

I N D E X
PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
June 25, 2019

<u>Minute No.</u>	<u>Event/Action</u>
General	
	Chairman Campo convened the Port Commission meeting and provided opening remarks
Minutes	
2019-0625-01	Approve the minutes of the April 23, 2019 and May 21, 2019 Port Commission meetings
Port Commission Committee Updates	
2019-0625-02	Chairman Campo reported on the Audit Committee Meeting - May 21, 2019
2019-0625-03	Commissioner Corgey reported on the Community Relations Committee Meeting - May 22, 2019
2019-0625-04	Chairman Campo reported on the Compensation Committee Meeting - May 22, 2019
Appearances	
2019-0625-05	Chairman Campo recognized Erick Mann, AmCorCo, who addressed the Port Commission
F. Executive	
2019-0625-06	Staff Report – Summary of selected financial and operational matters – Roger Guenther, Executive Director
2019-0625-07	Award a professional services contract to Cassidy and Associates for federal governmental policy consulting and support
2019-0625-08	Award a professional services contract to Pendulum Strategies, LLC for federal governmental policy consulting and support

<u>Minute No.</u>	<u>Event/Action</u>
2019-0625-09	Assist in further developing the Galveston Bay Park storm surge defense system
2019-0625-10	Adopt the Compensation Committee Charter
2019-0625-11	Appoint the chairman and members of the Compensation Committee
2019-0625-12	Appoint the chairman and members of the Procurement and Small Business Development Task Force

G. Commercial

2019-0625-13	Staff Report – selected agenda items – John Moseley, Chief Commercial Officer
2019-0625-14	Authorize the term of a month-to-month lease with Affolter Contracting, Inc. for approximately one acre out of Spilman Island to extend past one year commencing October 1, 2019
2019-0625-15	Approve a lease agreement with LyondellBasell Acetyls, LLC for approximately 14.41 acres out of the San Jacinto Barge Dock, for an additional five-years at an annual rate of \$391,751, subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index
2019-0625-16	Amend the lease with the City of Houston of approximately 0.23 acres on the north side of Clinton Drive effective no earlier than June 29, 2019 to increase the annual base rent to \$24,720, with an annual increase of the greater of 3% or the increase in the Consumer Price Index

H. Finance

2019-0625-17	Staff Report – Selected agenda items – Tim Finley, Chief Financial Officer
2019-0625-18	Approve staff's ranking of vendors and award a professional services contract to provide support of Cognos software during the FY2019 budgeting process, evaluate existing software functionality, and enhance functionality to the top-ranked proposer: staff ranking – first, Douglas Corporate Solutions; second, Cipher Business Solutions; and third, TESIS IT & Automation Port Commission adopted the staff-recommended ranking and authorized award

Minute No.

Event/Action

I. Infrastructure

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| 2019-0625-19 | Staff Report – selected agenda items – Rich Byrnes, Chief Infrastructure Officer |
| 2019-0625-20 | Reject bids for annual perimeter security fence replacement |
| 2019-0625-21 | Authorize Port Authority staff to enter into a Department of the Army Real Estate license for the placement of dredged material from Jacintoport Terminal and CARE Terminal into a federal placement area |
| 2019-0625-22 | Amend the Feasibility Cost Share Agreement between the U.S. Army Corps of Engineers and the Port Authority to add funding for the navigation feasibility study |
| 2019-0625-23 | 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 |
| 2019-0625-24 | Issue a pipeline license to Eco Services Operations Corp. for a 6-inch wastewater discharge pipeline into the Brady Island Channel |
| 2019-0625-25 | Issue a pipeline license to ExxonMobil Pipeline Company for a 20-inch refined product pipeline under and across the Southside Mainline railroad right-of-way |
| 2019-0625-26 | Issue a pipeline license to Targa Downstream, LLC for one 20-inch brine pipeline and one 2-inch conduit pipeline under and across Old Cedar Bayou |
| 2019-0625-27 | Amend a marine construction permit to Shell Oil Products Company, LLC to replace 970 feet of new steel bulkhead in front of an existing bulkhead and cofferdam in the Houston Ship Channel |
| 2019-0625-28 | Amend a pipeline license to HSC Pipeline Partnership LLC for an additional 1,311 feet of a 16-inch ethylene pipeline across the Barbour's Cut Terminal property |
| 2019-0625-29 | Amend a pipeline license to Zydeco Pipeline Company LLC to abandon one 20-inch crude pipeline in place and replace it with one 20-inch crude pipeline across Greens Bayou |

J. Operations

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| 2019-0625-30 | Staff Report – selected agenda items – Jeff Davis, Chief Port Operations Officer |
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<u>Minute No.</u>	<u>Event/Action</u>
2019-0625-31	<p>Approve staff's ranking of vendors and award a contract for the purchase of nine diesel electric container yard cranes for Bayport Container Terminal to the top- ranked proposer: staff ranking - first, Konecranes Finland Corporation; second, Kalmar USA, Inc.; and third, Shanghai Zhenhua Heavy Industries Co., Ltd</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2019-0625-32	Award a three-year contract to Conductix-Wampfler, the sole source provider, for purchase of spare and replacement parts for Conductix-Wampfler festoon systems for wharf cranes at Barbours Cut Terminal and Bayport Container Terminal
2019-0625-33	Award a two-year contract to Ambassador Services LLC for cleaning services at Barbours Cut Terminal and Bayport Container Terminal, using the Harris County Department of Education's Choice Partner cooperative purchase program
2019-0625-34	Amend the maintenance and support services agreement for the Navis Terminal Operating System, EDI processing, and database management with Total Network Solutions, to extend the expiration date by three months to November 1, 2019

K. People (no items)

L. Port Security and Emergency Operations

2019-0625-35	Staff Report – Selected agenda items – Marcus Woodring, Chief Port Security and Emergency Operations Officer
2019-0625-36	Issue a purchase order to CDW Government for the purchase of forty Panasonic ToughBook laptops and accessories, using the National Intergovernmental Purchasing Alliance, a cooperative purchasing program

M. Technology

2019-0625-37	Staff Report – Selected agenda items – Charles Thompson, Chief Technology Officer
2019-0625-38	Approve staff's ranking of vendors and award a contract for Information Technology project management services to the top-ranked proposers: staff ranking – first, BKJ Global Management Consulting, LLC; second, Sogeti, USA; and third, SmartBridge, LLC

Minute No.

Event/Action

Port Commission adopted the staff-recommended ranking and authorized award

2019-0625-39

Award a contract for an Enterprise Video Management System for Maritime Security solution to Dowley Security Systems, Inc., subject to potential Port Security Grant reimbursement of \$735,000

N. Recess Open Meeting and Convene Executive Session

O. Reconvene Open Meeting

P. Adjourn Meeting

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

**Houston, Texas
June 25, 2019**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on June 25, 2019 at 9:00 a.m., at the Port of Houston Authority Executive Office, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029. The following commissioners, staff, and counsel were present:

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

Chairman Campo convened the meeting of the Port Commission and provided opening remarks. He introduced the new Commissioner, Wendy Montoya Cloonan, thanked her for joining the Port Commission, and recognizing her experience, expressed that he looked forward to her help to move the Port Authority forward.

Chairman Campo yielded the floor to allow Commissioner Cloonan to speak. Commissioner Cloonan remarked that she was honored to be part of the Port Commission and was happy to have met Port Authority employees the previous Wednesday.

Chairman Campo continued his opening remarks by addressing the current number one priority: the deepening and widening of the channel. He stated that Mr. Guenther had called a few weeks ago, informing him of an invitation from the Army Corps of Engineers ("Corps") to engage in talks relating to the Mega Study. Chairman Campo subsequently attended a dinner with General Semonite and spent time reviewing details to get the project moving forward. The next day he accompanied General Semonite and other members of the Corps on a helicopter tour from the Houston Ship Channel up the coast to Beaumont and Port Arthur, while talking about the impediments to and positives of deepening and widening the channel.

Chairman Campo remarked that the juxtaposition of the Houston Ship Channel and Port Arthur and Beaumont was striking in terms of activity and the number of ships present, and he believed that General Semonite understood the critical importance of the deepening and widening project. He added that General Semonite was very focused on making sure he signs off on the Chief's Report before his May 2020 retirement.

Chairman Campo pointed out the agenda item calling for an extension of the Mega Study at a cost of \$300,000, which related to the timing and completion of the Chief's Report.

(2019-0625-01) Chairman Campo called for a motion to approve the minutes of the April 23, 2019 and May 21, 2019 Port Commission meetings. Commissioner Mease moved for approval, seconded by Commissioner Corgey. The minutes were approved as written.

(2019-0625-02) Chairman Campo reported on the Audit Committee Meeting – May 21, 2019.

- There was a robust discussion of the Port Authority's results of operations and financial statements for the first quarter. Chairman Campo praised the summary of the financial statements provided by the Finance Department.
- 1st quarter 2019 net income of \$26 million reflected a 2% increase due to efforts to control expenses, offset by increased depreciation resulting from capital investments.
- Net Position (comprised primarily of infrastructure assets) increased to \$2.3 billion for the first quarter of 2019, up 2% from year-end 2018, along with an increase of Working Capital to \$367 million, up 6%.
- The committee also discussed cash flow and impending capital investment plans.
- The committee conducted its annual review of the Port Authority's independent audit firm and the firm's lead partner; both continue to be in good standing with the Texas State Board of Public Accountancy. Accordingly, staff recommended, and the committee supported, the option to extend the Grant Thornton professional services agreement for an additional one-year term in an amount not to exceed \$249,500, which the Port Commission approved at its May 21, 2019 meeting.
- The Internal Audit staff provided a summary of items reported under the Port Authority's "whistleblower" policy during the period of January through April 2019.
- The Port Commission approved the Audit Committee and Internal Audit Charters and Internal Audit Policies at its May 21, 2019 meeting.

Commissioner Corgey asked if this was the last year of Grant Thornton's engagement by the Port Authority, and Chairman Campo confirmed the contract would be "bid out" next year.

(2019-0625-03) Commissioner Corgey reported on the Community Relations Committee Meeting – May 22, 2019.

- Staff provided an overview of current Port Authority outreach activities, including stewardship initiatives benefitting the community, small businesses, and maritime education programs.
- Two notable accomplishments highlighted in staff reports included:
 - Port Authority team members recently wrapped up the Read Houston Read program at Port Houston Elementary, volunteering over 180 hours to help develop the students' literacy skills and improve reading comprehension.
 - Additionally, a total of 251 students proudly graduated from Port Houston's maritime academies this year at six local high schools. Forty-five graduates were from Jack Yates High School, one of whom was this year's valedictorian.
- The committee further discussed additional project ideas for Port Authority investment in the community, ranging from development of parks along Buffalo Bayou, to Adopt-a-Highway initiatives, to additional opportunities for the Sam Houston boat tour.
- The committee asked staff to further research several projects with partnership opportunities that would improve nearby communities directly impacted by port operations.
- Staff also briefly discussed the current Community Engagement Plan, and the need to further update the framework of that plan to provide more of a "big picture" approach.

Commissioner Corgey remarked that he looked forward to continuing the conversation about the Port Authority's strategic interactions with local communities and stakeholders at the next committee meeting later that day, and complimented Mr. Guenther on the Community Relations Department staff. Commissioner Corgey remarked that they were a great team and could achieve great accomplishments.

(2019-0625-04) Chairman Campo reported on the Compensation Committee Meeting – May 22, 2019.

- Staff presented a Compensation Committee Charter for review, which was one of the items on today's Port Commission agenda. As set forth in that charter, the main purpose of the committee would be to assist the Port Commission in:
 - Setting the compensation of the executive director and chief audit executive (all other compensation issues were delegated to management);
 - Overseeing the compensation programs for Port Authority employees (but not making specific recommendations for salaries); and
 - Overseeing the Port Authority's succession planning programs.
- The Compensation Committee, Pension and Benefits Committee, and Port Commission have key roles to play in ensuring the Port Authority has the right culture and the right combination of fair compensation and benefits, to allow it to attract the best and brightest, and make sure its people were doing well. It takes a long time to build great cultures and great trust, and these must be worked on every single day. The Compensation Committee was a good forum for having some of these discussions, but it needed to be a broader commissioner discussion as well.
- During the committee meeting, staff presented an overview of the history of the Port Authority's past compensation approaches and the steps that were taken to convert to a market-based compensation structure in August 2018. Notable areas highlighted in staff reports included:
 - The last comprehensive compensation analysis prior to that time had been conducted in 1999.
 - In late 2015, staff moved forward with a two-step process.
 - Step 1 involved updating job descriptions for all positions.
 - In Step 2, the consulting firm Mercer assisted in comparing those job descriptions to salary survey information taken from the markets from which talent was recruited. Mercer was able to provide market salary recommendations for all but about 20 positions.
 - In August 2018, the Port Authority implemented new salary structures.
 - Most Police, Fire, and Maintenance staff were placed in fixed-rate structures.
 - All other employees were placed in banded structures.

- As a side note, the Port Authority recently obtained additional market data for the police and fire positions and is currently re-evaluating those pay structures.
 - The challenge with this type of study was the debate about what job descriptions meant, and often there were no comparable job positions that can be compared.
 - There must be a certain amount of discretion and fairness involved in any compensation program.
 - Overall, the Mercer analysis showed that the Port Authority's base salaries were at 99.1% of the 50th percentile of comparison markets.
 - Staff noted that bonuses paid by other entities were not taken into consideration in the final market analysis. The committee discussed whether such bonuses should be taken into consideration moving forward, or whether the Port Authority should implement its own bonus program. If competition for Port Authority employees was within the broader marketplace, then only looking at base salaries and not bonuses or other types of incentives was not hitting the complete market. Fundamentally, the committee thought that bonuses should be taken into account and a bonus program tied to performance should be created in the future, but this was an ongoing subject the committee would be discussing.
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- The Mercer analysis showed that 116 employees were being paid below their market salary band, and so in August 2018 all of those employees (except chief officers) were brought to the minimum of their salary band.
 - Mercer also found that 44 employees were being paid above their salary bands. Staff has referred to employees with salaries above their salary bands as "red-circled," and those employees were currently frozen at their existing salaries.
 - The Port Authority rolled out salary increases at the end of its annual performance review process in March of this year.
 - Employees in fixed-rate structures received 3.75% increases.
 - Within the banded structures, employees with performance scores of three or better were given increases based on their score and where they were within their pay bands.
 - Red-circled employees were given a lump sum payment instead of a salary increase, if their performance score was a three or higher.
 - Because the salary structures were set using market comparisons (without looking at factors such as tenure, experience, and past performance), there was some

discussion about the need to ensure that internal equity concerns were taken into consideration in setting compensation, including the possibility of cost-of-living adjustments or some other incentives for red-circled employees (beyond lump sum payments).

- This got back to the issue of being able to compare specific salaries and specific people. An individual who had worked at the Port Authority for 25 years and had been given a 3% raise every year may be outside his or her band, but that did not mean the individual was not a great employee or should be frozen.
- Staff discussed the job audit process established by the Port Authority, which allowed an employee to have his or her job description reviewed or updated and re-evaluated against the market. The committee discussed the need to ensure this job audit process did not take too long and was not too cumbersome.
- Staff further noted it would continue to utilize Mercer salary surveys and pay factors to monitor market changes and make any necessary updates to salary structures.

Chairman Campo stated the Compensation Committee meeting later in the day would focus on succession planning.

(2019-0625-05) Chairman Campo recognized Erick Mann, AmCorCo, who addressed the Port Commission.

Mr. Mann explained that AmCorCo was an acronym for American Conservation Remediation Company, and began his presentation by stating that there were spills every day, all over the world, and in the last four months there had been four major disasters. The Port Authority had numerous container companies, which are rightly there for good reason. Mr. Mann explained that whatever spill may happen would go directly into the Houston Ship Channel and the container companies could build dams to impede such a spill, but this would not stop it.

Mr. Mann explained that he contacted the gentleman who created the foam used for ITC to find out how long it took to dissipate, only to find out that it did not, but only broke up into smaller molecules and stayed in the water. Mr. Mann pointed out that each commissioner had a decision to make for everyone in the community, that one day the commissioners would stand before their children and not have fresh water available to drink, and they would have to ask themselves if they could have made a decision to make the ship channel better.

Mr. Mann stated that right now adsorbents were being used instead of absorbents; the difference being an adsorbent is a product that only coated when a spill takes place, and

an absorbent is what it took to absorb the product. Mr. Mann opined that using adsorbents was like using a band-aid to put on spills and could not continue. He did not see any logic with putting chemicals and carcinogens in the water to clean up each spill, which contained different chemicals and carcinogens.

Mr. Mann described the product his company produces – called Amcor Sorbe – which was a live microbe. Mr. Mann detailed how one gallon of spilled oil will contaminate one million gallons of water. He stated that the barge collision on the channel and the ITC fire were real problems, but the incidents were not being corrected in the right manner. Mr. Mann further explained how each spill spread, created a sheen and expanded due to the currents and winds, and that by the time cleanup efforts commenced, the sheen had spread and must be located. Mr. Mann emphasized it should be mandated that his products be put on every marine vehicle to be deployed in such cases.

Chairman Campo asked Mr. Mann if he had talked to the Texas Commission on Environmental Quality (TCEQ), the Environmental Protection Agency (EPA) and other regulatory agencies that could make such a mandate, noting that the Port Authority did not have any authority to mandate a vessel as to what it could or could not carry. Mr. Mann replied that the TCEQ had responded and a meeting had been set up. Mr. Mann also stated that the EPA and the U.S. Department of Agriculture were aware of AmCorCo and had reached out.

Commissioner Corgey asked if the terminals along the Houston Ship Channel have expressed any interest. Mr. Mann answered that the problem was the terminals referred such questions to the remediation companies and the remediation companies directed the question back to the terminals – neither seemed to have an appropriate answer. Mr. Mann continued by using ITC as an example, stating that neither the Public Information Officer for the company nor its Chief Executive Officer could tell him what absorbent was being used and who the remediation company was.

Mr. Guenther thanked Mr. Mann and asked that he get in touch with Rich Byrnes, Chief Infrastructure Officer, who was responsible for environmental initiatives, and Chairman Campo thanked Mr. Mann for his comments.

(2019-0625-06) Mr. Guenther presented a summary of operational and financial matters as follows:

- Mr. Guenther reported that commerce across public docks continued to trend upward for the year.
- Mr. Guenther noted a 4% increase in total tonnage vs. last May, and up 7% for the year at Port Authority public facilities.

- Mr. Guenther remarked that steel imports were up 11% for the year, even with tariffs that had been implemented earlier in the year. Mr. Guenther expressed that this trend was supported by continued drilling in oilfields for the energy sector.
- Mr. Guenther stated that container volume remained strong with volumes exceeding 2018 by 12% year-to-date through May. Mr. Guenther noted an item on the agenda where staff recommends investing in rubber-tired gantry (RTG) cranes in support of this growth.
- Mr. Guenther reiterated that the deepening and widening project remained the number one priority and the Port Authority would continue to press, with all of the Houston Ship Channel stakeholders, for the most expedient solution for getting the authorization all the way through the completion of construction.
- Mr. Guenther remarked that in addition to meeting with General Semonite, the final approval of the extension – which Mr. Byrnes would further elaborate on later in the meeting – was to keep the project moving and getting authorization from Congress in 2020. Mr. Guenther noted that he had met with Assistant Secretary of the Army for Civil Works (ASA) R.D. James and gained assurance that final approval of the project would continue.
- Mr. Guenther highlighted the Port Authority apprenticeship program, a great opportunity to learn on the job and further one's education. Mr. Guenther recognized the apprentices individually by asking each of them to stand when he called their name: Ashlee Flowers, John Hernandez, Cole Saragoza, Logan Ferrugia, Jesse Jimenez, and Jacob Vasquez.
- Mr. Guenther recognized employee tenure milestones: Cesar Soto, Electronic Technician, for 20 years of service; Adrian Price, Manager, Office and Building Services, for 25 years of service; Maria Miller, Inventory Specialist, for 30 years of service; and Dale Martin, Foreman, RTG - Wharf Electrical, for 40 years of service.

Commissioner DonCarlos thanked Leslie Herbst, Director, Community Relations and Events, Garret Berg, Manager, Community Relations and Events, and Doug Mims, Senior Captain Sam Houston, for their work on the M/V Sam Houston boat tour. Commissioner DonCarlos stated that he took the tour with two groups of Harris County mayors, councilmen, and County Judge Hidalgo, and had a great cruise from the battleship Texas down to Barbours Cut where they got to see the Port Authority at work unloading containers. Commissioner DonCarlos commented that the group was surprised when presented with facts and figures regarding the Port Authority and the remarkable economic engine that it was. Commissioner DonCarlos noted that he gave the group basic information related to the deepening and widening of the channel and asked each of them

to include the Port Authority and Port Commission when talking to various state and federal representatives.

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

(2019-0625-07) RCA F1 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey.

Mr. Guenther explained this item was a recommendation for a service contract for a one-year term with Cassidy and Associates, a federal consulting firm, to assist in the process of getting the deepening and widening authorized. Mr. Guenther stated that Cassidy and Associates was a very well-respected firm that has the contacts in transportation, infrastructure, and ASA's office to get the authorization.

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

(2019-0625-08) RCA F2 was presented, moved by Commissioner Branch, seconded by Commissioner Mease.

Mr. Guenther remarked that the Port Authority has had a contract with Pendulum Strategies, LLC since 2001 and the vendor had experience working for Senator Ted Kennedy and the Clinton administration, and provided the Port Authority with technical expertise and guidance as a federal policy consultant.

Commissioner Mease questioned whether the vendor consulted with the Port Authority in Austin during the legislative session, and Mr. Guenther clarified that the vendor was a federal not state consultant.

Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F2 PASSED.

(2019-0625-09) RCA F3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch.

Chairman Campo explained that this item authorized Port Authority staff to work with the Severe Storm Protection, Education, and Evacuation from Disasters (SSPEED) Center. Chairman Campo recognized Jim Blackburn in attendance, as someone Port Authority staff would work with to come up with and vet the Galveston Bay Park Plan. Chairman Campo expected that staff, after working with Mr. Blackburn, would come back with recommendations on how best to move forward with the project.

Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F3 PASSED.

(2019-0625-10) RCA F4 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F4 PASSED.

(2019-0625-11) RCA F5 was presented, moved by Commissioner Branch, seconded by Commissioner Cloonan.

Chairman Campo noted that the Compensation Committee was made up of Commissioners Branch and Fitzgerald, and himself. Chairman Campo asked for a motion to approve himself as chairman of the committee and Commissioners Branch and Fitzgerald as members.

Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F5 PASSED.

Chairman Campo stated that the Port Commission would wait for a few meetings to allow Commissioner Cloonan to decide which committee she would like to be on. Chairman Campo stressed that every commissioner was welcome at every committee meeting.

(2019-0625-12) RCA F6 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease.

Chairman Campo stated that Commissioner Branch expressed interest in being chairman of the Procurement and Small Business Development Task Force. Mr. Eriksson noted that members also needed to be appointed to the task force.

Chairman Campo remarked that the current members of the task force were Commissioners Branch and Mease, who upon approval of the Port Commission would remain, with Commissioner Branch as the chairman. Chairman Campo volunteered to be the third member of the committee.

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

(2019-0625-13) Chairman Campo recognized John Moseley, Chief Commercial Officer, to provide a report of selected agenda items.

Mr. Moseley first highlighted Commercial Division matters not listed on the agenda. The Port Authority won the Asian Freight, Logistics and Supply Chain Award (AFLA) for best seaport in North America's east and gulf coasts, presented in Hong Kong on June 17, 2019 by Asia Cargo News, based on nominations and voting by its 15,000 readers across Asia. Mr. Moseley explained this award was something the Port Authority could be proud of as a testament to its growing reputation in Asia and also the high level of service provided to Port Authority customers.

Mr. Moseley also announced that two new services would call on the Port Authority's public docks in the next month: Universal Africa Line (UAL) made the decision to shift its services to city docks at the Turning Basin and offer its customers regular sailings on a fortnight basis between the Turning Basin and the west coast of Africa, while CMA CGM and Marfret, both container shipping lines based in France, had added the Bayport Container Terminal to the rotation of their joint MedCar service. Mr. Moseley explained that these container lines would provide a new connection for Port Authority customers to and from the Mediterranean, Caribbean, and Central America, and operate eight vessels varying in size between 3,500 and 6,900 twenty-foot equivalent units (TEUs) in nominal capacity.

Mr. Moseley stated that there were three items on the agenda this month, and highlighted RCA G2, a request for a five-year extension of a pre-existing lease with LyondellBasell, which included a liquid barge dock and encompassed just under 14.5 acres of channel property west of Alexander Island at an annual lease rate of \$391,751, subject to an annual increase of the greater of 3% or the increase in the consumer price index. Mr. Moseley noted that a minimum annual guaranty of 500,000 tons of liquid cargo was included in the lease and would be billed according to the Port Authority's tariffs.

(2019-0625-14) RCA G1 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2019-0625-15) RCA G2 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G2 PASSED.

(2019-0625-16) RCA G3 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G3 PASSED.

(2019-0625-17) Chairman Campo recognized Tim Finley, Chief Financial Officer, to provide a report of selected agenda items.

Mr. Finley reported that a well-attended pre-proposal conference was held for the disparity study on June 6, 2019 and staff had subsequently received five proposals in response to the request for proposals. Mr. Finley noted that the next item relating to the study would be oral presentations: the five submitted proposers would be invited to present on July 8, 2019 and July 9, 2019. The plan was to bring the staff recommendation before the Port Commission at its July meeting.

Commissioner Fitzgerald asked if part of the analysis would be to look at recommendations made by the proposers in prior studies with prior clients. Mr. Finley responded that there were 25 points allotted for the firms' quality and experience, which included past work on disparity studies, and while adding that he was not sure how much information could be shared about such previous studies, he assured Commissioner Fitzgerald that staff would take previous work into account.

Commissioner Cloonan asked if the proposals were submitted by national firms, and Mr. Finley responded that they were.

Mr. Finley explained item H1 on the agenda was for a contract not to exceed \$75,000 for an outside technical resource to help staff with the Cognos platform, the software staff uses for operational budgeting and reporting and to compile Port Authority cargo statistics. This outside resource was brought in on an annual basis to supplement Port Authority Information Technology (IT) staff with technical changes, "P&L" changes, and other technical work as needed.

Commissioner Branch asked for clarification as to whether IT functions were being broken down by group as opposed to having IT items presented by the IT Department. Mr. Finley explained that he was the one who needed to speak as to why the money was needed but stressed his department would work with Chief Technology Officer Charles Thompson's division to do the work.

Commissioner Branch reiterated that his question was to confirm that all of the Port Authority IT systems talk together in a cross-functional manner. Mr. Finley assured Commissioner Branch that was the case. Mr. Finley stated that all the Enterprise Resource Planning (ERP) and financials pour into Cognos, as do Port Authority terminal operating systems, container information, and cargo information, and so the IT systems are very much integrated.

Commissioner Fitzgerald asked a question not related to the agenda, regarding fully funding the Port Authority pension plan, i.e. if there was legislation passed in Austin this past session that refers to the full funding of pension plans. Mr. Finley responded that the

short answer was yes, but he had yet to fully digest what such legislation meant for the trajectory of hitting the one hundred percent mark and what the definition of one hundred percent funded was.

(2019-0625-18) RCA H1 was presented. Commissioner Corgey moved for staff ranking – first Douglas Corporate Solutions; second, Cipher Business Solutions; and third, TESIS IT & Automation, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2019-0625-19) Chairman Campo recognized Rich Byrnes, Chief Infrastructure Officer, to provide a report of selected agenda items.

Mr. Byrnes highlighted agenda item I3 – amendment of the agreement for the feasibility cost share between the Port Authority and the Corps in the amount of \$300,000. He stated that this was to finish the four-year study with the Corps during which the Port Authority and the Corps split costs evenly; the Port Authority input had been work-in-kind whereas the Corps input had been cash.

Mr. Byrnes noted that there had been some disagreements between the parties, which he felt most of the commissioners were familiar with, but the result had been an economic summit, at which an agreement was reached to revisit some of the model benefits and forecasts. The Port Authority also made some policy exception requests to Corps headquarters last spring, which were denied last fall, and the Port Authority then asked the ASA in the fall for a categorical exemption to the Corps recommendation to widen the channel only 40% of the way up Galveston Bay, which request was denied this past spring.

Mr. Byrnes explained that these actions pushed the process back and now the Corps had to ask the ASA for more time to get the Chief's Report finished by next spring so that, as Mr. Guenther stated earlier, the project could get in the hopper for 2020.

Mr. Byrnes added that the total cost amount was \$600,000, but as previously stated, was being split evenly between the Port Authority and the Corps, resulting in a \$300,000 cost to the Port Authority. Mr. Byrnes expressed that it could be thought of as a six percent extension on a four-year, very complicated project, which he believed was quite reasonable.

Commissioner Branch wanted to verify that the Corps' position was that denying the Port Authority the expansion was the reason the extra \$600,000 had to be spent to go back and do more justification. Mr. Byrnes agreed with Commissioner Branch's statement and explained further that the Corps was asking for two things: more time to finish the report and to include the upper bay widening as a Locally Preferred Plan (LPP), which the

Port Authority was not willing to support while it had been asking for a categorical exemption to include that part in the main project.

Mr. Byrnes noted that since the categorical exemption was denied, the Port Authority had acquiesced and the report would be written with the LPP in it. His understanding was that all requests were being socialized and as soon as the Corps gets the request the ASA would sign it.

Commissioner Mease, referencing item I1, though understanding that additional work was going to be added, questioned the rejection, why one of the responsive bidders was not selected, and why the Port Authority would not then go out for bids on the additional work. He asked if this was done because staff expected a better response by combining the work, and if so, wondered why that was not done in the first place.

Mr. Byrnes stated that there were two main reasons for the recommendation, the first being that both of the bids, while being responsive, were in excess of what staff thought the budget should be, and the second reason being that staff wanted to include the other terminals so that the bid could be applicable to the Turning Basin, Bayport Container Terminal, and Barbours Cut Container Terminal.

Commissioner Mease questioned the issuance of pipeline licenses in agenda items 14 through 17. Mr. Byrnes explained that the pipeline licenses on the agenda are for one-year extensions, as staff was in the middle of evaluating the pipeline rate structure and did not have a recommended new fee schedule. Mr. Byrnes stated that he was targeting the July Port Commission meeting to present the new recommended fee schedule to make sure that Port Authority pipelines are comparable to benchmark market rates and that the Port Authority was doing its fiduciary duty in terms of obtaining the right economic rents and serving commerce for the public.

Mr. Heidt added that the normal term for pipeline licenses was ten years, and there were a number of extensions for the ten-year term awaiting execution. He stressed that before the Port Authority granted ten-year extensions, staff wanted to make sure the right fee structure was in place, and therefore three of the pipeline licenses on the agenda were for extensions of a single year while the fourth was for a wastewater discharge, with the fee remaining unchanged.

Chairman Campo asked for clarification as to whether the fee structure review had been communicated to companies and that such companies were aware that an increase may be forthcoming. Mr. Heidt confirmed this had been communicated.

(2019-0625-20) RCA I1 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch,

Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA 11 PASSED.

(2019-0625-21) RCA 12 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA 12 PASSED.

(2019-0625-22) RCA 13 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA 13 PASSED.

(2019-0625-23) RCA 14 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA 14 PASSED.

(2019-0625-24) RCA 15 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. PCA 15 PASSED.

(2019-0625-25) RCA 16 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA 16 PASSED.

(2019-0625-26) RCA 17 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA 17 PASSED.

(2019-0625-27) RCA 18 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA 18 PASSED.

(2019-0625-28) RCA 19 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA 19 PASSED.

(2019-0625-29) RCA I10 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I10 PASSED.

Mr. Byrnes also highlighted three operational projects currently underway. The ship channel project continues to move forward; staff turned in its work-in-kind the previous week, detailing the results of \$5 million out of the \$10 million spent on the effort. Mr. Byrnes used the metaphor of the ball being in the Corps court, to now turn around a draft report for the chief that would be due at the end of July after which it will go into a multi-month and multi-agency evaluation and review process. Mr. Byrnes stated that was the reason why the next phase, which was the government review process, was pushed back to spring of 2020.

Mr. Byrnes stressed that staff was asking everyone who has conversations with the government to make sure the full court press is put on so that the current schedule does not get delayed and the project gets into the hopper for the Water Resources Development Act (WRDA) 2020.

Commissioner Branch asked what action can specifically be taken besides talking to members of Congress. Mr. Byrnes answered that staff was drafting a “three-legged stool” roadmap and was now layering on additional levels of detail. Mr. Byrnes explained that every part of the roadmap had a moving part and the Port Authority must be able to “call audibles” depending on what Congress, the Office on Management and Budget, or replacement generals may do in the future. Mr. Byrnes further explained that the three legs were economic feasibility and continuing to promote the benefits of widening and safety for the ship channel, advocacy to make sure the project gets on the schedule for WRDA, and that all the other agreements were in place so that once WRDA was signed construction could be expedited without delay.

Mr. Byrnes reiterated the Commercial Division put together a set of talking points in the form of a quick reference card, and these were handed out at a Houston Business Journal conference the previous Friday. The card references safety first, widening was important, and the messages previously communicated.

Mr. Guenther mentioned that the commissioners had the cards and emphasized that the roadmap Mr. Byrnes referenced was very detailed and inclusive of Houston Ship Channel stakeholders. Mr. Guenther mentioned Mr. Byrnes had not yet mentioned the financing strategy part of the roadmap.

Mr. Eriksson added that while letters to Congress were good, personal communication, whether it be a call or live meeting, was best. Mr. Byrnes promised a quick reference card to everyone in the room who wanted one.

Mr. Byrnes continued his report by noting the Houston Pilots hosted John Moseley, Chief Commercial Officer, and himself on a six-hour tour of the Houston Ship Channel, embarking from Targa Terminals on an LPG tanker, and during which they saw infrastructure from the view of the vessel while experiencing three 'Texas Chicken' maneuvers.

Finally, Mr. Byrnes stressed that the Houston Ship Channel was the number one project for the Port Authority and probably the most important piece of infrastructure for the country. The other side of that was the Port Authority's freight mobility, which included always working with entities such as the Texas Department of Transportation, the Houston-Galveston Area Council, and others to promote truck and rail mobility.

Mr. Byrnes highlighted the completion of the Broadway Double Track by the end of the month, after breaking ground last October, the result of advocacy by the Port Authority's Freight Mobility Department. Staff acquired state money, combined with rail road private money, to take a train crossing at Broadway on the other side of the Houston Ship Channel and go from one to two lanes, to prevent train traffic from blocking school children from getting to school. Mr. Byrnes emphasized the huge benefit of this project as it was completed.

(2019-0625-30) Chairman Campo recognized Jeff Davis, Chief Operations Officer, to provide a report of selected agenda items.

Mr. Davis stated there were four items on the agenda for the month and that he wished to highlight item J1, which was to approve staff's ranking of vendors to award a contract not to exceed \$18,827,319 for the purchase of nine diesel electric container yard cranes. Mr. Davis stated that these cranes were for the Bayport Container Terminal, which would bring its total number of RTG cranes to 57, while Barbours Cut Container Terminal had 42, for a grand total of 99 cranes between the two container terminals.

Mr. Davis noted that RTGs are the Port Authority's yard handling crane, responsible for moving containers throughout the terminal yard. Current Port Authority business was split between Bayport, which received 60% of container volume, and Barbours Cut, which received 40% of container volume, and which also reflects the split of RTG cranes between the two terminals.

Mr. Davis added that the cranes to be ordered were hybrids and will bring the total number of hybrids ordered to 17. Hybrids represent a 66% emissions reduction from the current diesel electric format, while fuel consumption remains the same. Mr. Davis remarked that it was good for the environment, efficient technology, and the future direction of Port Authority equipment.

Mr. Davis continued by stating that the request coincides with a 44-acre yard – Container Yard 7 – that is currently under construction at the Bayport Terminal. The new yard will increase capacity, which in turn drives the need for new cranes. Referencing Mr. Guenther’s remarks about container volume being up 12% year-to-date, Mr. Davis noted that the business at the Bayport Container Terminal between 2014 and 2018 had doubled over a five-year span, was up 17% year-to-date, and the five-year forecast for container volumes remained strong.

Mr. Davis stressed that RTG cranes were “where the rubber meets the road” for serving the container facilities and contributed to high service levels, 35-minute turn times, and vessel productivity in the mid 30s. The Port Authority partners with the International Longshoremen’s Union (ILA) that operate the equipment. We have about 175 operators and continue to train the workforce to man the equipment in order to manage the container yard.

Commissioner Corgey asked if the engines on the cranes were convertible to liquid natural gas (LNG) or compressed natural gas (CNG). Mr. Davis yielded the floor to Paulo Soares, Senior Director, Maintenance, who answered they were not. Mr. Davis did confirm that they were hybrids and stated that the diesel-electric cranes were 670 horsepower while the engines on the hybrid cranes were 70 horsepower.

Commissioner Branch asked how the Konecranes would interface with the ones already in service, and Mr. Davis replied that all the cranes in service were from Konecranes.

Commissioner Mease had a question relating to agenda item J4, asking if the \$87,000 cost was the same amount as the current monthly rate, and Mr. Davis confirmed that it was.

(2019-0625-31) RCA J1 was presented. Commissioner Fitzgerald moved for staff ranking – first Konecranes Finland Corporation, second, Kamar USA, Inc., and third, Shanghai Zhenhua Heavy Industries, Co., Ltd, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2019-0625-32) RCA J2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2019-0625-33) RCA J3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch,

Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J3 PASSED.

(2019-0625-34) RCA J4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J4 PASSED.

Commissioner Fitzgerald complimented Mr. Davis and his staff on doing a great job in managing the container terminals, especially during high vessel and truck traffic periods.

Commissioner Corgey agreed with Commissioner Fitzgerald and stated that he had been to numerous container terminals in the nation and the Port of Houston Authority was the best in the business.

(2019-0625-35) Chairman Campo recognized Marcus Woodring, Chief Port Security and Emergency Operations Officer, to provide a report of selected agenda items.

Mr. Woodring highlighted two items, both of which revolve around audits. There were two audits in the month of June. The first was an external audit for the ISO 28000 standard regarding supply chain security. For the first time the Port Authority came away with no non-conformities – an outstanding job by staff. Mr. Woodring noted that the recertification audit would be conducted next year.

Mr. Woodring highlighted the second audit, regarding Customs Trade Partnership Against Terrorism (CTPAT), another certification the Port Authority held. The report received the previous day showed no non-conformities along with a few best practices. After filling out paperwork the Port Authority would be recertified.

Referencing Commissioner Branch's earlier question, Mr. Woodring explained the single item on the agenda, working with the IT Division and its recapitalization schedule budgeted the previous fall, to recapitalize computers. This item took the form of 40 toughbook computers, for 26 police vehicles, 11 fire vehicles, and three for emergency management use. Mr. Woodring noted that the computers served as offices for the police officers and firefighters so that they could prepare reports, gather data, complete Material Safety Data Sheets (MSDSs) for hazardous materials, and upload reports, all while in the field.

Commissioner Mease asked for clarification whether the cost would be \$3,500 each, and Mr. Woodring answered in the affirmative, adding that the amount included the computer, docking station, and power charger.

Chairman Campo remarked that the computers had a lot of capacity and definitely needed to be current. He reminisced about spending time in a police vehicle at the Port Authority's picnic and observing how fascinating the computer was (even though it was a little slow in connecting to the internet). Mr. Woodring remarked that there was a lot of anti-virus software on the computers, which factored into the speed.

Commissioner Branch asked if Mr. Woodring was responsible for sending out the point of contact (POC) notices. Mr. Woodring explained that those notices came through the Emergency Management Department of his division, which used the AdHoc system to issue three different kinds of reports: the first informational, such as ice on the road or an air conditioning outage, and the second a higher level of information, such as a truck fire.

Commissioner Branch remarked that he had been very impressed since the system was put in place.

Commissioner Corgey asked how long the system had been in place as he thought it was fairly recent. Mr. Woodring replied that the system had been in place for a while, but commissioners had been added only recently.

Chairman Campo asked about the third level of notice given through the AdHoc system. Mr. Woodring explained the third level would report on a vessel or vehicle leaking hazardous materials, with a warning to stay away from the area. Such a notice would have a follow-up, such as an all clear, once the action item was resolved. Mr. Woodring stated this system was being linked to the new sirens recently put in place and training would then take place to inform staff what different siren tones would signify.

Chairman Campo asked if the system would report on other channel issues, such as the May 10, 2019 barge collision incident. Mr. Woodring replied that was correct, it would, and noted that there had been a "hot wash" the previous day with about 30-40 of the Port Authority's emergency management partners from up and down the Houston Ship Channel. Mr. Woodring reported that he had been the moderator for the event, that there had been some sharp comments, but that the key takeaway was communication and notification. A new user group will be added to the AdHoc system to allow for additional forms of communication throughout the Houston Ship Channel.

Chairman Campo remarked that it was very important to implement the additional user group due to the large amount of questions that could arise from an incident such as the one that occurred on May 10, 2019. He commented that he received numerous calls in the immediate aftermath of the collision and was able to effectively communicate the situation as he was kept up to date in real time.

Commissioner Fitzgerald asked for confirmation that the City of Seabrook participated in the hot wash. Mr. Woodring confirmed it did, and added that the city was

very vocal and everyone in the room was forthright as the meeting was behind closed doors. Mr. Woodring also commented that attendees included the cities of Seabrook, La Porte, and Pasadena along with Galveston County, Harris County, League City, Kemah, Chambers County, among others.

(2019-0625-36) RCA L1 was presented, moved by Commissioner Branch, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2019-0625-37) Chairman Campo recognized Charles Thompson, Chief Technology Officer, to provide a report of selected agenda items.

Mr. Thompson remarked that only one word was needed in the technology field to get someone's attention: cybersecurity. Mr. Thompson stated due to the Port Authority's status as a critical national infrastructure port, last fall prior to the election, staff invited the Department of Homeland Security's Cybersecurity, Infrastructure, and Security Agency to perform an internal discovery. Said discovery is currently being performed and the results would be discussed during a closed session of the Port Commission.

Mr. Thompson highlighted the two agenda items for his Division, choosing to discuss item M2 first. Mr. Thompson remarked that the Port Commission had approved a contract which was later cancelled by staff due to non-performance and was now coming back for approval of the second proposer. Mr. Thompson stressed that \$735,000 of the proposed contract amount would be funded by a port security grant received in 2017.

Mr. Thompson then highlighted agenda item M1, which was for project management services to augment the internal IT project management staff. The entire expense was being spent on a small business enterprise.

Chairman Campo asked if the grant of \$735,000 was given in 2015. Mr. Thompson stated it was given in 2017. Mr. Thompson further explained that it was a \$980,000 grant with a 75% reimbursement and the Port Authority paying a 25% match to replace the camera and video management system.

Commissioner Corgey commented that the agenda stated the "potential security grant," and Mr. Thompson assured the commission that the Port Authority had the grant.

Commissioner Mease asked whether there were two separate deals, but the equipment would be talking to each other, adding it seemed as if there were two different manufacturers. Mr. Thompson replied that there was a single manufacturer to replace existing cameras and video management systems.

(2019-0625-38) RCA M1 was presented. Commissioner DonCarlos moved for staff ranking – first BKJ Global Management Consulting, LLC; second, Sogeti, USA; and third, SmartBridge, LLC, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2019-0625-39) RCA M2 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Branch, Cloonan, Corgey, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M2 PASSED.

At 10:11 a.m., Chairman Campo called for a brief recess and advised that the Executive Session would follow. At 10:26 a.m., Chairman Campo instructed Mr. Eriksson to make the following announcement:

It is now 10:26 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 Contract for Renovation of Executive Office Building at Turning Basin Terminal dated February 26, 2019, with Housing and Land Development Corporation dba IKLO Construction; (ii) Settlement Agreement dated December 19, 2003, with GB Biosciences Corporation, Zeneca Inc., Syngenta Corporation, ISK Americas Incorporated, Occidental Chemical Corporation, Maxus Energy Corporation, et al.; (iii) limitations on ships calling Port Authority container terminals; and (iv) Texas Government Code Chapter 551; (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 11:28 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
Wendy Cloonan, Commissioner
Dean E. Corgey, Commissioner
Stephen H. DonCarlos, Commissioner
Clyde E. Fitzgerald, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

Chairman Campo reminded those in attendance that the next Port Commission meeting would be on Monday, July 29, 2019.

At 11:29 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the June 25, 2019 meeting of the Port Commission of the Port of Houston Authority.



Ric Campo, Chairman



Erik A. Eriksson, Secretary

F. EXECUTIVE

Subject	1. Award a professional services contract to Cassidy and Associates for federal governmental policy consulting and support in an amount not to exceed \$240,000.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 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 for a one-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.

Category:

Awards, Amendments & 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

Subject	2. Award a professional services contract to Pendulum Strategies, LLC for federal governmental policy consulting and support in an amount not to exceed \$100,000.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, award a professional services contract to Pendulum Strategies, LLC in an amount not to exceed \$100,000, for a one-year term effective July 1, 2019 , and further authorize the Executive Director to do any and all things in his opinion reasonable for necessary to give effect to the foregoing.

Category:

Awards, Amendments, & Change Orders

Department:

Government Relations

Staff Contact:

Spencer Chambers

Background:

The Port Authority currently contracts with Pendulum Strategies, LLC to consult on federal policy priorities, assist in developing strategic plans and objectives, and facilitate effective communication with government officials and their staffs.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize a twelve-month contract with Pendulum Strategies, LLC for continued federal consulting and support services.

F. EXECUTIVE

Subject	3. Assist in further developing the Galveston Bay Park storm surge defense system.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, authorize staff to work with the Severe Storm Prediction, Education, & Evacuation from Disasters ("SSPEED") Center at Rice University, Harris County, and others to assist in further developing the Galveston Bay Park Plan, an "in bay" storm surge defense system that includes environmental enhancement and recreational components, 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:
Executive

Staff Contact:
Erik Eriksson

Background:

Researchers have concluded that a hurricane coming ashore at Galveston Island could generate storm surge flood waters exceeding those of Hurricane Ike. Large areas of the Houston region, including not only east Harris County residential areas but also the Houston Ship Channel industrial complex, could be severely impacted, with potential loss of life, property damage, and environmental harm.

A team at the Severe Storm Prediction, Education, & Evacuation from Disasters ("SSPEED") Center at Rice University, along with private industry partners, have developed a plan to address this threat, a 25-foot barrier within Galveston Bay, from Chambers County down the Houston Ship Channel and tying into the Texas City levee system. Dredged material would be needed to build the dike, which the Port Authority would have available in conjunction with future Houston Ship Channel improvement projects.

In addition to helping address storm surge impacts, the project could make approximately 10,000 acres available for public use, including recreational boating and pedestrian and vehicle access, and enhance the Port Authority's current beneficial use of placement areas.

Jim Blackburn, Co-Director of the SSPEED Center at Rice University, and Charles Penland, with the Walter P Moore engineering firm, addressed the Port Commission regarding this proposal at its April 23, 2019 meeting.

Harris County representatives have previously requested that Port Authority staff cooperate with this effort, and City of Houston representatives have also indicated support of it. As a result, staff has undertaken some discussions with interested parties regarding the matter, mindful that planning and construction of these facilities cannot interfere with the ongoing project to obtain authorization, funding, and completion of a widened ship channel through Galveston Bay.

Staff Evaluation/Justification:

Staff requests that the Port Commission deliberate and consider authorizing staff to assist in further developing the Galveston Bay Park Plan.

F. EXECUTIVE

Subject	4. Adopt the Compensation Committee Charter.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action, Report
Recommended Action	The Port Commission, at its June 25, 2019 meeting, adopt the Compensation 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 #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:
General

Department:
Executive

Staff Contact:
Roger Guenther

Background:
By Minute No. 2019-0326-12, the Port Commission established a Compensation Committee of the Port Commission.

At its initial May 22, 2019 meeting, the Compensation Committee considered a proposed charter.

Staff Evaluation/Justification:

The proposed charter states that the primary purpose of the committee will be to assist the Port Commission in prescribing the compensation of the Port Authority's executive director and chief audit executive and overseeing the Port Authority's compensation and succession planning programs and practices.

The charter further outlines the committee's responsibilities relating to (i) the periodic review of the performance of the executive director and chief audit executive, (ii) consultation and reporting with staff and the Port Commission regarding compensation and succession planning, and (iii) the retention of advisors to assist with compensation and succession planning issues.

Committee members have informally reviewed the charter, and staff is now submitting it to the Port Commission for its consideration.

Staff recommends the Port Commission adopt the Compensation Committee Charter.

F. EXECUTIVE

Subject	5. Appoint the chairman and members of the Compensation Committee.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, appoint Port Commission Chairman Ric Campo as Chairman of the Compensation Committee, and appoint Commissioners Theldon Branch and Clyde Fitzgerald as additional members of the committee.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)

Category:
General

Department:
Executive

Staff Contact:
Roger Guenther

Background:
By Minute No. 2019-0326-12, the Port Commission established a Compensation Committee of the Port Commission.

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 committees of the Port Commission, subject to the consent of each appointee and Port Commission approval.

Staff Evaluation/Justification:

At the March 26, 2019 Port Commission meeting, Port Commission Chairman Ric Campo and Commissioners Theldon Branch, Dean Corgey, and Clyde Fitzgerald volunteered to be members of the Compensation Committee. The Compensation Committee met for the first time on May 22, 2019. In addition, Port Commission Chairman Ric Campo has volunteered to chair the Compensation Committee.

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

F. EXECUTIVE

Subject **6. Discussion and possible action to appoint the chairman and members of the Procurement and Small Business Task Force.**

Meeting Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 25, 2019 meeting, discuss and take possible action to appoint the chairman and members of the Procurement and Small Business Task Force.

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 Procurement and Small Business Task Force, which most recently met in March, was chaired by former Commissioner John Kennedy. Commissioners Branch and Mease have also been serving on the task force.

Commissioner Kennedy has since stepped down as Port Commissioner, and Ms. Wendy Montoya Cloonan has been appointed by Harris County in his place.

In addition, Chairman Campo has called for a meeting of that task force following the Port Commissioner meeting at which this item would be considered.

Given those circumstances, as well as Port Commission committee changes led by Chairman Campo, staff now requests that the Port Commission discuss and take possible action to appoint the chairman and members of the Procurement and Small Business Task Force.

G. COMMERCIAL

Subject	1. Authorize the term of a month-to-month lease with Affolter Contracting, Inc. for approximately one acre out of Spilman Island to extend past one year commencing October 1, 2019.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, authorize the term of a month-to-month lease with Affolter Contracting, Inc. for approximately one acre out of Spilman Island to extend past one year commencing October 1, 2019, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Leases

Department:
Real Estate

Staff Contact:
R. D. Tanner

Background:

The Port Authority currently has a month-to-month lease with Affolter Contracting, Inc. (Affolter) that will have been in effect for more than one year on October 1, 2019. Affolter has requested that the Port Authority extend this month-to-month lease past one year, in order to finalize its contract work with the United States Army Corp of Engineers (USACE) at the Alexander Island Dredge Disposal Site. The property is currently being used for crew parking and an office administration trailer.

Affolter's current monthly rental is \$1,713 monthly or \$20,556 annually. Commencing October 1, 2019 the lease rate would increase by 3 percent. The lease is expected to extend approximately 18 months, and its extension would assist Affolter with management of its contract with the USACE.

An amendment to the Water Code adopted in the 2011 legislative session requires that the Port Commission approve month-to-month leases in effect for more than one year.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the extended term of a month-to-month lease with Affolter.

G. COMMERCIAL

Subject	2. Approve a lease agreement with LyondellBasell Acetyls, LLC for approximately 14.41 acres out of the San Jacinto Barge Dock, for an additional five-years at an annual rate of \$391,751, subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, approve a lease agreement with LyondellBasell Acetyls, LLC for approximately 14.41 acres out of the San Jacinto Barge Dock, for an additional five-years at an annual rate of \$391,751, subject to an annual increase of the greater of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)
Category: Leases	
Department: Real Estate	
Staff Contact: R. D. Tanner	
Background:	LyondellBasell Acetyls, LLC (LyondellBasell) has a three-year lease with the Port Authority that expires on June 30, 2019, for premises totaling approximately 14.41 acres including rights to a non-exclusive public barge dock. LyondellBasell has now requested that the Port Authority extend term, and include additional terms regarding the non-exclusive public barge dock, for an additional five years. The annual tonnage guarantee would increase from 480,000 tons annually to 500,000 tons. In 2013, the responsibility for repair and maintenance of the barge dock was transferred to LyondellBasell.
Staff Evaluation/Justification:	Staff recommends the Port Commission approve an additional five-year lease term with LyondellBasell, on the terms described above.

G. COMMERCIAL

Subject **3. Amend the lease with the City of Houston of approximately 0.23 acres on the north side of Clinton Drive effective no earlier than June 29, 2019 to increase the annual base rent to \$24,720, with an annual increase of the greater of 3% or the increase in the Consumer Price Index.**

Meeting Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 25, 2019 meeting, approve an amendment to the lease with the City of Houston of approximately 0.23 acres on the north side of Clinton Drive effective no earlier than June 29, 2019 to increase the annual base rent to \$24,720, 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. 2009-0623-14, the Port Commission approved a ten-year lease agreement and two five-year mutual options with the City of Houston for approximately 0.23 of an acre on the north side of Clinton Drive, for the construction and operation of a communication tower. The city has now exercised the first of two five-year mutual options, and the Port Authority is willing to approve the City's request, subject to a 3% rent increase and annual rent increases thereafter.

Staff Evaluation/Justification:
Staff recommends the Port Commission approve the proposed amendment to the lease agreement.

H. FINANCE

Subject	1. Approve staff's ranking of vendors and award a professional services contract to provide support of Cognos software during the FY2019 budgeting process, evaluate existing software functionality, and enhance functionality in an amount not to exceed \$75,000 to the top-ranked proposer: staff ranking – first, Douglas Corporate Solutions; second, Cipher Business Solutions; and third, TESIS IT & Automation.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	<p>The Port Commission, at its June 25, 2019 meeting:</p> <p>(a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Douglas Corporate Solutions; second, Cipher Business Solutions; and third, TESIS IT & Automation;</p> <p>(b) award a professional services contract to Douglas Corporate Solutions to provide support of Cognos software during the FY2019 budgeting process, evaluate existing software functionality, and enhance functionality in an amount not to exceed \$75,000;</p> <p>(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</p> <p>(d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.</p>
Goals	<p>STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)</p> <p>Strategic Objective 1c. - Implement streamlined processes supported by technology</p>

Category:

Awards, Amendments & Change Orders

Department:

Finance

Staff Contact:

Tim Finley

Background:

The Port Authority, and in particular the Finance Division, relies on the IBM Cognos software to perform budgetary planning and reporting as well as perform statistical cargo reporting and analysis. The Finance Division, with assistance from the Information Technology Department, is seeking to update the tool and its performance capabilities through support, evaluation, and program development.

By Minute No. 2018-1212-13(f), the Port Commission authorized the advertisement of a request for proposals (RFP) for continued development opportunities and improvement solutions regarding the Cognos platform. The Port Authority notified vendors regarding its RFP using the Port Authority's Vendor Information System and the project was advertised on the Port Authority's website and in a local newspaper. Ten vendors downloaded the project materials from the Vendor Information System.

Staff Evaluation/Justification:

On March 27, 2019, three 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 services:

- Douglas Corporate Solutions
- Cipher Business Solutions
- TESIS IT & Automation

Staff recommends that the Port Commission award a contract to Douglas Corporate Solutions, and act as otherwise described above.

I. INFRASTRUCTURE

Subject	1. Reject bids for annual perimeter security fence replacement.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, reject the bids received by the Port Authority on March 13, 2019 for the annual perimeter security fence replacement at Barbours Cut Terminal, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Reject and Other Actions

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By action taken at the July 31, 2018 meeting, the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for perimeter security fence replacement at Barbours Cut Terminal. Beginning February 4, 2019, the Port Authority notified vendors regarding its request for CSBs using the Port Authority's E-procurement System and the project was advertised on the Port Authority's website and in a local newspaper. On March 13, 2019, two responsive bids were received, opened, and publicly read. The bids were reviewed and evaluated by staff in accordance with the published criteria.

Staff Evaluation/Justification:

The Request for CSBs that was posted February 4, 2019 was for fencing work at Barbours Cut Terminal, and received only two responsive bids. Project and Construction Management staff recommends re-advertising with a scope that includes the option to add the Turning Basin Terminal and Bayport Terminal.

Accordingly, staff recommends that the Port Commission reject the bids received by the Port Authority on March 13, 2019 for the annual perimeter security fence replacement at Barbours Cut Terminal, to be effective as of June 4, 2019. Port Commission rejection of such received bids is required by Water Code Sec. 60.408(b).

I. INFRASTRUCTURE

Subject	2. Authorize Port Authority staff to enter into a Department of the Army Real Estate license for the placement of dredged material from Jacintoport Terminal and CARE Terminal into a federal placement area in an amount not to exceed \$300,000.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, authorize Port Authority staff to enter into a Department of the Army Real Estate license for the placement of dredged material from Jacintoport Terminal and CARE Terminal into a federal placement area 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: General	
Department: Channel Development	
Staff Contact: Garry McMahan	

Background:

The U.S. Army Corps of Engineers (Corps) charges for use of federal placement areas pursuant to Section 217(b) of the Water Resources Development Act of 1996 (33 U.S.C. 2326a(b)), which authorizes the Secretary of the Army to permit the use of dredged material placement facilities under the Secretary's jurisdiction by Non-Federal Interests and to impose fees to recover capital, operation, and maintenance costs associated with such use. This procedure significantly reduces placement area federal fees, and also allows federal fees collected to be returned to the Corps for use on the Houston Ship Channel placement areas.

The Corps requires an up-front payment for the estimated dredged volume. After dredging is complete and surveys are taken, the final amount may be more or less, depending on the actual volume of material dredged.

Staff Evaluation/Justification:

The Real Estate license was reviewed by Port Authority's Channel Development and Legal departments. Placing the dredged material into a federal site is the least expensive option available.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **3. Amend the Feasibility Cost Share Agreement between the U.S. Army Corps of Engineers and the Port Authority to add \$300,000 funding for the navigation feasibility study.**

Meeting Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 25, 2019 meeting, amend the Feasibility Cost Share Agreement between the U.S. Army Corps of Engineers and the Port Authority to add \$300,000 funding for the navigation feasibility study, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
General

Department:
Channel Development

Staff Contact:
Rich Byrnes

Background:
By Minute No. 2015-1027-50, the Port Authority entered into a Feasibility Cost Share Agreement (FCSA) with the U.S. Army Corps of Engineers (Corps) for the Houston Ship Channel Expansion Channel Improvement Project Feasibility Study (Study). The Study elevating the need for improvements to the Houston Ship Channel (HSC) system.

The Study was initiated in November 2015, for \$10 million dollars (cost-shared 50/50 between the Corps and the Port Authority) and for a term of four years. The scope of the Study is based on the National Economic Development (NED) plan and includes widening approximately 11 miles of the HSC from 530 feet to 700 feet.

The Port Authority desires to request that the Corps to add a Locally Preferred Plan (LPP) to the Study scope to include recommendations for widening an additional 15 miles of the channel between Redfish Island and Barbours Cut Terminal.

Staff Evaluation/Justification:
The additional channel widening of the LPP, combined with the NED plan, would allow traffic restrictions to be lifted for the entire Galveston Bay reach. Without the LPP, 15 miles of the HSC within Galveston Bay would be left at its current 530-foot width.

The additional tasks involved in finalizing the Study, adding the LPP, conducting reviews, and completion of the Corps' Chief's Report is expected to extend the current Study deadline by an additional 6 months, and would add \$600,000 (cost-shared 50/50 between Corps and Port Authority) to the total Study cost. The Corps' Galveston District has indicated its intent to request Assistant Secretary of the Army approval of its recommendation to do this; once approved, the Corps would submit this Recommended Plan to Congress for authorization.

Staff recommends that the Port Commission authorize an amendment to the FCSA for the additional Port Authority cost-share obligation of \$300,000, for a total cost to the Port Authority of \$5,300,000 for the Study.

I. INFRASTRUCTURE

Subject	4. 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.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 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:

Garry McMahan

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 the Arthur McCormick Survey, A-31, in Harris County, Texas, both formerly 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 for a one-year term at a fee of \$4,070. The \$675 application fee has been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	5. Issue a pipeline license to Eco Services Operations Corp. for a 6-inch wastewater discharge pipeline into the Brady Island Channel.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, authorize the Port Authority to issue a pipeline license to Eco Services Operations Corp. for a 6-inch wastewater discharge pipeline into the Brady Island Channel, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Garry McMahan

Background:

Eco Services Operations Corp., Port Authority File No. 2018-0269, has applied for a pipeline license for a 6-inch wastewater discharge pipeline into the Brady Island Channel, in Harris County, Texas.

Staff Evaluation/Justification:

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

Staff recommends approval.

I. INFRASTRUCTURE

Subject	6. Issue a pipeline license to ExxonMobil Pipeline Company for a 20-inch refined product pipeline under and across the Southside Mainline railroad right-of-way.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, authorize the Port Authority to issue a pipeline license to ExxonMobil Pipeline Company for a 20-inch refined product pipeline under and across the Southside Mainline railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Development

Staff Contact:
Garry McMahan

Background:
ExxonMobil Pipeline Company, Port Authority File No. 2019-0158, has applied for a pipeline license for a 20-inch refined product pipeline under and across the Southside Mainline railroad right-of-way, in the Arthur McCormick Survey, A-46, and the George Ross Survey, A-646, 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 for a one-year term at a fee of \$369. The \$675 application fee and the \$2,500 as-built fee has been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	7. Issue a pipeline license to Targa Downstream, LLC for one 20-inch brine pipeline and one 2-inch conduit pipeline under and across Old Cedar Bayou.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, authorize the Port Authority to issue a pipeline license to Targa Downstream, LLC for one 20-inch brine pipeline and one 2-inch conduit pipeline under and across Old Cedar 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:

Garry McMahan

Background:

Targa Downstream, LLC, Port Authority File No. 2019-0155, has applied for a pipeline license for one 20-inch brine pipeline and one 2-inch conduit pipeline under and across Old Cedar Bayou, in the William Bloodgood Survey, A-4, in Harris and Chambers Counties, Texas.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development department. The license is to be issued for a one-year term at a fee of \$538. The \$675 application fee and the \$2,500 as-built fee has been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	8. Amend a marine construction permit to Shell Oil Products Company, LLC to replace 970 feet of new steel bulkhead in front of an existing bulkhead and cofferdam in the Houston Ship Channel.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, authorize the Port Authority to amend a marine construction permit to Shell Oil Products Company, LLC to replace 970 feet of new steel bulkhead in front of an existing bulkhead and cofferdam in the Houston Ship Channel, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development

Staff Contact:

Garry McMahan

Background:

Shell Oil Products Company, LLC, Port Authority File No. 1974-0118, has applied to amend its marine construction permit to replace 970 feet of new steel bulkhead in front of an existing bulkhead and cofferdam in the Houston Ship Channel, in the Thomas Earle Survey, A-18, in Harris County, Texas.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development department and the Houston Pilots. 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

Subject	9. Amend a pipeline license to HSC Pipeline Partnership LLC for an additional 1,311 feet of a 16-inch ethylene pipeline across the Barbour's Cut Terminal property.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, authorize the Port Authority to amend a pipeline license to HSC Pipeline Partnership LLC for an additional 1,311 feet of 16-inch ethylene pipeline across Barbours Cut Terminal property, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:
Permits/Licenses/Pipeline Easements

Department:
Channel Development

Staff Contact:
Garry McMahan

Background:
HSC Pipeline Company LLC, Port Authority File No. 2018-0312, has applied to amend a pipeline license for an additional 1,311 feet of a 16-inch ethylene pipeline across Barbours Cut Terminal property, in the Johnson Hunter Survey, A-35, in Harris County, Texas.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development department. The license is to be issued subject to the Port Authority's usual terms and conditions and at a fee of \$6,149. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	10. Amend a pipeline license to Zydeco Pipeline Company LLC to abandon one 20-inch crude pipeline in place and replace it with one 20-inch crude pipeline across Greens Bayou.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, authorize the Port Authority to amend a pipeline license to Zydeco Pipeline Company LLC to abandon one 20-inch crude pipeline in place and replace it with one 20-inch crude pipeline 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:

Garry McMahan

Background:

Zydeco Pipeline Company LLC, Port Authority File No. 2014-0366, has applied to amend a pipeline license to abandon one 20-inch crude pipeline in place and replace it with one 20-inch crude pipeline 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.

J. OPERATIONS

Subject **1. Approve staff's ranking of vendors and award a contract in the amount not to exceed \$18,827,319 for the purchase of nine diesel electric container yard cranes for Bayport Container Terminal to the top-ranked proposer: staff ranking - first, Konecranes Finland Corporation; second, Kalmar USA, Inc.; and third, Shanghai Zhenhua Heavy Industries Co., Ltd.**

Meeting Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 25, 2019 meeting:
 (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Konecranes Finland Corporation; second, Kalmar USA, Inc.; and third, Shanghai Zhenhua Heavy Industries Co., Ltd. (ZPMC);
 (b) award a contract to the top-ranked proposer for the purchase of nine diesel electric container yard cranes for Bayport Container Terminal in the amount not to exceed \$18,827,319 ;
 (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and
 (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
 Awards, Amendments & Change Orders

Department:
 Maintenance

Staff Contact:
 Paulo Soares

Background:
 By Minute No. 2018-1212-13(e), the Port Commission authorized the advertisement of a request for proposals (RFP) for nine diesel electric container yard cranes for Bayport Container Terminal. These units will provide needed coverage for the expansion in Container Yard 7 currently under construction. Additionally, yard cranes are needed at this facility to meet current and projected growth in export business, and maintain the highest service levels to industry, including vessel productivity and truck turn times.

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. Seven vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On April 17, 2019, three 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:

- Konecranes Finland Corporation
- Kalmar USA, Inc.

- Shanghai Zhenhua Heavy Industries Co., Ltd.

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

J. OPERATIONS

Subject **2. Award a three-year contract to Conductix-Wampfler, the sole source provider, for purchase of spare and replacement parts for Conductix-Wampfler festoon systems for wharf cranes at Barbours Cut Terminal and Bayport Container Terminal in the amount not to exceed \$400,000.**

Meeting Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its June 25, 2019 meeting, award a three-year contract to Conductix-Wampfler, the sole source provider, for purchase of spare and replacement parts for Conductix-Wampfler festoon systems for wharf cranes at Barbours Cut Terminal and Bayport Container Terminal effective July 1, 2019 in the amount not to exceed \$400,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns twenty-four wharf cranes at both facilities that are equipped with Conductix-Wampfler festoon systems for transmission of power and control to operator's cabs. Given the importance festoon systems have in container crane operations, it is advantageous to have a contract in place to purchase spare and/or replacement parts as needed in order to minimize crane downtime.

By Minute No. 2015-1027-40, the Port Commission awarded a two-year contract to Conductix-Wampfler in the amount not to exceed \$300,000 for purchase of spare and replacement parts for Conductix-Wampfler festoon systems for wharf cranes at Barbours Cut Terminal and Bayport Container Terminal. Funds have now been depleted.

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 Conductix-Wampfler is the sole authorized source for captive replacement Conductix-Wampfler parts in the United States.

Staff recommends that the Port Commission award a three-year contract with Conductix-Wampfler for purchase of spare and replacement parts for Conductix-Wampfler festoon systems on wharf cranes at Barbours Cut Terminal and Bayport Container Terminal.

J. OPERATIONS

Subject	3. Award a two-year contract to Ambassador Services LLC for cleaning services at Barbours Cut Terminal and Bayport Container Terminal, using the Harris County Department of Education's Choice Partner cooperative purchase program, in the amount not to exceed \$800,000.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, award a two-year contract to Ambassador Services LLC for cleaning services for Barbours Cut Terminal and Bayport Container Terminal, using the Harris County Department of Education's Choice Partner cooperative purchase program, in the amount not to exceed \$800,000, 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:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2018-0517-27, the Port Commission awarded a one-year contract to Ambassador Services LLC in the amount not to exceed \$300,000 for cleaning services for Barbours Cut Terminal and Bayport Container Terminal, using the Harris County Department of Education's Choice Partner cooperative purchase program.

Approximately 120,000 square feet of Port Authority office building space and facilities require daily professional cleaning services. Buildings include terminal administration buildings, maintenance facilities, gate operations offices, driver services buildings, and other terminal support offices. Port Authority staff has determined that returning to the past practice of combining services for both terminals into a two-year contract is economically and administratively beneficial to the Port Authority.

The Harris County Department of Education (HCDE) including its Choice Partners cooperative purchase program (the Program), has a cooperative purchasing program that may be used by the Port Authority.

Staff Evaluation/Justification:

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

Operations staff has determined the contract with Ambassador Services LLC offers the best price and availability und the vendor's contract with Harris County and is therefore recommending this purchase.

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

J. OPERATIONS

Subject	4. Amend the maintenance and support services agreement for the Navis Terminal Operating System, EDI processing, and database management with Total Network Solutions, to extend the expiration date by three months to November 1, 2019, in an amount not to exceed \$87,000.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, authorize amending the maintenance and support services agreement for the Navis Terminal Operating System, EDI processing, and database management with Total Network Solutions, to extend the expiration date by three months to November 1, 2019, in an amount not to exceed \$87,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand) Strategic Objective 1c. - Implement streamlined processes supported by technology

Category:

Awards, Amendments & Change Orders

Department:

Operations

Staff Contact:

Jeff Davis

Background:

By Minute No. 2017-0627-21, the Port Commission awarded a twenty-four month maintenance and support services agreement for the Navis Terminal Operating System, EDI processing, database management, and custom code extension development for the Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

This three-month contract extension is requested to help ensure that support services critical to terminal operating system performance and system up time continue to be available to support terminal operations, as the process to obtain a long-term support contract is carried out.

Staff Evaluation/Justification:

Accordingly, staff recommends that the Port Commission approve an amendment to the contract with Total Network Solutions, to provide an additional three months of support, in an amount not to exceed \$87,000.

Staff has reviewed this proposal and found it to be fair and reasonable.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	1. Issue a purchase order to CDW Government for the purchase of forty Panasonic ToughBook laptops and accessories, using the National Intergovernmental Purchasing Alliance, a cooperative purchasing program, in an amount not to exceed \$140,000.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, issue a purchase order to CDW Government for the purchase of forty Panasonic ToughBook laptops and accessories, using the National Intergovernmental Purchasing Alliance, a cooperative purchasing program, in an amount not to exceed \$140,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 1c. - Implement streamlined processes supported by technology Strategic Objective 4c. - Operate safely and securely

Category:

Awards, Amendments & Change Orders

Department:

PSEO

Staff Contact:

Marcus Woodring

Background:

The Port Security and Emergency Operations (PSEO) Division utilizes rugged laptop computers in all Police, Fire, and Emergency Management vehicles. These computers allow access to and uploading of information from the scene of an incident. The majority of Port Authority first responders do not have assigned desktop computers, as they work outside of the office environment. ToughBooks would be placed in 26 Police vehicles, 11 Fire vehicles/apparatus, and 3 Emergency Management vehicles.

The current PSEO ToughBook computers are more than 5 years old and have outlived their useful life. Following the Information Technology Master Plan for refreshing computers, these ToughBook laptops are in need of replacement. The Port Authority is also in the process of updating to the Windows 10 operating system from Windows 7, and these new computers would better support the new software.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring Panasonic ToughBook laptops and accessories through the National Intergovernmental Purchasing Alliance (IPA) through The Cooperative Purchasing Network (TCPN) is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority. Texas Region 4 Education Service Center is the local sponsor of IPA/TCPN.

The PSEO department has determined that the best availability, price, and contract term for the item needed is provided by CDW Government under the pricing schedule obtained from that vendor's contract with National Intergovernmental Purchasing Alliance, through The Cooperative Purchasing Network, and is therefore recommending this purchase.

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

M. TECHNOLOGY

Subject	1. Approve staff's ranking of vendors and award a contract, in an amount not to exceed \$117,500 for Information Technology project management services, to the top-ranked proposers: staff ranking – first, BKJ Global Management Consulting, LLC; second, Sogeti, USA; and third, SmartBridge, LLC.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, BKJ Global Management Consulting, LLC; second, Sogeti, USA; and third, SmartBridge, LLC; (b) award a contract to the top-ranked proposer for information technology project management services in an amount not to exceed \$117,500; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success) Strategic Objective 1c. - Implement streamlined processes supported by technology

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

The Port Authority is seeking to ensure that technology projects identified in the 2019 project delivery roadmap are delivered as planned — on time, within budget, and with minimal disruption to stakeholders — with the procurement of information technology project management services.

By Minute No. 2019-0326-25(h), the Port Commission authorized the advertisement and receipt of a request for proposals (RFP) for the purchase of information technology project management services. The Port Authority notified vendors 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-six vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On May 15, 2019, six 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:

- BKJ Global Management Consulting, LLC
- Sogeti, USA

- SmartBridge, LLC

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to BKJ Global Management Consulting, LLC and act as otherwise described above.

M. TECHNOLOGY

Subject	2. Award a contract in an amount not to exceed \$1,134,885 for an Enterprise Video Management System for Maritime Security solution to Dowley Security Systems, Inc., subject to potential Port Security Grant reimbursement of \$735,000.
Meeting	Jun 25, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its June 25, 2019 meeting, (a) award a contract to Dowley Security Systems, Inc., for an Enterprise Video Management System for Maritime Security solution in an amount not to exceed \$1,134,885; and (b) 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:

Information Technology

Staff Contact:

Charles Thompson

Background:

The Port Authority currently owns and operates a camera network which is a key part of its security infrastructure and a vital component of the multi-layered system of its access control and monitoring. In 2017, the Port Authority received a Port Security Grant from the Department of Homeland Security to support an initiative that proposes needed expansion, upgrades, and maintenance to the camera network, to help ensure there are no gaps in system coverage, improve video quality, and provide needed analytics.

To that end, the Port Authority is seeking to implement an enterprise video management system solution, replace cameras, and upgrade the analytic capabilities of the camera network.

By Minute No. 2018-0925-16(o), the Port Commission authorized the advertisement of a request for proposals (RFP) for the Port Authority's Enterprise Video Management System for Maritime Security solution (including video cameras and a video management system). On December 19, 2018 two RFP responses were received and opened. Staff evaluated and ranked the proposals in accordance with the selection criteria published in the RFP. Staff identified the following firms, listed in order of ranking, as most qualified to provide the required services: Convergent Technologies, LLC and Dowley Security Systems, Inc. Following staff Executive Committee review, staff recommended that the Port Commission award the contract to Convergent Technologies, LLC.

The Port Authority and Convergent Technologies, LLC entered into a contract in April 2019. The Port Authority provided Convergent Technologies, LLC with 30-days notice of termination for convenience on June 12, 2019.

Staff Evaluation/Justification:

Staff recommends that the Port Commission award the contract to Dowley Security Systems, Inc., the second-ranked proposer as referenced above.