine Buckles

**Background:**

By Minute No. 2018-0731-06, the Port Commission last approved the Port Authority's Audit Committee Charter, Internal Audit Charter, and the Internal Audit Policies supporting the Audit Committee and Internal Audit Charters.

The Audit Committee Charter requires that the Audit Committee conduct an annual review of its charter, the Internal Audit Charter, and the Internal Audit Policies.

The Internal Audit Charter sets forth the purpose, authority, and responsibilities of the Internal Audit Department relating to Port Authority systems and business processes, risk management practices, interaction with the Port Authority's independent auditor, internal control structure, accounting policy, and internal audit matters, compliance, and reporting. The Internal Audit Policies support the Audit Committee and Internal Audit Charters.

**Staff Evaluation/Justification:**

The Audit Committee will have completed its review of the Audit Committee Charter, Internal Audit Charter, and Internal Audit Policies prior to the May 21 meeting of the Port Commission. Proposed changes to the Audit Committee Charter, the Internal Audit Charter and Policies incorporate clarifications and updates made to the Standards, along with associated updates to references.

The Audit Committee and staff propose approval of modifications to the Audit Committee Charter, Internal Audit Charter, and Internal Audit Policies, to document the completion of the annual review and to maintain synchronization of the effective dates.

## F. EXECUTIVE

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<b>Subject</b>	<b>5. Amend the Community Relations Committee Charter.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, approve the amended Community Relations Committee Charter, 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:**  
Community Relations

**Staff Contact:**  
Leslie Herbst

**Background:**

In order to aid the efficient and transparent conduct of Port Authority affairs, at its May 24, 2011 meeting, the Port Commission formally designated five standing Port Commission committees or task forces, including a Community Relations task force or committee.

By Minute No. 2013-0226-07, the Port Commission approved and adopted the Community Relations Task Force Charter. Beginning with its March 26, 2013 meeting, the Task Force was renamed the Community Relations Committee. The responsibilities of the Community Relations Committee include assisting the Port Commission in determining best practices in community relations activities and creating, updating, and monitoring relevant policies and procedures.

**Staff Evaluation/Justification:**

At its April 23, 2019 meeting, the Community Relations Committee considered the revised charter, which would update the Community Relations program mission statement to be consistent with the Port Authority's most recent Strategic Plan and revise the committee's responsibilities with respect to sponsorship requests and the Port Authority's Promotion and Development policy and procedures. Committee members have informally reviewed the amended charter, and staff is now submitting it to the Port Commission for its consideration.

Staff recommends the Port Commission approve the amended Community Relations Committee Charter.

**F. EXECUTIVE**

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**Subject**                    **6. Amend the Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy.**

Meeting                    May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access                    Public

Type                    Action

Recommended Action                    The Port Commission, at its May 21, 2019 meeting, amend the Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy of the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

General

**Department:**

Legal

**Staff Contact:**

Erik Eriksson

**Background:**

The Port Commission adopted the Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy (the "Policy") at its March 27, 2018 meeting. The policy superseded the "Second Amended Travel & Business Entertainment Expense Policy and Standards" previously adopted at the December 16, 2014 Port Commission meeting.

At Chairman Campo's request, Port Authority legal staff has prepared an amendment to the Policy as set forth on Exhibit "A." The amendment addresses travel authorization and expense report approval for Port Commissioners and the Executive Director.

**Staff Evaluation/Justification:**

Staff recommends that the Port Commission approve this amendment as attached.

**Port of Houston Authority**  
**Travel, Meals & Business Entertainment Authorization and**  
**Expense Reimbursement Policy - Amendment No. 1**  
**May 2019**



This Amendment No. 1 to the Port of Houston Authority Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy (the “Amendment”) amends the “Travel, Meals & Business Entertainment Authorization and Expense Reimbursement Policy” (the “Policy”) as set forth below.

1. Amendments. Section IV, Subsections (A) and (B) of the Policy are amended and restated as follows

A. All travel, meal purchases, and business entertainment require preauthorization unless otherwise stated in this Policy.

1. Preauthorization is not required for travel within the counties of Harris, Brazoria, Chambers, Fort Bend, Galveston, Liberty, Montgomery, and Waller unless expenses associated with lodging, meals, or business entertainment can be anticipated.

2. Preauthorization is not required for business meals or entertainment incurred by the Executive Director and Chief Officers within the counties of Harris, Brazoria, Chambers, Fort Bend, Galveston, Liberty, Montgomery, and Waller.

3. Preauthorization is not required for travel, business meals, and entertainment incurred by the members of the Port Commission and the Executive Director.

B. Requests for Authorization and Requests for Reimbursement shall be submitted for approval as follows.

1. Requests for Reimbursement shall be submitted for approval as follows.

- Chairman of the Port Commission, to the Chief Legal Officer
- Port Commissioner, to the Chief Legal Officer
- Executive Director, to the Chief Legal Officer

2. Requests for Authorization and Requests for Reimbursement shall be submitted for approval as follows.



Travel, Meals & Business Entertainment Authorization and  
Expense Reimbursement Policy – Amendment No. 1  
May 2019  
Page 2

- Chief Operating Officer, Chief Legal Officer, and Chief People Officer, to the Executive Director
- Chief Audit Officer, to the Chairman of the Audit Committee
- Other Chief Officers, to the Chief Operating Officer
- Employees, other than those listed above, to their immediate supervisor, Chief Officer responsible for the Division incurring the expense, Chief Operating Officer, and Executive Director, in accordance with signature authority
- Consultants/Vendors, in accordance with the requirements stated in Appendix A.

2. Effectiveness. The Policy remains in full force and effect as amended herein, effective as of \_\_\_\_\_, 2019.

3. Adoption. This Policy was adopted by the Port Commission on May 21, 2019, as evidenced by Minute No. 2019-0521-\_\_\_\_\_.

Policy Owner: Finance

Policy Version: Fourth Amendment

## F. EXECUTIVE

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<b>Subject</b>	<b>7. Appoint the chairman and members of the Community Relations Committee.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, appoint Port Commissioner Dean Corgey as Chairman of the Community Relations Committee of the Port Commission, and designate it as a committee of the whole.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

**Category:**

General

**Department:**

Executive

**Staff Contact:**

Roger Guenther

**Background:**

The Amended and Restated Bylaws of the Port of Houston Authority of Harris County, Texas provide that the Chairman of the Port Commission shall appoint the chairs and members of the standing committees of the Port Commission, subject to the consent of each appointee and Port Commission approval.

**Staff Evaluation/Justification:**

The Community Relations Committee met as a committee of the whole on April 23, 2019 and discussed the membership of the committee and the appointment of a chairman.

Port Commissioner Dean Corgey volunteered to chair the Community Relations Committee and the committee discussed continuing it as a committee of the whole.

Accordingly, staff recommends the Port Commission take the actions set forth above.

## G. COMMERCIAL

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<b>Subject</b>	<b>1. Approve the Assignment from Hapag-Lloyd (America) LLC to Texas Stevedoring Services LLC of its Barbours Cut Terminal Administration Building office lease of approximately 1,276 square feet at the Barbours Cut Terminal Administration Building effective no earlier than June 1, 2019, and amend the lease to extend the term for an additional three years to terminate July 31, 2022, at an annual rental of \$24,052 subject to an annual increase of 3% or the increase in the Consumer Price Index.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, approve an Assignment from Hapag-Lloyd (America) LLC to Texas Stevedoring Services LLC of its Barbours Cut Terminal Administration Building office lease of approximately 1,276 square feet at the Barbours Cut Terminal Administration Building effective no earlier than June 1, 2019, and amend the lease to extend the term for an additional three years to terminate July 31, 2022, at an annual rental of \$24,052 subject to an annual increase of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

**Category:**

Leases

**Department:**

Real Estate

**Staff Contact:**

R.D. Tanner

**Background:**

By Minute No. 2017-0627-06, the Port Commission approved a two-year lease agreement with Hapag-Lloyd (America) LLC for approximately 1,263 square feet of office space at the Barbours Cut Terminal Administration Building.

On February 22, 2018 Hapag-Lloyd AG and Ceres Gulf, Inc. formed Texas Stevedoring Services LLC, and Hapag-Lloyd (America) LLC has now requested that the Port Authority approve the assignment of the office lease to Texas Stevedoring Services LLC effective June 1, 2019. Notwithstanding, the assignment to Texas Stevedoring Services LLC, Hapag-Lloyd (America) LLC would remain responsible for the lessee's obligations under the lease agreement.

The parties also seek to extend the lease term for an additional three years.

**Staff Evaluation/Justification:**

Staff recommends the Port Commission approve this proposed assignment and amendment to the lease agreement.

## G. COMMERCIAL

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<b>Subject</b>	<b>2. Approve an amendment to the lease agreement with American Maritime Services of N.J., Inc. dba Integrated Industries Corp. at Barbours Cut Terminal effective no earlier than June 1, 2019 to increase the leased premises by approximately 4.77 acres for a total combined lease area of approximately 11.22 acres, at an annual base rent of \$468,653 with an annual increase of the greater of 3% or the increase in the Consumer Price Index.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, approve an amendment to the lease agreement with American Maritime Services of N.J., Inc. dba Integrated Industries Corp. at Barbours Cut Terminal effective no earlier than June 1, 2019 to increase the leased premises by approximately 4.77 acres for a total combined lease area of approximately 11.22 acres, at an annual base rent of \$468,653 with 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:**

By Minute No. 2018-0925-12, the Port Commission approved a lease agreement with American Maritime Services of N.J., Inc. dba Integrated Industries Corp. (Integrated) of approximately 6.21 acres exclusive premises and approximately 0.243 acres of non-exclusive access road out of Barbours Cut Terminal, for a term commencing on October 1, 2018 and terminating on September 30, 2021.

Integrated has now proposed to lease the remaining approximately 4.77 acres of the property that was previously being leased to Ceres/NYK Group. The total leased acreage would be amended to approximately 11.22 acres, and Tenant would obtain exclusive rights to use of the access road as a part of these premises.

**Staff Evaluation/Justification:**

Staff recommends the Port Commission approve this proposed amendment to the lease agreement.

## H. FINANCE

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<b>Subject</b>	<b>1. Approve staff's ranking of vendors and award a contract in an amount not to exceed \$130,000 for financial advisory services relating to channel infrastructure funding strategies to the top-ranked proposer: staff ranking – first, PFM Financial Advisors LLC; second, Masterson Advisors LLC; and third, Estrada Hinojosa &amp; Company, Inc.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, PFM Financial Advisors LLC; second, Masterson Advisors LLC; and third, Estrada Hinojosa & Company, Inc.; (b) award a contract to the top-ranked proposer for financial advisory services relating to channel infrastructure funding strategies in an amount not to exceed \$130,000; (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 #4 - STEWARDSHIP (Sustain the business for the long-term)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Treasury

**Staff Contact:**

Ray Yi

**Background:**

In alignment with scenarios addressing the project to widen and deepen the Houston Ship Channel, Port Authority staff is reviewing various strategies and options for financing such project costs as the local non-federal sponsor of the channel.

By Minute No. 2019-0326-25(l), the Port Commission authorized staff to advertise and receive proposals for financial advisory services relating to channel infrastructure funding strategies.

**Staff Evaluation/Justification:**

The Port Authority advertised a request for proposals (RFP) for Financial Advisory Services dated March 26, 2019 and received proposals from four respondents by the deadline of 11:00 a.m. Central time on April 10, 2019. The proposals were reviewed and evaluated by Port Authority staff. One proposal was deemed non-responsive.

The primary focus of the procurement was on firms that could assist the Port Authority with developing financing strategies and options relating to channel infrastructure projects and representing the Port Authority as advisor for executing resulting financing arrangements. Qualified firms would have demonstrable experience in analyzing United States seaport infrastructure financing strategies, exercising available funding streams with the United States Army Corps of Engineers, and structuring

infrastructure projects with state and federal governmental entities. The evaluation criteria also included price, respondent's overall compliance with Port Authority policies, and small business and local business participation.

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

- PFM Financial Advisors LLC
- Masterson Advisors LLC
- Estrada Hinojosa & Company, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to PFM Financial Advisors LLC and act as otherwise described above.

## H. FINANCE

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<b>Subject</b>	<b>2. Award a contract to Grant Thornton, LLP for auditing services to be provided to the Port Authority for fiscal year 2019 in an amount not to exceed \$249,500.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, award a contract to Grant Thornton, LLP for auditing services to be provided to the Port Authority for fiscal year 2019 in an amount not to exceed \$249,500, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Accounting

**Staff Contact:**

Curtis Duncan

**Background:**

Texas Water Code Sections 60.002 and 49.191 requires 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.

By Minute No. 2015-0728-14, the Port Commission approved staff's ranking of vendors and awarded a professional services contract for professional auditing services for the fiscal year ending 2015, with options to renew for two additional one-year terms, to Grant Thornton, LLP. Staff exercised renewal options for the years 2016 and 2017. In addition to the three years described above, the Port Commission permitted staff to negotiate the services of service provider for audits of the fiscal years ending in 2018 and 2019, subject to Port Commission approval.

**Staff Evaluation/Justification:**

Following the first negotiated extension, Grant Thornton, LLP 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.

The Audit Committee and staff now recommend that the Port Commission award a contract to Grant Thornton, LLP's 2019 financial statement audit (including the Single Audit and Promotion & Development Fund).

## I. INFRASTRUCTURE

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<b>Subject</b>	<b>1. Amend the professional services contracts with CH2M HILL Engineers, Inc., Moffatt &amp; Nichol, and Wiss, Janney Elstner Associates, Inc. for the facility inspection and condition assessment program 2019-2020, in respective not-to-exceed amounts of \$853,796, \$743,074, and \$754,900.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, amend the existing professional services contracts with CH2M HILL Engineers, Inc., Moffatt & Nichol, and Wiss, Janney, Elstner Associates, Inc. for the facility inspection and condition assessment program 2019-2020, in respective not-to-exceed amounts of \$853,796, \$743,074, and \$754,900, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Project and Construction Management

**Staff Contact:**

Roger H. Hoh, P.E.

**Background:**

By Minute No. 2017-1023-28, the Port Commission awarded professional services contracts to CH2M HILL Engineers, Inc., Moffatt & Nichol, and Wiss, Janney, Elstner Associates, Inc. for the facility inspection and condition assessment program for marine assets for the October 2017 through January 2018 period, the initial stage of Year 1.

By Minute No. 2018-0327-25, the Port Commission amended the professional services contracts to CH2M HILL Engineers, Inc., Moffatt & Nichol, and Wiss, Janney, Elstner Associates, Inc. for the facility inspection and condition assessment program for Year 1 Phase 2.

This amendment is contemplated by the program, and would amend the professional services contracts with CH2M HILL Engineers, Inc., Moffatt & Nichol, and Wiss, Janney Elstner Associates, Inc. for the facility inspection and condition assessment program for Year 2, in respective not-to-exceed amounts of \$853,796, \$743,074, and \$754,900.

**Staff Evaluation/Justification:**

Staff has reviewed the amendment proposals of CH2M HILL Engineers, Inc., Moffatt & Nichol, and Wiss, Janney Elstner Associates, Inc., and found them to be fair and reasonable and recommends that the Port Commission approve the proposed amendments to the existing contracts with CH2M HILL Engineers, Inc., Moffatt & Nichol, and Wiss, Janney Elstner Associates, Inc.



**I. INFRASTRUCTURE**

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**Subject**                    **2. Approve the renewal of expiring Port Authority licenses for new ten-year terms: Equistar Chemicals, LP, Chevron Phillips Chemical Company LP, Praxair, Inc., GB Biosciences, LLC, ExxonMobil Pipeline Company, Enterprise Houston Ship Channel, L.P., Enterprise Products Operating LLC, Enterprise TE Products Pipeline Company LLC, Enterprise Products Operating LLC & Enterprise Products Texas Operating LLC, and Lone Star NGL Mont Belvieu LP.**

**Meeting**                    May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access**                     Public

**Type**                        Action

**Recommended Action**        The Port Commission, at its May 21, 2019 meeting, authorize the Port Authority to approve the renewal of expiring licenses for new ten-year terms: Equistar Chemicals, LP, Chevron Phillips Chemical Company LP, Praxair, Inc., GB Biosciences, LLC, ExxonMobil Pipeline Company, Enterprise Houston Ship Channel, L.P., Enterprise Products Operating LLC, Enterprise TE Products Pipeline Company LLC, Enterprise Products Operating LLC & Enterprise Products Texas Operating LLC, and Lone Star NGL Mont Belvieu LP, 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 pipeline licensees listed below have applied to renew their licenses:

<u>Company</u>	<u>File No.</u>	<u>License Fee</u>
Equistar Chemicals, LP	2008-0463	\$37,071
Equistar Chemicals, LP	2019-0123	\$3,216
Equistar Chemicals, LP	2019-0124	\$6,432
Equistar Chemicals, LP	2019-0125	\$12,864
Chevron Phillips Chemical Company LP	1988-0325	\$9,523
Praxair, Inc.	1999-0082	\$13,997
GB Biosciences, LLC	2007-0436	\$1,688
ExxonMobil Pipeline Company	1998-0290	\$10,833
ExxonMobil Pipeline Company	1998-0282	\$1,688
ExxonMobil Pipeline Company	1998-0281	\$81,409
Enterprise Houston Ship Channel, L.P.	1999-0112	\$11,534
Enterprise Houston Ship Channel, L.P.	1999-0131	\$7,388
Enterprise Products Operating LLC	1999-0087	\$52,873
Enterprise TE Products Pipeline Company LLC	1999-0132	\$29,617

Enterprise Products Operating LLC & Enterprise Products Texas Operating LLC	1989-0181	\$4,047
Lone Star NGL Mont Belvieu LP	1999-0230	\$3,376
	<b>Total -</b>	<b>\$300, 556</b>

**Staff Evaluation/Justification:**

The applications were reviewed and approved by the Port Authority's Channel Development department and the Port Terminal Railroad Association when applicable. The licenses are to be renewed subject to the Port Authority's usual terms and conditions.

Staff recommends approval.

## I. INFRASTRUCTURE

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<b>Subject</b>	<b>3. Issue a pipeline license to Easton Energy LLC for one 4-inch tertiary butyl alcohol pipeline and one 6-inch tertiary butyl alcohol pipeline under and across Scott Bay, Houston Ship Channel, and Upper San Jacinto Bay.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, authorize the Port Authority to issue a pipeline license to Easton Energy LLC for one 4-inch tertiary butyl alcohol pipeline and one 6-inch tertiary butyl alcohol pipeline under and across Scott Bay, Houston Ship Channel, and Upper San Jacinto Bay, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Permits/Licenses/Pipeline Easements

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

Easton Energy LLC purchased the assets of Williams Purity Pipelines, LLC, (Williams) effective November 30, 2018.

Easton Energy LLC, Port Authority File No. 2019-0129, has applied for a pipeline license for one 4-inch tertiary butyl alcohol pipeline and one 6-inch tertiary butyl alcohol pipeline under and across Scott Bay, Houston Ship Channel, and Upper San Jacinto Bay, in Harris County, Texas, both formally owned by Williams.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Port Authority's Channel Development department. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$40,705. The \$675 application fee has been paid.

Staff recommends approval.

## I. INFRASTRUCTURE

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<b>Subject</b>	<b>4. Issue a marine construction permit to Vopak Moda Houston Holdco, LLC to dredge approximately 37,000 cubic yards of material from its proposed berthing area adjacent to Port Houston upland property along the Houston Ship Channel.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, authorize the Port Authority to issue a marine construction permit to Vopak Moda Houston Holdco, LLC to dredge approximately 37,000 cubic yards of material from its proposed berthing area adjacent to the Houston Ship Channel and dispose of the material in an approved private placement area, 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:**

Vopak Moda Houston Holdco, LLC, Port Authority File No. 2019-0150, has applied for a marine construction permit to dredge approximately 37,000 cubic yards of material from its proposed berthing area adjacent to Port Houston upland property along the Houston Ship Channel in the G. M. Patrick Survey, A-624, in Harris County, Texas. The material would be placed into a suitable and approved private disposal facility.

**Staff Evaluation/Justification:**

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

Staff recommends approval.

## I. INFRASTRUCTURE

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<b>Subject</b>	<b>5. Amend a pipeline license to Zydeco Pipeline Company LLC to abandon one 20-inch pipeline in place and replace it with one 20-inch pipeline carrying crude across Greens Bayou.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, authorize the Port Authority to amend a pipeline license to Zydeco Pipeline Company LLC to abandon one 20-inch pipeline in place and replace it with one 20-inch pipeline carrying crude across Greens Bayou, 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:**  
Zydeco Pipeline Company LLC, Port Authority File No. 2014-0366, has applied to amend a pipeline license to abandon one 20-inch pipeline in place and replace it with one 20-inch pipeline carrying crude across Greens Bayou, in the James Gordon Survey, A-291 and Edward Shipman Survey, A-68, in Harris County, Texas.

**Staff Evaluation/Justification:**  
The application was reviewed and approved by the Port Authority's Channel Development department. The license is to be issued subject to the Port Authority's usual terms and conditions and at an additional fee of \$2,062. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

## I. INFRASTRUCTURE

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<b>Subject</b>	<b>6. Approve a barge fleeting lease agreement with Accutrans Fleeting Services LLC for approximately 14 acres of submerged lands in Old River at a monthly rental amount of \$12,833.50 for a ten-year term.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, authorize the Port Authority to approve a barge fleeting lease agreement to Accutrans Fleeting Services LLC for approximately 14 acres of submerged lands in Old River at a monthly rental amount of \$12,833.50 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:**  
Leases

**Department:**  
Channel Development

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

**Background:**  
The Port Authority seeks to enter into a barge fleeting lease agreement with Accutrans Fleeting Services LLC, Port Authority File No. 2019-0131, for approximately 14 acres of submerged lands in Old River, in the J. T. Harrell Survey, A-330, 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 \$12,833.50 per month for a ten-year term.

Staff recommends approval.

## I. INFRASTRUCTURE

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<b>Subject</b>	<b>7. Approve a barge fleeting lease agreement with Enterprise Marine Services LLC for approximately 16.14 acres of submerged lands in Old River at a monthly rental amount of \$4,842 for a ten-year term.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, authorize the Port Authority to approve a barge fleeting lease agreement with Enterprise Marine Services LLC for approximately 16.14 acres of submerged lands in Old River at a monthly rental amount of \$4,842 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:**

Leases

**Department:**

Channel Development

**Staff Contact:**

Mark Vincent, P.E.

**Background:**

The Port Authority seeks to enter into a barge fleeting lease agreement with Enterprise Marine Services LLC, Port Authority File No. 2019-0130, for approximately 16.14 acres of submerged lands in Old River, in the J. T. Harrell Survey, A-330, 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 \$4,842 per month for a ten-year term.

Staff recommends approval.

## I. INFRASTRUCTURE

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<b>Subject</b>	<b>8. Approve a barge fleeting lease agreement with ACBL Transportation Services LLC for approximately 5.54 acres of submerged lands in Carpenters Bayou at a monthly rental amount of \$1,506 for a ten-year term.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, authorize the Port Authority to approve a barge fleeting lease agreement with ACBL Transportation Services LLC for approximately 5.54 acres of submerged lands in Carpenters Bayou at a monthly rental amount of \$1,506 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:**  
Leases

**Department:**  
Channel Development

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

**Background:**  
The Port Authority seeks to enter into a barge fleeting lease agreement with ACBL Transportation Services LLC, Port Authority File No. 2019-0132, for approximately 5.54 acres of submerged lands in Carpenters Bayou, in the Harris and Carpenter Survey, A-28, 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 \$1,506 per month for a ten-year term.

Staff recommends approval.



## J. OPERATIONS

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<b>Subject</b>	<b>1. Award a two-year contract to HPGR, LLC for purchase of machining services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$250,000.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, award a two-year contract to HPGR, LLC for purchase of machining services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$250,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

Awards, Amendments & Change Orders

**Department:**

Maintenance

**Staff Contact:**

Paulo Soares

**Background:**

By Minute No. 2018-1212-13, the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for purchase of machining services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. The Port Authority owns ninety RTG and twenty-seven wharf cranes in operation at Barbours Cut Terminal and Bayport Container Terminal and other large equipment located at Turning Basin Terminal. This new two-year contract for machining services would be used as needed to fabricate replacement gears and pinions, and provide heat treatment.

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

**Staff Evaluation/Justification:**

On April 30, 2019, three CSB responses were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Following staff's Executive Committee review, staff recommends that the Port Authority award a two-year contract to HPGR, LLC, the responsible bidder submitting the lowest and best bid, for purchase of machining services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

## J. OPERATIONS

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<b>Subject</b>	<b>2. Award a two-year contract to Lockridge Packaging, LLC for the purchase of commercial paper products for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$500,000.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, award a two-year contract to Lockridge Packaging, LLC for the purchase of commercial paper products for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$500,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Central Maintenance

**Staff Contact:**

Paulo Soares

**Background:**

By Minute No. 2019-0326-25(a), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the purchase of commercial paper products for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. The following paper products will be procured with this contract: paper towels, bathroom tissue, shop towels, napkins, toilet seat cover, plastic cups, and trash can liners. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Eleven vendors downloaded the project materials from BuySpeed.

**Staff Evaluation/Justification:**

On April 25, 2019, two CSB responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the CSB; one bid was deemed non-responsive.

Following staff Executive Committee review, staff recommends that the Port Commission award a two-year contract to Lockridge Packaging, LLC, the responsible bidder submitting the sole and best bid to provide the required services.

## J. OPERATIONS

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<b>Subject</b>	<b>3. Award a two-year contract to T&amp;W Tire, LLC for purchase of miscellaneous tires for trucks and passenger vehicles at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$550,000; award a two-year contract to Beasley Tire Service for purchase of tires for yard tractors for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$200,000; and award a two-year contract to Southern Tire Mart for purchase of RTG tires for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,000,000.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, award a two-year contract to T&W Tire, LLC for purchase of miscellaneous tires for trucks and passenger vehicles at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$550,000; award a two-year contract to Beasley Tire Service for purchase of tires for yard tractors for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$200,000; and award a two-year contract to Southern Tire Mart for purchase of RTG tires for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,000,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Maintenance

**Staff Contact:**

Paulo Soares

**Background:**

The Port Authority owns hundreds of vehicles, and industrial equipment, requiring tires of various sizes and capacities. This includes approximately 1600 tires for the RTG fleet, 300 for yard tractors, nearly 800 tires for chassis, and over 1100 tires for light vehicles for clerks, operations, and other light vehicle users.

By Minute No. 2018-1212-13(c), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for a two-year contract for purchase of miscellaneous tires for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. The Port Authority notified vendors regarding its CSB using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Thirty-three vendors downloaded the project materials from BuySpeed.

**Staff Evaluation/Justification:**

On April 24, 2019, four CSBs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Following staff's Executive Committee review, staff recommends that the Port Authority award a two-year contract to T&W Tire, LLC for purchase of miscellaneous tires for trucks and passenger vehicles at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$550,000; award a two-year contract to Beasley Tire Service for purchase of tires for yard tractors for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$200,000; and award a two-year contract to Southern Tire Mart for purchase of RTG tires for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$1,000,000, the responsible bidders each submitting the lowest and best bids for purchase of the applicable miscellaneous tires.

## J. OPERATIONS

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<b>Subject</b>	<b>4. Award a two-year contract to Alimak HEK Inc., the sole source provider, for purchase of spare and replacement proprietary parts for wharf crane elevators at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$300,000.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, award a two-year contract to Alimak HEK Inc., the sole source provider, for purchase of spare and replacement proprietary parts for wharf crane elevators at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$300,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Maintenance

**Staff Contact:**

Paulo Soares

**Background:**

The Port Authority maintains a total of twenty-seven wharf cranes for loading and unloading containers at Barbours Cut Terminal and Bayport Container Terminal. Each of these cranes has an Alimak HEK elevator, which is used to transport personnel and materials during operation and maintenance activities. To ensure the safety and reliability of these elevators, routine preventive maintenance must be performed and captive replacement parts procured frequently. Safety devices on these elevators are proprietary and have expiration dates which necessitate replacement.

By Minute No. 2017-0131-45, the Port Authority authorized the award of a two-year contract to Alimak HEK, Inc., the sole source provider, for wharf crane elevator safety components and proprietary parts at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$300,000.

**Staff Evaluation/Justification:**

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that Alimak HEK, Inc. is the sole source for the purchase of certain elevator components and safety devices in the United States.

Staff recommends that the Port Commission award a contract to Alimak HEK Inc. for the purchase of spare and replacement proprietary parts for elevators on ship to shore cranes.

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

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<b>Subject</b>	<b>1. Approve staff's ranking of vendors and award a contract in an amount not to exceed \$53,000 for the purchase of a stand-by generator for Fire Station 1 at Turning Basin Terminal to the top-ranked proposer: staff ranking - first, National Oilwell Varco Portable Power; and second, Marine Techno Services, LLC.</b>
<b>Meeting</b>	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
<b>Access</b>	Public
<b>Type</b>	Action
<b>Recommended Action</b>	The Port Commission, at its May 21, 2019 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, National Oilwell Varco Portable Power; and second, Marine Techno Services, LLC; (b) award a contract to the top-ranked proposer for the purchase of a generator for Fire Station 1 at Turning Basin Terminal in an amount not to exceed \$53,000; (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.
<b>Goals</b>	Strategic Objective 4c. - Operate safely and securely

**Category:**

Awards, Amendments, & Change Orders

**Department:**

Fire

**Staff Contact:**

William Buck

**Background:**

Staff seeks to purchase a generator to provide power to Fire Station 1 when commercial electrical services are unavailable (Fire Station 1 is manned 24/7 365 days a year, including during hurricanes and other disaster situations). Power to this fire station is essential to be able to continue to operate for the safety and security of the Turning Basin Terminal and surrounding areas.

By Minute No. 2019-0129-11(d), the Port Commission authorized the advertisement of a request for proposals (RFP) for the purchase of a stand-by generator for Fire Station 1 at Turning Basin Terminal. The Port Authority notified vendors regarding its RFP using the Port Authority's BuySpeed Eprocurement System, and the project was advertised on the Port Authority's website and in a local newspaper. Six vendors downloaded the project materials from BuySpeed.

**Staff Evaluation/Justification:**

On April 29, 2019, two 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:

- National Oilwell Varco Portable Power
- Marine Techno Services, LLC

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to National Oilwell Varco Portable Power and act as otherwise described above.

## M. TECHNOLOGY

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<b>Subject</b>	<b>1. Award a contract to Mythics Inc. for Oracle Cloud Services and Licensing, using a Texas Cooperative Purchasing Network and National Intergovernmental Purchasing Alliance cooperative purchase program, payable over three annual installments in an amount not to exceed \$1,100,000.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, award a contract to Mythics Inc. for Oracle Cloud Services and Licensing, using a Texas Cooperative Purchasing Network and National Intergovernmental Purchasing Alliance cooperative purchase program, payable over three annual installments in an amount not to exceed \$1,100,000, determine that this method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Technology

**Staff Contact:**

Charles Thompson

**Background:**

The Port Authority uses Oracle software services, and Information Technology staff has determined that these services and the associated license may be obtained through the "cloud."

By Minute No. 2008-0219-49, the Port Commission granted authority to join the Cooperative Purchasing Network (TCPN), and to use its cooperative purchase program contracts for certain purchases. This cooperative purchasing program enables members to efficiently pool their purchasing power to obtain favorable pricing for products and related services. TCPN members, including local governmental entities, purchase items under the terms of cooperative contracts procured in compliance with applicable State of Texas procurement laws. Pursuant to Texas Government Code, a local government that purchases goods and services under Section 791.025 satisfies the requirement of the local government to seek competitive bids for such purchases. The Port Authority joined the TCPN by entering into an interlocal contract with the Region 4 Education Service Center, as provided by Government Code Section 791.025; therefore, the use of a TCPN contract is an acceptable purchasing method for the Port Authority in accordance with Texas Water Code Section 60.454.

The National Intergovernmental Purchasing Alliance (IPA) is a Tennessee nonprofit association performing cooperative government procurement services, in association with several lead agencies, including the Texas Region 4 Education Service Center's program, TCPN. The Port Authority was authorized by a February 2008 Port Commission action to join the TCPN program. The TCPN program later merged into the IPA program and is a lead agency on some but not all IPA procurements. The Port Commission, by action taken at its September 24, 2018 meeting, authorized the Port Authority to enter into a cooperative purchasing agreement with the National IPA. By joining the IPA program, the Port Authority is able to take advantage of any of the IPA contracts, including those for which TCPN is the lead agency.

**Staff Evaluation/Justification:**

Port Authority Information Technology Department staff has further determined that the TCPN and IPA cooperative purchase program has a contract with Mythics, Inc., that offers competitive pricing for the required services and licensing.

The Director of Procurement Services has determined that procuring these items through the TCPN/IPA program is one method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

Staff therefore recommends the use of this cooperative purchase program to procure this item at the stated cooperative contract price, i.e. an amount not to exceed \$1,100,000 for Oracle Public Cloud Services (Infrastructure as a Service [IaaS]/Platform as a Service [PaaS]), which price and availability also provide best value to the Port Authority.

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



## M. TECHNOLOGY

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<b>Subject</b>	<b>2. Enter into a contract with Netsync Network Solutions, Inc. for the purchase of Cisco WebEx software, a cloud-based collaboration suite that provides online meetings (with or without video), web conference calling, and videoconferencing for a five-year term, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$92,000.</b>
Meeting	May 21, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its May 21, 2019 meeting, enter into a contract with Netsync Network Solutions, Inc. (Netsync) for the purchase of Cisco WebEx, a cloud-based collaboration suite that provides online meetings (with or without video), web conference calling, and videoconferencing for a five-year term, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$92,000, 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	<p>STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)</p> <p>STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)</p>

**Category:**

Awards, Amendments & Change Orders

**Department:**

Technology

**Staff Contact:**

Charles Thompson

**Background:**

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. The Texas Department of Information Resources (DIR) has a cooperative purchase contract DIR-TSO-4167 (DIR Contract) with Cisco Systems, Inc. The DIR Contract with Cisco Systems, Inc. (Vendor) authorizes Vendor to designate a third-party to fulfill customers' purchase orders pursuant to conditions set out in the DIR Contract.

The Port Authority is seeking to purchase Cisco WebEx software, a cloud-based collaboration suite that provides online meetings (with or without video), web conference calling, and videoconferencing. The

Port Authority currently pays per call for conference calls; use of this software will allow for a monthly price agreement that is less than the current usage cost.

**Staff Evaluation/Justification:**

The Director of Procurement Services has determined that procuring Cisco WebEx software through the Texas Department of Information Resources' purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

Vendor has notified the Port Authority that Vendor has designated Netsync Network Solutions, Inc. (Netsync) as one of Vendor's Order Fulfillers and qualified resellers under the DIR Contract, and has requested that the Port Authority accept Netsync as Vendor's Order Fulfiller for the Port Authority's purchase of services and implementation under the DIR Contract.

The Information Technology department has determined that the best availability, price, and contract term for the item needed is provided by Netsync, as Order Fulfiller for Cisco Systems, 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.