

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
September 24, 2019

<u>Minute No.</u>	<u>Event/Action</u>
	General
	Chairman Campo convened the Port Commission meeting and provided opening remarks
	Minutes
2019-0924-01	Approve the minutes of the July 29, 2019 Port Commission meeting
	Port Commission Committee Updates
2019-0924-02	Commissioner Campo reported on the Audit Committee Meeting – July 29, 2019
2019-0924-03	Commissioner Fitzgerald reported on the Pension and Benefits Committee Meeting – September 16, 2019
2019-0924-04	Commissioner Campo reported on the Community Relations Committee Meeting – September 16, 2019
	Appearances
2019-0924-05(a)	Chairman Campo introduced Joe Jennings, Executive Intelligence Review/LaRouche, who addressed the Port Commission
2019-0924-05(b)	Chairman Campo asked if anyone else would like to address the Port Commission; there was no response
	F. Executive
2019-0924-06	Staff Report – Summary of selected financial and operational matters – Roger Guenther, Executive Director
2019-0924-07	Rescind the Port Commission resolution adopted April 8, 2019 and amended April 23, 2019, regarding limitations on ships calling Port Authority container terminals

<u>Minute No.</u>	<u>Event/Action</u>
2019-0924-08	Item F2 was tabled following deliberation
2019-0924-09	Approve the amended Port of Houston Authority Vendor Protest Procedure
2019-0924-10	Appoint Commissioner Wendy Cloonan to the Compensation Committee and the Procurement and Small Business Development Task Force
2019-0924-11	Approve a donation to South Carolina Ports Authority to help support its Hurricane Dorian relief efforts
2019-0924-12	Approve an agreement with Buffalo Bayou Partnership (BBP) to support community-focused master planning efforts in the vicinity of the Port Authority's Turning Basin Terminal, in conjunction with BBP's East End Sector Plan
G. Commercial	
2019-0924-13	Staff Report – selected agenda items – John Moseley, Chief Commercial Officer
2019-0924-14	Reject proposals for Promotional Items and Webstore Ordering Program
2019-0924-15	Item G2 was removed from the agenda
2019-0924-16	Item G3 was removed from the agenda
2019-0924-17	Approve Port Authority membership/sponsorship of the 2020 Retail Industry Leaders Association Logistics Conference
2019-0924-18	Approve a contract with Levy Restaurants to provide customer event services, as the sole provider, at the 2019 Breakbulk Americas Conference Welcome Reception
2019-0924-19	Approve a second amendment to the lease with Terminal Link Texas, LLC of approximately 1,394 square feet of office space in the Bayport Container Terminal Berth 5 Stevedore Support building effective October 1, 2019 for an additional two years at an annual base rent of \$43,085, subject to an annual increase of 3%
H. Finance	
2019-0924-20	Staff Report – Selected agenda items – Tom Heidt, Chief Operating Officer
2019-0924-21	Adopt amended banking resolutions to designate Authorized Agents who may act on behalf of the Port Authority in connection with depository

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	accounts and banking and investment agreements, and who may designate names of persons authorized to sign checks and give written or verbal orders or instructions to financial institutions
2019-0924-22	Adopt a revised Investment Policy for Port Authority funds, including operating, construction, debt service, and bond reserve funds, and approve the Port Authority's revised Internal Controls for Investments
2019-0924-23	Adopt a resolution amending authorized representatives who may act on behalf of the Port Authority in connection with investment accounts at the Texas Local Government Investment Pools
2019-0924-24	Authorize the reduction of the actuarial assumption rate for annual investment returns for the Pension Plan and the other post-employment benefits plan from 6.75% to 6.50%, increase the annual required contribution amounts as thereby necessary, and authorize additional funding of \$5,000,000 in the Pension Plan in connection with such rate reduction
	I. Infrastructure
2019-0924-25	Staff Report – selected agenda items – Rich Byrnes, Chief Infrastructure Officer
2019-0924-26	Award a construction contract to Dowley Security Systems, Inc. for the installation of a security system at the 138-kV substation at Bayport Container Terminal
2019-0924-27	Award a professional services contract to TC&B/GBA, a Joint Venture of Turner Collie & Braden Inc. and Gahagan & Bryant Associates, Inc. to provide preliminary critical-path professional services for engineering, design, project coordination, and other general assistance for the Houston Ship Channel Expansion Channel Improvement Project
2019-0924-28	Authorize an agreement with the Houston-Galveston Area Council to receive grant funding through the Federal Supplemental Environmental Project without obligating the Port Authority to provide matching funds
2019-0924-29	Authorize a month-to-month lease with 2Plus of Texas, Inc. dba STAR to lease vans under the Houston-Galveston Area Council METROVan Program for an additional one-year period and with an additional amount
2019-0924-30	Approve a professional services contract with AECOM to conduct a general conformity determination as part of the upcoming renewal of the United States Army Corps of Engineers Bayport Permit

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2019-0924-31	Authorize an agreement to grant a conservation easement to Galveston Bay Foundation on the Memorial Tract property to comply with United States Army Corps of Engineers Bayport Permit requirements
2019-0924-32	Amend the interlocal agreement with the Texas Commission on Environmental Quality to receive additional grant funding under the Port Authority Studies and Pilot Program without obligating the Port Authority to provide matching funds
2019-0924-33	Amend the Consulting Agreement with Anchor QEA, Inc. to assist in evaluating groundwater monitoring and remediation activities performed at the GB Biosciences Corporation site, to extend the term to October 30, 2020 and provide an additional amount
2019-0924-34	Approve a change order with Thyssen-Laughlin, Inc. to perform additional work associated with the replacement of water and sewer line at Woodhouse Terminal
2019-0924-35	Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal
2019-0924-36	Approve a change order with Fused Industries, LLC to perform additional work associated with the rail spur at Bayport Container Terminal
2019-0924-37	Approve a private adjacency barge fleeting lease agreement with and issue a marine construction permit to Kirby Inland Marine, LP for approximately 91.15 acres of submerged lands in Carpenters Bayou, Old River, San Jacinto River, the Houston Ship Channel, and Greens Bayou at a monthly rental amount of \$22,783 for a ten-year term
2019-0924-38	Approve a private adjacency barge fleeting submerged lands lease agreement with Stolt Tankers USA, Inc. for approximately 8.77 acres of submerged lands in Carpenters Bayou at a monthly rental amount of \$2,553 for a ten-year term
2019-0924-39	Approve a submerged land barge fleeting lease agreement with Intergulf Marine, LLC for approximately 19.77 acres of submerged lands on the southwest side of Alexander Island barge channel at a monthly rental amount of \$5,087 for a ten-year term
2019-0924-40	Approve new license fees for pipeline licenses according to an attached rate schedule, effective October 1, 2019
2019-0924-41	Assign a license from ExxonMobil Corporation to NP-OV Houston Industrial, LLC

Minute No.

Event/Action

J. Operations

- 2019-0924-42 Staff Report – selected agenda items – Jeff Davis, Chief Port Operations Officer
- 2019-0924-43 Approve staff's ranking of vendors and award a contract for the purchase of three dockside electric container cranes for Wharf No. 5 at Bayport Container Terminal to the top-ranked proposer: staff ranking - first, Shanghai Zhenhua Heavy Industry Co. Ltd. (ZPMC); and second, Konecranes Finland Corporation
- Port Commission adopted the staff-recommended ranking and authorized award
- 2019-0924-44 Approve staff's ranking of vendors and award a two-year contract for spotting of vessels at all Port Authority facilities to the top-ranked proposers: staff ranking – first, Houston Mooring Co. Inc; second, Texas Mooring, LLC; and third, Marine Tekno Services, LLC
- Port Commission adopted the staff-recommended ranking and authorized award
- 2019-0924-45 Approve staff's ranking of vendors and award a contract for a position detection system for Barbours Cut Terminal and Bayport Container Terminal to the top-ranked proposer: staff ranking – first, Kalmar USA, Inc.; second, Mi-Jack Products; and third, Konecranes, Inc.
- Port Commission adopted the staff-recommended ranking and authorized award
- 2019-0924-46 Approve staff's ranking of vendors and award a purchase order for the purchase of a five-year supply of gate interchange cards for Barbours Cut Terminal and Bayport Container Terminal to the top-ranked proposer: staff ranking – first, Electronic Data Magnetics, Inc.; second, The Toledo Ticket Company; third, Southland Printing Company, Inc.; and fourth, Digital Printing Systems, Inc.
- Port Commission adopted the staff-recommended ranking and authorized award
- 2019-0924-47 Approve staff's ranking of vendors and award a two-year contract for the purchase of wire ropes and related components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal to the top-ranked proposer: staff ranking – first, Bishop Lifting Products, Inc.; second, Southwest Wire Rope Inc.; and third, Certex USA

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	Port Commission adopted the staff-recommended ranking and authorized award
2019-0924-48	Award a contract to Wesco Distribution for purchase of LED lighting for wharf cranes at Bayport Container Terminal
2019-0924-49	Award a two-year contract to Aabbott-Michelli Technologies, Inc. for the purchase of parts and repair services for truck scales at Barbours Cut Terminal and Bayport Container Terminal
2019-0924-50	Award a two-year contract to Southern Tire Mart, LLC for the purchase of tire repair services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2019-0924-51	Award a two-year contract to Crane Tech Solutions, the sole source provider, for the purchase of spare and replacement parts for Stinis spreader bars and over-height attachments at Barbours Cut Terminal and Bayport Container Terminal
2019-0924-52	Award a two-year contract for preventative maintenance and inspection services to Vertiv Corporation, a sole source service provider, for Liebert Uninterruptible Power Supply battery, static transfer switch, power distribution units, and monitoring products for Barbours Cut Terminal, Barbours Cut Terminal, and Turning Basin Terminal
2019-0924-53	Award an annual contract to AssetWorks, LLC, the sole source provider, for software maintenance, support, and extended hardware warranty of FleetFocus M5, Enterprise Asset Management System, and Fuel Focus software, the Port Authority's Fueling and Fleet management system
2019-0924-54	Issue a purchase order to Caldwell Country Chevrolet for the purchase of five Chevrolet electric vehicles for Environmental, Information Technology, Internal Audit, and Office Services departments, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program
	K. People
2019-0924-55	Staff Report – selected agenda items – Jessica Shaver, Chief People Officer
2019-0924-56	Award group insurance agreements to the following providers to include coverage for calendar year 2020: (a) Aetna Life Insurance Company, for dental, vision, and Medicare Advantage medical coverage; (b) Minnesota Life Insurance Company, for basic life, voluntary and dependent life, and retiree life coverage; and (c) Hartford Life and Accident Insurance

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	Company, for long term disability (LTD) and short-term disability (STD) coverage
2019-0924-57	Approve a professional services contract with Heidrick and Struggles to conduct an executive search for the Chief Government and Public Relations Officer position
	L. Port Security and Emergency Operation
2019-0924-58	Staff Report – Selected agenda items – Marcus Woodring, Chief Port Security and Emergency Operations Officer
2019-0924-59	Approve a two-year extension to the professional services contract with Oil Mop LLC dba OMI Environmental Solutions for hazardous materials incident response services
2019-0924-60	Enter into an Intergovernmental Agreement with the City of Morgan's Point for security services for one year
	M. Technology
2019-0924-61	Staff Report – Selected agenda items – Charles Thompson, Chief Technology Officer
2019-0924-62	Issue a purchase order to Critical Start for purchase of Mimecast annual software licensing and software support for the Port Authority's Information Technology infrastructure, using Texas Department of Information Resources cooperative purchase program
	N. Recess Open Meeting and Convene Executive Session
	O. Reconvene Open Meeting
2019-0924-63	Motion to authorize the Port Authority to amend its agreements for legal services with (a) Amy Loeserman Klein, (b) Boyar Miller, (c) Allyn Hoaglund, and (d) J. Kent Friedman on the terms discussed in Executive Session, and to authorize the Executive Director to do all things necessary to give effect to the foregoing
	P. Adjourn Meeting

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

**Houston, Texas
September 24, 2019**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on September 24, 2019 at 9:03 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
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, welcoming everyone.

(2019-0924-01) Chairman Campo called for a motion to approve the minutes of the July 29, 2019 Port Commission meeting. Commissioner Mease moved for approval, seconded by Commissioner Branch. The minutes were approved as written.

(2019-0924-02) Chairman Campo reported on the Audit Committee Meeting – July 29, 2019.

- Staff presented highlights of the Port Authority’s second quarter 2019 financial statements as follows:
 - Net position (comprised primarily of infrastructure assets) increased to \$1.58 billion as of June 30th, up 4% from year-end 2018. Net position is comprised of net assets minus liabilities.
 - Working capital increased 6% to \$441 million.
 - 2nd quarter 2019 net income of \$55 million reflected a 12% increase over the same period in 2018 due primarily to increased revenues from the container terminals.
 - The committee discussed current assumptions and the funding status of the defined benefit pension plan and Other Post-Employment Benefits (“OPEB”) Trust. The pension plan had a 98.4% funded status, while OPEB reflects an 88% funded status; both are considered well-funded. Chairman

Campo observed that most pension plans in comparison were 55% to 60% funded and that he was very excited that the Port Authority's plans were so well funded.

- The committee completed its annual review of its Investment Policy and Internal Controls for Investments.
 - Proposed changes include revisions to the list of approved financial institutions and adding the Director of Treasury as an Authority Designee, authorized to handle investments on behalf of the Port Authority.
 - The committee concurred with staff's proposals and recommends approval of the Investment Policy and Internal Controls for Investments as presented in agenda item H2.
- Staff proposed an amendment to the standard banking resolutions to add the Director of Treasury as an authorized agent with authority to act on behalf of the Port Authority, relating to accounts and services at financial institutions, and proposed adoption of a separate resolution relating to investment accounts at TexPool and TexPool Prime.
 - The committee recommends approval of both resolutions as presented in agenda items H1 and H3.
- Internal Audit activity updates were as follows:
 - Advisement of the non-attest (non-audit) duties of the Chief Audit Officer;
 - Review of the status of Audit Committee calendar and responsibilities;
 - Review of recent audit reports including (i) third-party hosted sites and (ii) sales tax compliance.
 - Summary of items reported under the Port Authority's "whistleblower" policy during the year through June 2019.

(2019-0924-03) Commissioner Fitzgerald reported on the Pension and Benefits Committee Meeting – September 16, 2019.

- Grant Thornton, the outside auditors, presented plans for the 2019 restated retirement plan [i.e. pension plan] and financial statement audits.

- Staff reported on performance for the second quarter of 2019 for the pension plan, OPEB trust, 457(b) deferred compensation plan, and 401(a) defined contribution plan.
 - As of June 30, 2019, the pension plan had assets of \$185.3 million and the OPEB trust had assets of \$76.4 million.
 - During the last twelve months, the pension plan had a positive return of 5.8% and the OPEB trust had a positive return of 5.7%, which were unfavorable compared to the benchmark of 6.9% and actuarial assumption rate of 6.75%. This was due to the underperformance of the MLP manager, small cap value stocks, and the Causeway International equity fund.
 - The expense ratio was favorable with annual savings over \$1.3 million combined, versus average market fees.
 - The pension plan remains well funded with a ratio of 98.4% at the last valuation performed in 2018.
 - The 401(a) and 457(b) plans with Nationwide were restructured in February 2019 to improve the quality of the investment menus and lower plan expenses. As of June 30, 2019, Port Authority employees had approximately \$52.4 million in the two plans.
- Milliman representative Jake Pringle reviewed the actuarial assumption rate.
 - Due to the lower than expected investment returns of the pension and OPEB plans, staff recommended reducing the actuarial assumption rate from 6.75% to 6.50% and authorizing additional funding of \$5 million for the pension plan in connection with this reduction.
 - The committee concurred with the proposed reduction and contribution amount and this was included in the Port Commission agenda as item H4.
- Staff reviewed changes to the Texas Government Code, Chapter 802, that expanded reporting requirements and mandated adoption of a written funding policy for public retirement systems.
 - Staff will be working with Port Authority consultants at Milliman and AndCo Consulting to ensure compliance with the new regulations.

- Staff reviewed Mercer’s Benefits Valuation Report, which benchmarked the competitiveness of the Port Authority’s benefit plans.
 - Mercer found that the total benefit package compared favorably due to the retirement and medical plans. Opportunities identified for improvement included the defined contribution plan, dental insurance, life insurance, short-term disability, and the vacation policy.

- Finally, Lockton Companies LLC representative, John Sims, discussed the self-insurance program experience to date, along with providing recommendations for the 2020 Employee and Retiree Benefits Program.
 - The performance of the self-funded medical plan has been positive since inception in January of this year.
 - Lockton presented the request for proposal results and recommendations for benefits plan enhancements for 2020.
 - The committee agreed with staff and Lockton’s recommendations for plan enhancements, as reflected in item K1 on the agenda, and future action for award of funding, stop-loss insurance, and a third-party administrator for the self-funded medical plan in 2020.

Commissioner Fitzgerald concluded his report by commending Port Authority staff on the medical and benefit programs and remarked that the self-funded medical plan appeared to be headed in the right direction.

(2019-0924-04) Chairman Campo reported on the Community Relations Committee Meeting – September 16, 2019.

- Staff provided an update on the Port Authority’s comprehensive long-range plan, with a specific focus on the connection to the community.
 - Following that discussion, Buffalo Bayou Partnership provided the committee with an overview of its East-End Sector master plan, which incorporates areas in and around the Port Authority’s Turning Basin Terminal. There is an agenda item to support Buffalo Bayou’s master planning efforts to enhance and complete the Port Authority’s own long-range plan for connection to community.

- Two Port Authority interns returned to present the group summer project: restoring a community garden at Mission Milby, the community center located

just south of the Turning Basin Terminal. The interns highlighted the planning and execution of the garden project, including a Saturday planting event for community members in the neighborhood. The project also provided Mission Milby with sustainability plans so that the garden could be the center point for ongoing community activities.

- Staff provided an update on recent volunteer events including the oyster reef restoration project, preparation of after-school meals, and activities for trucker appreciation week.
- Port Authority staff also helped coordinate donations and transportation for nine 40-foot containers as part of a port community donation drive to assist the Bahamas relief effort. Employees donated over \$3,500, and staff would like to follow suit by supporting the Bahamas with a Port Authority donation of \$30,000 to be made to a sister port that was leading a coordinated large-scale effort. This was another item on the agenda.
- The meeting concluded with a year-to-date review of the Port Authority's Promotion and Development Fund and a discussion on how to better manage the fund in 2020, as the Port Authority transitions to new outreach strategies based on the recently adopted Community and Stakeholder Engagement Policy.

(2019-0924-05)

(a) Chairman Campo introduced Joe Jennings, Executive Intelligence Review/LaRouche, who addressed the Port Commission.

Mr. Jennings provided the Port Commission with an excerpt of a soon to be released special report "CO₂ Reduction is Mass Murder." This report was issued by the Executive Intelligence Review, founded by Lyndon LaRouche, and is intended to counter the lies and induced hysteria promulgated under the name of man-induced climate change.

Mr. Jennings stressed that there was not a speck of truth to the CO₂ reduction argument but rather a fascist movement funded by a club of billionaires which was promoting this lie to cripple industrial civilization and reduce world population. Mr. Jennings remarked on the tweet by Greenpeace USA, when eleven protesters shut down the Houston Ship Channel by suspending themselves from the Fred Hartman Bridge.

Mr. Jennings expressed that the LaRouche movement was recruiting young people away from the cult of green and that a public event was being held the forthcoming Saturday.

(b) Chairman Campo asked if there was anyone else who would like to address the Port Commission; there was no response.

(2019-0924-06) Mr. Guenther presented a summary of operational and financial matters as follows:

- Overall tonnage was up 7% through August.
- Container movements were just shy of 2 million TEUs at just two-thirds of the way through the year, and by year end the Port Authority would be bumping up against 3 million TEUs. Container volume was up 11%.
- Steel continued to move strongly with 3.2 million tons of steel, up 6%. To put that into context, an average year of steel in the past 30 years has been approximately 3 million tons.

Mr. Guenther highlighted his recent trip to Europe with John Moseley, Chief Commercial Officer, during which they met with top executives from container lines comprising a large fraction of the Port Authority's business. It was great to hear the customers' views of the future, reiterating that the Port Authority was extremely important both for imports and exports. Mr. Guenther noted that there were concerns raised on the limitation of vessel sizes and he thought it was good to be able to explain the Port Authority's priority of deepening and widening of the channel, since the carriers indicated a desire to increase vessel sizes.

Mr. Guenther heard more than once that beneficial cargo owners ("BCOs") – those putting commodities in the containers – decided where ships go. Mr. Guenther noted that the Port Authority wanted to continue to be the port of choice and continue to be competitive for BCOs' business.

Mr. Guenther and Mr. Moseley also explored other market opportunities, whether Trans-Pacific or north-south trade with Latin America.

Mr. Guenther also mentioned that before he left, staff urged that the Port Authority provide opportunities to volunteer and contribute to the Hurricane Dorian relief effort, and he was proud of staff's resulting accomplishments, both individually and collaboratively with outside businesses such as H-E-B and Mediterranean Shipping Company and community groups. Staff not only filled nine containers worth of supplies but set up a portal where monetary contributions could be made.

Mr. Guenther remarked that closer to home, Tropical Storm Imelda caught everyone in the greater Houston region by surprise with its flooding. Port Authority

operations were shut down for a few hours Thursday afternoon, but thanks to employees and partners, resumed Friday morning. Mr. Guenther observed that a number of staff members experienced significant damage to their homes and properties, and that the Port Authority's employee assistance program helps these individuals get back on their feet as quickly as possible.

Chairman Campo thanked Commissioners Branch and Corgey for traveling to Washington, D.C. to advocate for the deepening and widening of the channel. He added that he would be speaking to ten different civic organizations in the coming weeks on the same issue and he had also been advocating in Washington during the previous week. While there he met with Army Corps of Engineers ("USACE") staff members who are organizing and processing the Chief's Report.

Chairman Campo also explained that he met with Congressman Peter DeFazio, the Chairman of the House Transportation and Infrastructure Committee, along with Congresswoman Lizzie Fletcher – who is also on the committee – and Congresswoman Shelia Jackson-Lee. Chairman Campo observed that he had an interesting connection with Congressman DeFazio, in that Congressman DeFazio's district in Oregon includes Oregon State University, which he attended, and they have a number of friends in common, including the retiring president of the university.

Chairman Campo stressed that the Transportation and Infrastructure Committee is where the Water Resources Development Act ("WRDA") originates, and that Congressman DeFazio was very supportive of getting one passed in 2020. The Harbor Maintenance Trust Fund was also discussed: Congressman DeFazio was one of the biggest advocates of getting more dollars coming back to port regions from the federal government.

Chairman Campo reported that he also met with staff members from the Office of the Vice President of the United States and the Economic Development group in the White House. He added that these meetings, which included three representatives from Enterprise Products, were all part of a strategy of communicating the need for the Houston Ship Channel. A representative of Targa Industries was also to attend, but unable to due to a conflicting obligation. Chairman Campo emphasized how industry was hand-in-hand with the Port Authority, showing that all were unified in getting the deepening and widening message out.

Commissioner Branch noted that he spent two days at the Seafarers International Union maritime training and education academy in Piney Point, Maryland, which was an eye-opening experience. He added that he would like to work with the Port Authority Small Business Department group to organize a tour of that facility for various schools in the Houston area.

Commissioner Branch also highlighted his meeting with Secretary Rick Perry, who emphasized that the Port Authority was one of his priority projects and he was pushing to make sure Port Authority interests were being heard and served. He noted that Congressman Bennie Thompson, Chairman of the House Committee on Homeland Security, would be visiting the Port Authority next week, and added that he also met with Congresswoman Eddie Bernice Johnson, who sits on the House committee that acts on WRDA, and made sure she was aware that the number-one priority for the Houston Ship Channel was the deepening and widening project.

Chairman Campo remarked that the deepening and widening project was not just for the region, but for the country overall.

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

Chairman Campo explained that item F1 was to rescind the Port Commission resolution adopted April 8, 2019 and amended April 23, 2019, regarding limitations on ships calling on Port Authority container terminals. Given the legislation that took effect on September 1, these resolutions were moot.

Chairman Campo introduced Jim Blackburn from the Severe Storm Prediction, Education, and Evacuation from Disasters (“SSPEED”) Center at Rice University, who addressed the Port Commission regarding agenda item F2.

Mr. Blackburn stated that the SSPEED Center had been working since Hurricane Ike to come up with alternative protection to both the industrial complex and the western shoreline of Galveston Bay. The original funding that the SSPEED Center worked under for this project was provided by the Houston Endowment. Over the years the SSPEED Center had focused on in-bay solutions and recently the USACE and the State of Texas determined that the in-bay solution – the Galveston Bay Park Plan – was compatible with the “Coastal Spine” that the USACE is pursuing and made the determination that both could proceed and were not in competition for funding or posing duplication of resources and efforts.

Mr. Blackburn explained that the funding being sought was to help develop engineering specifications and environmental and economic documentation for the Galveston Bay Park Plan. This work would be constructed under permit, filed by local governmental entities – possibly the Port Authority, Harris County, or some combination thereof – and would be carried out in coordination with and complimentary to the USACE work.

Mr. Blackburn stressed that Project 11, the deepening and widening of the channel, would not be involved in any way; rather the SSPEED Center was looking to widen the

ship channel from the 700 feet of Project 11 to either 800 feet or 900 feet, depending on the amount of dredge material that is necessary for the project. The SSPEED Center planned to build its structures along the western edge of the Houston Ship Channel to protect the western shoreline.

Mr. Blackburn explained that the project had both navigation and flood protection functions. He was proposing building the levees to 25 feet, a significant level of protection, since even with the Coastal Spine in place there would be sufficient water in Galveston Bay to generate a 20-foot surge to the western shoreline, which was a significant problem.

Chairman Campo asked if the capital that the SSPEED Center was seeking would be used for the engineering design work that needed to be done. Mr. Blackburn confirmed that was correct and added that the USACE had stated that for permitting purposes much more engineering detail was necessary. Mr. Blackburn remarked that the SSPEED Center's costs would be significantly less than what the USACE thought they would be.

Chairman Campo asked Mr. Blackburn to walk through the strategy for raising the additional funds. Mr. Blackburn explained that the SSPEED Center believed that Harris County, the oil and gas industry, and even Rice University may all contribute funds, and added that the General Land Office ("GLO") was open to receiving a grant request as well. Mr. Blackburn continued that the SSPEED Center was seeking out many different sectors within the community and none had committed yet, but the SSPEED Center was confident that it could raise the capital needed; it was important to get the first commitment.

Chairman Campo stated his understanding was that, if the agenda item was approved, the SSPEED Center would have an agreement with the Port Authority that would detail the conditions of the challenge grant and the money would be appropriately distributed to engineering specifications. Mr. Blackburn confirmed this and reiterated that this was not a research project but rather a design project.

Chairman Campo emphasized that the Galveston Bay Park Project does not have any connection to nor is it part of Project 11, and Mr. Blackburn confirmed that statement.

Commissioner Fitzgerald stated that the Port Authority has been working a very long time to widen the channel and had always been discussing widening it to 700 feet. He wanted to know if Mr. Blackburn's proposal would delay Project 11 in any way. He had a concern that Project 11 would be pushed aside.

Mr. Blackburn stated that Project 11 was a federal project whereas the SSPEED Center project would be carried out under permit, and the permit application would not be filed for at least a year, assuming there was a sponsor in support of it. Mr. Blackburn assured the Port Commission that the timing of the permit application would be negotiable

based upon the status of Project 11, and he did not personally think there was a problem with the two.

Commissioner Branch asked how the SSPEED Center project would affect any additional widening projects beyond Project 11. Mr. Blackburn answered that he did not think they would be affected at all. His project would be to expand the channel from 700 feet to 900 feet and was right in line with where the existing disposal areas were.

The current disposal areas have 25-foot berms that are not legally levees; the Galveston Bay Park Project would be an extension of those berms. Mr. Blackburn stated that this project would be compatible with all future expansions and provide the Port Authority with additional disposal capacity in the future.

Commissioner Mease asked who would be conducting the study. Mr. Blackburn explained that the work would be done by Walter P. Moore Engineering Company and Clint Dawson of the University of Texas will conduct the computer modeling that is necessary for flood flow to make sure that the project is compatible with storm water runoff and operation of the gates. There would also be community outreach pieces as well.

Commissioner Mease asked if the \$250,000 would be returned if the other capital could not be raised. Mr. Blackburn stated that the money would be returned, and he was under the impression that he would not receive the money until he raised the rest of the capital elsewhere, and Chairman Campo clarified that this was a challenge grant that stated the SSPEED Center would not receive any money from the Port Authority if it could not raise the rest.

Commissioner Mease asked if there was a sponsor for the project. Mr. Blackburn stated that there was no sponsor yet for the permit application.

Commissioner DonCarlos asked if the project was going to be constructed in Chambers County. Mr. Blackburn explained that it would be partially constructed in Chambers County and partially in Galveston County. Commissioner DonCarlos asked if there had been any consultations with the local coastal community governments. Mr. Blackburn stated that he was beginning to do that, and more outreach would be forthcoming. He added that Harris County had passed a resolution to authorize the county attorney to move forward, and that Precinct 2 Commissioner Adrian Garcia was holding a meeting the next day with some of those mayors.

Commissioner Mease asked if Mr. Blackburn was aware that most of the mayors of east Harris County had endorsed the so-called "Ike" Plan and wanted to know how the SSPEED Center project would be compatible; he stated they were aware.

Mr. Blackburn continued by noting that the USACE plan for the Coastal Spine included non-structural alternatives for the area from State Highway 146 to the bay and the Clear Lake and Dickenson Bayou, to keep surge water generated within the bay, since there was enough water in the bay to generate surges of 20 to 25 feet, even if the gulf was blocked off. However, the SSPEED Center's plan could provide better protection within the bay system, and this was the basis for the compatibility determination: the SSPEED Center plan would allow the USACE to save money and provide a higher level of protection. Commissioner Mease clarified that the USACE would be saving money because the SSPEED Center would be doing the work instead, and Mr. Blackburn agreed, adding that the SSPEED Center plan called for a more comprehensive coverage of the area.

Commissioner Mease quipped that in his experience, it was easy to get the USACE to go along with anything as long as someone else paid for it. Mr. Blackburn agreed and reiterated that the compatibility factor was something that was also factored in. The only issue remaining was determining which gate to build: there may only be a need for one big gate instead of two.

Commissioner DonCarlos asked if there had been any discussions with the Coastal Spine group and how the two projects are compatible. Mr. Blackburn stated to the extent that the USACE and the GLO are the Coastal Spine sponsors, then there absolutely were.

Chairman Campo asked if it was unusual for the USACE to come out and make a statement like it had just done concerning the compatibility of the two projects, and Mr. Blackburn replied that he had never seen it in 40 years. Chairman Campo noted that there was not enough math and engineering work done for any conclusions to be drawn as to whether the project was good or bad, but added that it was a good concept and now needed to be proven through engineering and design work, which is what the \$1 million in capital that the SSPEED Center was seeking would provide for.

Mr. Blackburn added that the design work would determine whether the SSPEED Center would move forward with an application for permit work.

Commissioner DonCarlos asked if the Port Authority had invested any money in the Coastal Spine project, and Commissioner Mease stated that no money had been invested in said project as no request had been made of the Port Authority. He noted that the City of Pasadena had endorsed the Coastal Spine project, and concluded that he would not support the SSPEED Center's project at this time.

Chairman Campo remarked that the issue was not about endorsing one or the other, especially since the USACE and the GLO have said both projects are compatible. Harris County and Commissioner Garcia were very supportive of the SSPEED Center's project, but ultimately there was not enough information or communication to know whether the project could be viable. The funding would provide capital to go out and raise additional

funds to do the engineering necessary to then have conversations with mayors and the community in general. Chairman Campo believed the project needed to move forward and the Port Authority was one of the few entities that had capital to do things such as making the donation. The onus was now on Mr. Blackburn to secure the remaining funds and Houston Endowment had already pledged a contribution.

Commissioner DonCarlos stated that this subject has been a real source of contention in east Harris County for quite some time. There had been numerous discussions with local officials about various options on how best to protect the community along the bay – some of which had support and others that did not. He fully realized that this is not the Centennial Gate but was reluctant to commit Port Authority money when there had not been discussion among the people on the ground who would be affected. Commissioner DonCarlos concluded that he would like some of the local governments along the channel that would be affected to weigh in and be informed before the Port Authority committed money to the project.

Chairman Campo noted that the issue was that the SSPEED Center does not have enough data, and General Semonite and others at the USACE did not have enough information to opine one way or the other as to whether the project is good or bad. He emphasized that this was a port issue more than a westside issue, because in his opinion a 20-foot surge coming up the ship channel would be the biggest environmental disaster in American history. It was a small amount of money on a relative basis to a multi-million-dollar project to get it to the point where the math could show whether the project would work and the USACE and GLO could give it a green light.

Chairman Campo emphasized that the Port Authority contribution was a challenge grant. To get the remaining funds to proceed, the SSPEED Center would need to convince the community and other funders, including Harris County, and the Port Authority was not at risk until the remaining funds were acquired. This would be a jump start of capital from a constituent group that has skin in the game, i.e. the Port Authority. Chairman Campo agreed however with both Commissioners Mease and DonCarlos that support would be needed from the surrounding communities.

Commissioner Fitzgerald noted that the surrounding cities have supported the Port Authority for as long as he had been around, that he believed that they deserved to be heard from first, and suggested that the agenda item should be tabled until the communities could be heard from.

Commissioner Branch also remarked that Mr. Blackburn get a sign off from the surrounding communities and then come back to ask the Port Authority for the donation. Commissioner Cloonan suggested that since the Port Authority would be writing the agreement for the challenge grant, approval of the communities could be written in, but

Commissioner Mease countered that Mr. Blackburn should go to the communities first, and he believed that the communities would be accepting of such a proposal.

Chairman Campo suggested that there was not much to accept at this point other than a concept, and asked what specifically the Port Commission wanted Mr. Blackburn to bring back.

Commissioner Fitzgerald explained that he would like Mr. Blackburn to be able to state to the Port Commission that he had met with the outer cities and had obtained their support. Chairman Campo asked for clarification as to which cities those were, and Commissioner Mease suggested that cities such as Pasadena, La Porte, Baytown, and Seabrook were the ones that would be involved in such a project.

Chairman Campo suggested a motion to approve the agenda item subject to getting city support. That way Mr. Blackburn would have the support of the Port Authority subject to two things: raising the rest of the capital and city support. Commissioner Mease preferred to defer the agenda item as he did not want Mr. Blackburn to go to the cities and state that he had the support of the Port Authority subject to approval of the community.

Chairman Campo asked Mr. Blackburn to seek such city approval and return to the Port Commission at its next meeting to readdress the issue, and Mr. Blackburn replied that he was more than happy to do so. Mr. Guenther asked if the Port Authority should arrange the forum for which Mr. Blackburn could present to the various cities. Chairman Campo agreed and tasked staff with the job. Mr. Eriksson noted that there was a meeting the next day that Commissioner Garcia had arranged, which could also be an appropriate forum, and Commissioner DonCarlos added that Mayor Bechtel could also provide a venue.

Mr. Heidt explained agenda item F3, stating that the existing Vendor Protest Policy called for the filing of a protest within seven days of the award of a contract, and yet a vendor could ask for a debriefing for 90 days, which was backward; accordingly, the agenda item called for the 90-day briefing to come first, followed by a ten-day protest period.

Commissioner Fitzgerald questioned agenda item F6, remarking that there were rumors that Buffalo Bayou Partnership did not actually ask the Port Authority for a donation. Chairman Campo clarified that there was an "ask," and the confusion came as the Buffalo Bayou Partnership representative thought the committee would discuss the matter after the presentation and so left the room without making a formal ask. He added that the donation from the Port Authority would extend Buffalo Bayou Partnership's master plan down into the Turning Basin Terminal.

Commissioner Cloonan stated she would be abstaining from the vote on agenda F6 as her husband was on the executive board.

(2019-0924-07) RCA F1 was presented, moved by Commissioner Branch, seconded by Commissioner Mease. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F1 PASSED.

(2019-0924-08) RCA F2 was tabled following the above deliberation.

(2019-0924-09) RCA F3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F3 PASSED.

(2019-0924-10) RCA F4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Mease. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F4 PASSED.

(2019-0924-11) RCA F5 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F5 PASSED.

(2019-0924-12) RCA F6 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, DonCarlos, Fitzgerald, and Mease voted Aye. Commissioner Cloonan Abstained. Nays none. RCA F6 PASSED.

(2019-0924-13) Chairman Campo stated that items G2 and G3 on the agenda had been removed, then recognized John Moseley, Chief Commercial Officer, to provide a report of selected agenda items.

Mr. Moseley addressed agenda item G1, stating that a request for proposals (“RFP”) had been initiated in July for advertising for promotional items and a webstore ordering program, and 32 companies downloaded the package through BuySpeed, but there were only five responses and only one was a small business. As a result, he asked the Port commission to reject all proposals and “press the restart button” on the RFP.

Mr. Moseley moved to agenda item G4, which was a request to approve \$65,000 for membership and sponsorship of the Retail Industry Leaders Association for 2020. Shippers play a critical role in driving carrier decision making in terms of capacity and fleet deployment and being a member of the association had brought great benefits and engagement with shippers to drive and support business.

(2019-0924-14) RCA G1 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2019-0924-15) RCA G2 was removed from the agenda.

(2019-0924-16) RCA G3 was removed from the agenda.

(2019-0924-17) RCA G4 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G4 PASSED.

(2019-0924-18) RCA G5 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G5 PASSED.

(2019-0924-19) RCA G6 was presented, moved by Commissioner Branch, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G6 PASSED.

(2019-0924-20) Chairman Campo recognized Tom Heidt, Chief Operating Officer, to provide a report of selected agenda items.

Mr. Heidt noted that all four agenda items had been discussed earlier in the meeting. Agenda items one, two, and three were to change the designated authorized agents for the bank, the investment policy, and TexPool. Agenda item four was to drop the actuarial assumption rate for the pension plan from 6.75% to 6.50%, to continue a strong pension, and there would also need to be \$5 million put into the fund to account for the difference when the change was made.

Commission Branch asked if the Port Authority had added a new position, Director of Treasury, which mandated the need for agenda items one, two, and three. Mr. Heidt explained that Ray Yi, Senior Director of Treasury, was planning on retiring, and Mr. Yi's replacement had been brought on as Director of Treasury but would not attain the title of senior director upon Mr. Yi's retirement, but rather remain a director.

Commissioner Branch clarified then that agenda items one, two, and three were to add the position of Director of Treasury, and Mr. Heidt confirmed that, stating that names were not added, but rather position titles, and that when Mr. Yi retired, the position of Senior Director of Treasury would be removed from the lists.

(2019-0924-21) RCA H1 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. RCA H1 PASSED.

(2019-0924-22) RCA H2 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H2 PASSED.

(2019-0924-23) RCA H3 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H3 PASSED.

(2019-0924-24) RCA H4 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H4 PASSED.

(2019-0924-25) Chairman Campo recognized Rich Byrnes, Chief Infrastructure Officer, to provide a report of selected agenda items.

Mr. Byrnes noted that there were 16 items on the agenda for consideration, which totaled approximately \$6.6 million in capital requests plus approval of receipt of about \$4 million, including \$572,000 in grants and \$3.6 million in submerged land lease revenues over a ten-year period. The most significant item was agenda item I2, a request to proceed with critical path items in the design of the Houston Ship Channel.

Mr. Byrnes reiterated the importance of Project 11 and stated that the Chief's Report was slated to be released next spring, with WRDA following in the summer or fall. To be ready to dig dirt the day after authorization was granted, staff needed to have the designs ready. Mr. Byrnes highlighted the work of Charlie Jenkins, Senior Director, Strategic Programs, in "keeping the foot on the gas pedal" because if the design work was not done, then construction would not be ready to commence once the authorization was given.

Mr. Byrnes explained that the design itself comprised 30 different major activities, including planning for dredge placement and examining all environmental concerns. Not all the construction items were ready to contract, but some, like understanding the subsurface and understanding the dirt and clay, were critical path items. This work involved hiring drilling rigs and surveys to obtain data that would be integral to the engineering process.

Commissioner Branch asked if the agenda item was part of the total engineering budget for work on the deepening and widening, and Mr. Byrnes replied that it was.

Mr. Byrnes noted that four other agenda items dealt with construction and assets, and three items with change orders which reflected about 2% of the total value of each contract. There were three items that were environmental in nature, including a \$106,000 contract to support renewing the Bayport Container Terminal permit, which is up for renewal in the coming year. There was also a \$100,000 contract to keep an eye on a property that was being abandoned by GB Biosciences.

Mr. Byrnes also noted that there was a \$45,000 request to renew the METRO van leases. Two items related to grants: one for \$72,000 in support of electric vehicles provided by the Houston-Galveston Area Council through a Pasadena Refining System, Inc. fund and the second for a \$500,000 grant, which followed the work already done with the Texas Commission on Environmental Quality to analyze the emissions reduction strategy.

Finally, Mr. Byrnes highlighted three barge fleeting leases covering approximately 120 acres that are expected to net \$3.6 million over the next ten years.

Commissioner Branch asked if Mr. Byrnes had any information relating to the barge that hit the bridge during Tropical Storm Imelda. Mr. Byrnes stated that the barge was owned by Canal Barge and came from a fleeting area owned by Kirby. Commissioner DonCarlos asked if Canal Barge had a permit with the Port Authority, and Mr. Eriksson explained that the fleeting area had a construction permit and the lease was still in negotiation. Additionally, Mr. Eriksson noted that the owners of the barges were currently negotiating with the Port Authority to move to a different fleeting area.

Commissioner Branch asked for an update on the superfund site that was connected to the incident, specifically asking if there was any spill from the site. Mr. Byrnes stressed that staff had not heard anything in that regard. Commissioner DonCarlos stated that one of the barges hit the superfund site and ran aground. Mr. Eriksson commented that the Environmental Protection Agency had been in contact with the Port Authority and was proceeding to investigate, but at this time there did not appear to be any issues.

Commissioner Branch reiterated his concern regarding any spill that may have occurred. Commissioner DonCarlos remarked he had looked at all the areas and none of the leases were in the area; rather they were all south of the affected area, but he was still concerned about permits for leases for areas south of the bridge. Mr. Eriksson stated that staff had met the previous day to come up with proposals to help prevent another incident such as the one being discussed from happening again. Commissioner DonCarlos stated that additional language could be inserted into the leases to protect against further incidents, and Mr. Eriksson replied that that was exactly what staff was reviewing. Mr. Eriksson also noted that according to the Texas Department of Transportation there were bridge protective devices that were not as effective as they should have been.

(2019-0924-26) RCA I1 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I1 PASSED.

(2019-0924-27) RCA I2 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2019-0924-28) RCA I3 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2019-0924-29) RCA I4 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2019-0924-30) RCA I5 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I5 PASSED.

(2019-0924-31) RCA I6 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I6 PASSED.

(2019-0924-32) RCA I7 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I7 PASSED.

(2019-0924-33) RCA I8 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I8 PASSED.

(2019-0924-34) RCA I9 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I9 PASSED.

(2019-0924-35) RCA I10 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I10 PASSED.

(2019-0924-36) RCA I11 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I11 PASSED.

(2019-0924-37) RCA I12 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I12 PASSED.

(2019-0924-38) RCA I13 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I13 PASSED.

(2019-0924-39) RCA I14 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I14 PASSED.

(2019-0924-40) RCA I15 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I15 PASSED.

(2019-0924-41) RCA I16 was presented, moved by Commissioner Mease, seconded by Commissioner Branch. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I16 PASSED.

(2019-0924-42) Chairman Campo recognized Jeff Davis, Chief Operations Officer, to provide a report of selected agenda items.

Mr. Davis highlighted a new service that would be calling at the Bayport Container Terminal and thanked the Commercial Division for its hard work in securing it. TP88/Pelican was an all-water agent service operated by 2M and Zim Lines. 2M already had a service calling the Bayport Container Terminal and Zim Lines had a small feeder service shipping boxes from Asia, but this would result in new capacity to Asia and be the Port Authority's fourth all-water agent service.

Mr. Davis explained that a few strategic changes needed to be made to accommodate the new service; movement of a service from the Bayport Container Terminal to the Barbours Cut Container Terminal was negotiated with 2M to keep the balance between the terminals. About 60% of Port Authority business was at the Bayport Container Terminal and the remaining 40% at the Barbours Cut Container Terminal. The first ship, a 4,400 TEU ship, arrived on September 14 and had 1,800 lifts to start with.

Moving on to the agenda items, Mr. Davis noted item J1 was a recommendation to award a contract for three ship-to-shore cranes totaling \$35 million. He remarked that the Bayport Channel was wider than the Barbours Cut Channel and consequently the size of the vessels that were allowed to call on each terminal were different. At a high-level, staff recommended strengthening the Barbours Cut Terminal Dock 3 and the Bayport Terminal

Dock 4 and 5 to accommodate larger cranes at both facilities. The award would be for Bayport Terminal Dock 5, and, when Barbours Cut Terminal Dock 3 was ready, staff would want to shift three cranes from Bayport Terminal Dock 5 to Barbours Cut Terminal 3. The cranes were older and small, but still had plenty of functionality.

Mr. Davis further explained that he would be returning to the Port Commission in the future with a request to approve the Bayport Terminal Dock 5 work, shift the cranes as previously stated, and demolish two cranes at Barbours Cut Container Terminal. The configurations of the new cranes would be suited for 18,000 TEU vessels. Mr. Davis is aware that ships of that size were not currently calling on the Port Authority, but the cranes had a life span of 30 to 40 years, and he expects there would be an opportunity to have vessels of such size in the future. He commented that the height under the boom of the crane was about 190 feet, and in essence the cranes were so tall that they would be able to boom across the Fred Hartman Bridge and almost get containers from the other side.

Mr. Davis explained agenda item J3 was a highly technical global positioning system (“GPS”) that provided automatic updates of container locations in the container yard as cranes were handling them. Currently International Longshoremen’s Association operators must manually update the computer system with the location of each container as each was moved throughout the yard. However, with the new GPS, container location would be automatically logged. There were two new efficiencies to come from this software: 30 seconds would be eliminated from a four-minute transaction that operators conduct every time they deal with a road box, and misplaced containers due to user error would be eliminated.

Commissioner Branch asked if the GPS was software or hardware, and Mr. Davis explained that it included both. There would be a grid set up with antennas on the cranes tracking its location throughout the yard and it would communicate through the existing Wi-Fi network to update the operating system. He commented that the Port Authority carries out about 10,000 moves a day and 6,000 of those are handled by the rubber-tired gantries. With about 30 seconds per move eliminated with this new software, there was a tremendous opportunity to be more efficient and create a safer environment.

Mr. Davis continued by calling attention to item J12 for the purchase of five electric vehicles to carry out testing and see whether they would meet the needs of staff. Commissioner Branch asked for the number of electric vehicles the Port Authority was currently running, and Mr. Davis replied there were none. Mr. Heidt commented that they had been tried in the past and did not work, but with new technology staff wished to try again, this time starting with pool cars.

Commissioner Fitzgerald asked what the percentage of Asian cargo was at the current time, and Mr. Moseley reported the number was about 40%: China had been the

leading driver of business but was down double digits and replaced by places such as Vietnam and other southeast Asia ports.

Commissioner Cloonan asked if the Port Commission was informed at the beginning of the year regarding big-ticket agenda items, and Mr. Heidt explained that these larger items were discussed at the November budget meeting.

(2019-0924-43) RCA J1 was presented. Commissioner Mease moved for staff ranking – first, Shanghai Zhenhua Heavy Industry Co. Ltd. (ZPMC); and second, Konecranes Finland Corporation, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2019-0924-44) RCA J2 was presented. Commissioner Mease moved for staff ranking – first, Houston Mooring Co. Inc; second, Texas Mooring, LLC; and third, Marine Tekno Services, LLC, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2019-0924-45) RCA J3 was presented. Commissioner Mease moved for staff ranking – first, Kalmar USA, Inc.; second, Mi-Jack Products; and third, Konecranes, Inc., seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J3 PASSED.

(2019-0924-46) RCA J4 was presented. Commissioner Mease moved for staff ranking – first, Electronic Data Magnetics, Inc.; second, The Toledo Ticket Company; third, Southland Printing Company, Inc.; and fourth, Digital Printing Systems, Inc., seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J4 PASSED.

(2019-0924-47) RCA J5 was presented. Commissioner Mease moved for staff ranking – first, Bishop Lifting Products, Inc.; second, Southwest Wire Rope Inc.; and third, Certex USA, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J5 PASSED.

(2019-0924-48) RCA J6 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J6 PASSED.

(2019-0924-49) RCA J7 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J7 PASSED.

(2019-0924-50) RCA J8 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J8 PASSED.

(2019-0924-51) RCA J9 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J9 PASSED.

(2019-0924-52) RCA J10 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J10 PASSED.

(2019-0924-53) RCA J11 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J11 PASSED.

(2019-0924-54) RCA J12 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J12 PASSED.

(2019-0924-55) Chairman Campo recognized Jessica Shaver, Chief People Officer, to provide a report of selected agenda items.

Ms. Shaver reported that there was a strategic planning workshop scheduled for later in the day. All were welcome to attend. Input on the strategic plan was encouraged.

Ms. Shaver continued by highlighting agenda item K1, stating that staff had been analyzing the competitiveness of the compensation and benefits package offered to employees over the past two years. At the previous Pension and Benefits Committee meeting, Mercer's benefit valuation report was presented, and overall the report found medical and retiree medical programs very favorable. However, there were areas of opportunity, such as the defined compensation plan offered to new employees, as well as the contributions of the Port Authority to its employee dental plan, life insurance plan, short term disability, and vacation policies. Agenda item K1 addresses some of those issues with the health and welfare programs.

Ms. Shaver stated one of the changes was the proposal to offer employer-paid short-term disability for employees. This was an area in which the Port Authority was found not to be competitive – about 90% of employers in the area offer this as a benefit to employees

– and currently Port Authority employees pay for this benefit. Employees under maternity leave would be eligible for this program and it would be a 60% salary replacement option.

Ms. Shaver explained that item K1 also proposed to enhance the competitiveness of the dental plan, by moving from an employee-funded benefit to a 50-50 cost share, which was also more in line with what industry entities were offering to their employees.

Chairman Campo remarked that this topic had been discussed in detail during the Pension and Benefits Committee meeting.

Ms. Shaver noted a few other changes, such as switching the vision plan from Ameritus to Aetna to obtain a 19% cost reduction (the vision plan was employee-paid). Additionally, Ms. Shaver explained item K1 would also increase the maximums for basic life, death, and dismemberment along with long-term disability, to be more in line with industry norms. For employee-paid voluntary benefits, a switch would be made from Colonial to Allstate, and pet insurance added through Nationwide.

Ms. Shaver also stated that she would be coming back next month with a recommendation for the medical funded program.

Ms. Shaver highlighted the second item on the agenda, explaining that the Port Authority had created the new role of Chief Government and Public Relations Officer that will be reporting directly to the Executive Director. This role will be working directly with the Port Commission and executive leadership team to collaborate with key partners at the federal, state, and local level, which was very important for Project 11. Staff recommended engaging an executive search firm to assist with the identification and selection of the role given its critical nature to the Port Authority.

(2019-0924-56) RCA K1 was presented, moved by Commissioner Branch, seconded by Commissioner Mease. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2019-0924-57) RCA K2 was presented, moved by Commissioner Branch, seconded by Commissioner Mease. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2019-0729-58) Chairman Campo recognized Marcus Woodring, Chief Port Security and Emergency Operations Officer, to provide a report of selected agenda items.

Mr. Woodring remarked that it had been a busy couple of months, noting that the fireboats had been out on a few cases of missing people in the water (including the tragic case off Sylvian Beach), the Police Department conducted active shooter training, Greenpeace had its protest, and Emergency Management dealt with Hurricane Imelda. In

the midst of everything just mentioned, the Coast Guard came out to carry out its annual inspection, and the Port Authority passed all five categories – and can continue to operate!

Mr. Woodring highlighted his two agenda items, stating that in October 2017, the Port Commission approved a four-year HAZMAT response contract with Oil Mop LLC. The contract was for a term of two years with the option for two more years and Mr. Woodring requested activating the two-year option with no additional funding. The second item was an inter-local agreement with Morgan's Point for annual law enforcement support. Since it was an interlocal agreement it comes to the Port Commission for approval.

(2019-0924-59) RCA L1 was presented, moved by Commissioner Mease, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2019-0924-60) RCA L2 was presented, moved by Commissioner Mease, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L2 PASSED.

(2019-0924-61) Chairman Campo recognized Charles Thompson, Chief Technology Officer, to provide a report of selected agenda items.

Mr. Thompson shared highlights in advance of cybersecurity awareness month. This was the third year of the cybersecurity awareness training and all employees had until October 31 to complete it. Separately, he noted that the Port Authority had been awarded two port security grants: \$180,000 to extend cybersecurity awareness training and \$600,000 to enhance capabilities in cybersecurity incident and event management. Mr. Thompson explained that the overall goal of the two grants was to help the Houston region, by anonymously sharing what the Port Authority can see in its environment.

Mr. Thompson stated that the single agenda item was for software renewal for support and maintenance. The software provides email archival, basic legal email discovery, and spam protection for the entire Port Authority email system.

(2019-0924-62) RCA M1 was presented, moved by Commissioner Branch, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Branch, Cloonan, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

At 10:28 a.m., Chairman Campo called for a brief recess and advised that the Executive Session would follow. At 10:43 a.m., Chairman Campo instructed Mr. Eriksson to make the following announcement:

It is now 10:43 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code (1) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultations regarding (i) Port of Houston Authority v. Louis Dreyfus Company Houston Export Elevator LLC, in the Southern District of Texas; (ii) Dehaney et al. v. Port of Houston Authority et al., in the 190th District Court of Harris County, Texas; and (iii) proposed amendments to the agreements for legal services with (a) Amy Loeserman Klein, (b) Boyar Miller, (c) W. Allyn Hoaglund, and (d) J. Kent Friedman; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including disposition of Pelican Island property and Beltway 8 and Barbours Cut Terminal vicinity properties; (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Officers and Employees (*Section 551.074, Texas Open Meetings Act*), including claims by and against public employees; and (5) Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*). The Port Commission will reconvene in public session after the closed meeting is adjourned.

Immediately thereafter the Port Commission retired into closed session.

At 12:25 p.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
Stephen H. DonCarlos, Commissioner
Roy D. Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

(2019-0924-63) Commissioner Branch moved to authorize the Port Authority to amend its agreements for legal services with (a) Amy Loeserman Klein, (b) Boyar Miller, (c) Allyn Hoaglund, and (d) J. Kent Friedman on the terms discussed in Executive Session and authorize the Executive Director to do all things necessary to give effect to the foregoing, seconded by Commissioner Cloonan. Chairman Campo, and

Commissioners Branch, Cloonan, DonCarlos, and Mease voted Aye. Nays none.
MOTION PASSED.

Chairman Campo reminded everyone that the next Port Commission meeting would be October 22, 2019.

Before adjournment, Commissioner Mease stressed his displeasure with the way the demonstration was handled by the county and the county sheriff when the people were hanging off the Fred Hartman Bridge. He stated that the protesters thought it would be acceptable to hang from the bridge for 24 hours and if it was not for the FBI showing up and forcing them down, they might have hung down all night. Commissioner Mease emphasized the protesters had no business shutting down the ship channel and he hoped they were punished severely enough that they realize they could not do that.

At 12:27 p.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the September 24, 2019 meeting of the Port Commission of the Port of Houston Authority.



Ric Campo, Chairman



Erik A. Eriksson, Secretary

F. EXECUTIVE

Subject 1. Rescind the Port Commission resolution adopted April 8, 2019 and amended April 23, 2019, regarding limitations on ships calling Port Authority container terminals.

Meeting Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 24, 2019 meeting, rescind the Port Commission resolution adopted April 8, 2019 and amended April 23, 2019, regarding limitations on ships calling Port Authority container terminals, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Executive

Staff Contact:
Roger Guenther

Background:

The Houston Pilots announced several working rules last year for handling vessels over 1,100 feet in length. Those measures limited these larger ships to daylight passage and one-way traffic, beginning north from Buoy 18, where the channel narrows to 530 feet at the intracoastal waterway.

At its April 8, 2019 the Port Commission adopted a resolution regarding these matters, and at its April 23, 2019 meeting amended that resolution. It provides in pertinent part as follows:

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

On June 14, 2019, the governor signed into law S.B. 2223 enacted by the 86th Legislature. The measure took effect September 1, 2019 and provides in part as follows:

[I]n order to ensure safe and efficient pilot services, the maximum overall length of a vessel, including the bulbous bow, that may be piloted within the [Board of Pilot Commissioners for Harris County Ports's] jurisdiction is 1,100 feet.

S.B. 2223 goes on to provide:

[The Board of Pilot Commissioners] by rule may authorize piloting a vessel with an overall length that exceeds the maximum overall length provided by [the provision cited above] if the board determines that the proposed rules would allow two-way routes to be maintained efficiently and two-way traffic to be conducted efficiently.

This action is further subject to the following language also set forth in S.B. 2223:

[The Board of Pilot Commissioners] may adopt a rule under this chapter involving ship movement strategies, including navigation safety guidelines, for use by pilots in the navigable water in this state

only on a recommendation from not less than 80 percent of the pilots authorized to operate under the board's jurisdiction.

Staff Evaluation/Justification:

Accordingly, staff now requests that the Port Commission rescind the referenced resolution following the enactment into law of S.B. 2223, since the April 23 resolution of the Port Commission appears to be moot until such time as a relevant Houston Pilots Association recommendation regarding transit of vessels exceeding 1,100 feet is made and the Board of Pilot Commissioners acts to implement it.

F. EXECUTIVE

Subject **2. Authorize a challenge grant service agreement with the Severe Storm Prediction, Education, and Evacuation from Disasters ("SSPEED") Center at Rice University to assist in further developing the Galveston Bay Park Plan storm surge defense system, in the amount of \$250,000, contingent on securing additional grant funding totaling \$750,000.**

Meeting Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 24, 2019 meeting, authorize a challenge grant service agreement with the Severe Storm Prediction, Education, and Evacuation from Disasters ("SSPEED") Center at Rice University to assist in further developing the Galveston Bay Park Plan storm surge defense system, in the amount of \$250,000, contingent on securing additional grant funding totaling \$750,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Executive

Staff Contact:

Erik Eriksson

Background:

A team at the Severe Storm Prediction, Education, and Evacuation from Disasters ("SSPEED") Center at Rice University, working with private industry partners, have developed a plan to address the threat of hurricane storm surge flood waters that could potentially inundate east Harris County residential areas and the Houston Ship Channel industrial complex. This Galveston Bay Park Plan storm surge defense system would include a barrier within Galveston Bay, and would potentially be associated with a future ship channel project.

By action at its June 25, 2019 meeting, the Port Commission authorized staff to assist in further developing the Galveston Bay Park Plan. Staff has since continued discussions with interested parties regarding the matter, mindful that its planning and construction cannot interfere with the ongoing project to obtain authorization, funding, and completion of a widened ship channel through Galveston Bay.

On August 23, 2019, the U.S. Army Corps of Engineers, the General Land Office, and the SSPEED Center publicly announced the compatibility of the Coastal Barrier proposal of the Corps of Engineers and the General Land Office and the Galveston Bay Park Plan.

By action at its August 27, 2019 meeting, Harris County Commissioners Court authorized the County Attorney to work with third parties to prepare a proposal for permits in connection with this project, and retained the law firm of Baker Wotring LLP to assist with funding totaling \$20,000.

A representative of the SSPEED Center has now requested that the Port Authority consider participation in funding to advance its work on the Galveston Bay Park Plan.

Staff Evaluation/Justification:

Staff requests that the Port Commission deliberate and consider authorizing a challenge grant service agreement with the SSPEED Center to assist in further developing the Galveston Bay Park storm surge defense system, in the amount of \$250,000, contingent on securing additional grant funding totaling \$750,000.

F. EXECUTIVE

Subject	3. Consideration of and possible action to approve the amended Port of Houston Authority Vendor Protest Procedure.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, approve the amended Port of Houston Authority Vendor Protest Procedure, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

General

Department:

Executive

Staff Contact:

Erik Eriksson

Background:

The Port Commission, at its meeting on October 23, 2012, adopted a Vendor Protest Procedure (the "Procedure"), designed to provide a formal avenue for resolving the protest of a Port Authority solicitation, evaluation, or award, and to promote fairness and transparency in Port Authority procurement decisions.

The Port Commission amended the Procedure at its May 17, 2018 meeting to place a time limitation on the period in which debriefings under the Procedure could be requested.

Debriefings, in the context of the Procedure, mean oral briefings provided to an Interested Party or a Protesting Party (as defined in the Procedure) about the Port Authority's evaluation of a bid or proposal. Protests, in the context of the Procedure, mean the process for review by the Port Authority of materials submitted by a Protesting Party.

Staff Evaluation/Justification:

Procurement Services staff considered updates to further improve the Procedure's effectiveness by extending the deadline by which a vendor may request a protest, to better align the period for debriefings with the period for protests and to afford vendors better opportunity for resolving concerns related to procurement solicitation, evaluation, or award. Additionally, staff considered changing the requirements of a request for protest to make the process less bureaucratic.

The Amended Vendor Protest Procedure reflects a clarification in Section 3 that the timing of a deadline for a requested debriefing begins with the date of the request for debriefing. The changes to Section 4 expand, from seven days to 100 days, the time in which a Protesting Party may submit a protest. Changes to Section 5 address the submittal requirements and indicate that the Port Authority may waive formalities.

Accordingly, staff recommends that the Port Commission approve the Amended Vendor Protest Procedure in the form attached as Exhibit "A."

EXHIBIT A

**Port of Houston Authority
Amended Vendor Protest Procedure
September 2019**



Purpose. The purpose of the Amended Port of Houston Authority Vendor Protest Procedure (“Vendor Protest Procedure”) is to provide a formal avenue for resolving the protest of a Port Authority solicitation, evaluation, or award. The Vendor Protest Procedure is intended to promote fairness in Port Authority procurement decisions.

Procedure.

Section 1. Definitions. For the purposes of this Vendor Protest Procedure, capitalized terms used herein shall have the following meanings:

- (a) **Contract** – A contract, including purchase order, for the purchase by the Port Authority of any Items.
- (b) **Designee** – The person acting in the capacity of the Executive Director or General Counsel, as applicable.
- (c) **Executive Director** – The Port Authority’s Executive Director or senior-most staff executive.
- (d) **Interested Party** – Any bidder, proposer, respondent, offeror, vendor, service provider, or contractor, other than a Protesting Party, who has submitted a bid, proposal, or other expression of interest for the Contract at issue.
- (e) **Items** – any service, equipment, goods, or other tangible or intangible personal property.
- (f) **General Counsel** – the Port Authority’s senior-most staff attorney.
- (g) **Port Authority** – The Port of Houston Authority of Harris County, Texas, a political subdivision of the State of Texas.
- (h) **Port Commission** – The governing body of the Port Authority.
- (i) **Protest** – A Protest hereunder relating to the solicitation, evaluation, or award of a Contract.
- (j) **Protesting Party** – An actual or prospective bidder, proposer, respondent, offeror, vendor, service provider or contractor who is aggrieved in connection with the solicitation, evaluation, or award of a Contract.
- (k) **Purchasing Executive** – The Port Authority’s senior-most purchasing executive.

Section 2. Protest Circumstances.

- (a) A Protesting Party may Protest a Contract under the following circumstances:

(1) the solicitation, evaluation, or award was made under a publicly-advertised solicitation process, and the Protesting Party submitted a bid or proposal that was not selected; or

(2) the solicitation, evaluation, or award was for a sole source Contract or emergency procurement of a Contract, and the Protesting Party was therefore unable to submit a bid or proposal.

(b) This Vendor Protest Procedure does not apply to Contracts for:

(1) the award of grants;

(2) activities permitted with respect to the Promotion and Development Fund under Subchapter H, Chapter 60, Texas Water Code;

(3) subcontracts supporting the performance of a Contract;

(4) Items procured pursuant to the Interagency Cooperation Act, Chapter 771, Texas Government Code, or Interlocal Cooperation Act, Chapter 791, Texas Government Code; or

(5) Items procured under processes administered by the Texas Comptroller's Office, the Department of Information Resources, or other Texas state agencies.

Section 3. Debriefing; Access to Evaluation Materials

(a) Within ninety (90) calendar days following the Port Authority award of a Contract, an Interested Party or a Protesting Party may request a debriefing on the Port Authority's evaluation of its bid or proposal. The Port Authority will provide the debriefing within three business days or as soon as reasonably possible after the request for debriefing, taking into consideration the size and scope of the procurement and number of debriefing requests received.

(b) The Port Authority will handle requests for access to evaluation materials and other vendors' proposals in accordance with the Texas Public Information Act, Chapter 552 of the Texas Government Code.

(c) Requests for oral briefings about the Port Authority's evaluation of a bid or proposal must be sent to the Port Authority Purchasing Executive. Requests for records pursuant to this section must be sent to the Port Authority Public Information Officer.

Section 4. Notice of Protest.

(a) Any Protesting Party may Protest an action relating to the solicitation, evaluation, or award of a Contract by submitting such Protest within one-hundred (100) calendar days following the date the award or action is made or taken in a public meeting.

(b) Unless the Executive Director, the Executive Director's Designee, or the Port Commission determines that a Protest or Protest appeal raises issues significant to Port Authority procurement

practices or Vendor Protest Procedures, a Protest or appeal that is not filed timely and in accordance with these Vendor Protest Procedures shall not be considered by the Port Authority hereunder.

- (c) A Protesting Party shall submit its Protest to the Port Authority Purchasing Executive.
- (d) A Protest shall not be considered by the Port Authority, unless it is:
 - (1) in writing, and sworn to and signed by the Protesting Party or the Protesting Party's authorized representative;
 - (2) delivered by hand, by certified mail, or other verifiable delivery service; and
 - (3) limited to matters relating to the Protesting Party's qualifications to perform the Contract, the suitability of the Items offered by the Protesting Party procured by the Contract, or alleged irregularities in the procurement process for the subject Contract.

Section 5. Content of Protest.

- (a) A Protest should contain:
 - (1) the Protesting Party's name and identification of the specific Contract that is being Protested;
 - (2) a precise statement of the relevant facts;
 - (3) identification of the issue(s) to be resolved;
 - (4) the argument and authorities in support of the Protest; and
 - (5) the action the Protesting Party is requesting to address its Protest.
- (b) To the extent known by the Protesting Party, the Protest should also contain the legal and factual basis for the Protest with specific supporting information, and how the Protesting Party alleges the award or action regarding the Contract violated the relevant federal or state statutory or regulatory provision(s) governing the procurement, including, for each act that is complained of:
 - (1) a specific description of the action alleged to have violated the federal or state statutory or regulatory provision(s); and
 - (2) a specific identification of the federal or state statutory or regulatory provision(s) that the action complained of is alleged to have violated;
- (c) The Port Authority reserves the right to waive formalities in the requirements for Protest submissions and evaluations.

Section 6. Suspension of Award.

Port of Houston Authority
Amended Vendor Protest Procedure
September 2019
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(a) If a Protest or appeal of a Protest (as described in Section 8 below) has been submitted in accordance with this Vendor Protest Procedure and the Contract has not been awarded, then the Port Authority shall not proceed with the solicitation or the award of the Contract until there has been a final written determination of the Protest in accordance with Section 9.

(b) The above-described suspension of solicitation or award of a Contract may be waived by the Executive Director or his or her Designee, after consulting with the Purchasing Executive, and making a written determination that award without delay is required: (i) by state or federal law, (ii) to protect substantial interests of the Port Authority, or (iii) to address a bona fide emergency.

Section 7. Review and Disposition of Protest.

(a) Informal resolution. The Purchasing Executive may informally resolve the Protest by written agreement with the Protesting Party.

(b) Written determination.

(1) If the Protest is not resolved by agreement, the Purchasing Executive may forward copies of the Protest and solicit written response to the Protest from Interested Parties and from other parties. After reviewing the responses, the Purchasing Executive shall issue a written determination on the Protest. Upon written request to the Public Information Officer, the Protesting Party shall be provided with copies of any request for written responses solicited under this section and any responses received.

(2) The General Counsel or his or her Designee shall review the Protesting Party's allegation that the award or action regarding the Contract violated the relevant federal or state statutory or regulatory provision(s) governing the procurement.

(i) If the General Counsel determines no violation of federal or state statutory or regulatory provision(s) governing the procurement occurred, the Purchasing Executive shall so inform the Protesting Party and each Interested Party in a writing that sets forth the reasons for the determination.

(ii) In instances in which the Contract has not been awarded, if the General Counsel determines that a violation of the federal or state statutory or regulatory provision(s) governing the procurement has occurred, the Purchasing Executive shall so inform the Protesting Party and each Interested Party. Such written response shall set forth the reasons for the determination and the appropriate remedial action.

(iii) In instances in which the Contract has been awarded, if the General Counsel determines that a violation of the federal or state statutory or regulatory provision(s) governing the procurement has occurred, the Purchasing Executive shall so inform the Protesting Party and each Interested Party. Such written response shall set forth the reasons for the determination and may declare the Contract void, set aside the award, order advertising with a revised solicitation, recommend that the Port Commission do the same, and/or take other remedial action.

(3) No setting aside, voiding, re-advertising, or other remedial action shall be required if a violation is determined to be harmless.

Section 8. Appeal.

(a) The determination of the Purchasing Executive regarding a Protest may be appealed by the Protesting Party to the Executive Director or his or her Designee. The appeal shall be limited to a review of the determination.

(b) An appeal of the Purchasing Executive's determination must be written and must be received in the Executive Director's office no later than seven (7) calendar days after the date of the determination referenced in Section 8(a). A copy of the appeal must be delivered or mailed by the Protesting Party to the Purchasing Executive. The Purchasing Executive shall provide copies to all Interested Parties.

(c) Failure of the Protesting Party to appeal the Purchasing Executive's determination within seven (7) calendar days after the date of the determination renders the determination the final administrative action regarding the Protest.

(d) The Port Authority's General Counsel or his or her Designee shall review the Protest, the determination, and the appeal, and prepare a written opinion with recommendations to the Executive Director, provided however, that the attorney conducting such review shall not have participated in the review provided for in Section 7 above.

(e) The Executive Director or his or her Designee may issue a final written determination, or refer the matter to the Port Commission for consideration at a regularly scheduled open meeting.

(f) When an appeal has been referred to the Port Commission under subpart (e), above:

(1) Copies of the Protest, the determination, and the appeal shall be provided by the General Counsel to the Port Commission.

(2) The Port Commission may consider oral presentations and written documents presented by staff and any interested party, including the Protesting Party. The Port Commission Chair shall determine the order and length of time allowed for presentations.

(3) Any Interested Party, including the Protesting Party, who wishes to make an oral presentation at the open meeting at which the Port Commission is scheduled to consider the appeal, shall submit a Witness Affirmation Form (as maintained by the Port Authority) to the General Counsel at least thirty (30) minutes before the start of the meeting. Any Interested Party presenting written testimony shall provide ten (10) copies thereof to the Purchasing Executive at least thirty (30) minutes before the start of the meeting, which identifies the Interested Party submitting such materials, for distribution to the Port Commission, Executive Director, General Counsel, and Purchasing Executive. Written testimony received in response to a Protest is considered a public record.

(4) Any Port Commission determination of a Protest appeal shall be adopted by formal action reflected in the minutes of the meeting.

Section 9. Final Action.

- (a) A determination of a Protest appeal by the Port Commission in open meeting is final.
- (b) If the matter is not referred to the Port Commission by the Executive Director or his or her Designee, the written determination of the Executive Director or his or her Designee is final.
- (c) A written determination by the Purchasing Executive that is not appealed in a timely manner and in accordance with these Vendor Protest Procedures is final.
- (d) The Port Authority shall provide the Protesting Party, and any Interested Party requesting the same, with a written copy of the final determination within ten (10) days after determination that the Protest is final.

Section 10. Records. The Port Authority shall maintain all records on the purchasing process that is the subject of a Protest in accordance with applicable retention schedules.

Section 11. General Provisions.

- (a) These Vendor Protest Procedures shall be construed to supplement existing laws governing the Port Authority in procurement matters, including Chapter 60.408(d) of the Texas Water Code dealing with competitive sealed bids, and nothing in these Vendor Protest Procedures shall be interpreted in a manner contrary to any applicable federal or state statute. The Port Authority may alter any provision herein to the extent necessary to meet a grant requirement.
- (b) These Vendor Protest Procedures, and any standards and guidelines established to implement it, are a nonbinding statement of intent, which does not create a property interest in any person, does not constitute a contractual obligation of the Port Authority to others, and does not waive any of the Port Authority's immunities under law, including the Port Authority's immunity from suit and its immunity from liability. Nothing in these Vendor Protest Procedures prohibits the Port Authority from rejecting any and/or all offers received in response to a procurement solicitation. The Port Authority reserves the right to assert every defense to any claim that is available to it under law.
- (c) Except as otherwise provided herein, all written communications required under these Vendor Protest Procedures must be addressed and delivered to:

**Purchasing Executive
Port of Houston Authority
111 East Loop North
Houston, Texas 77029**

- (d) This Vendor Protest Procedure describes the procedure to be used by any actual or prospective bidder, proposer, respondent, offeror, vendor, service provider, or contractor desiring to Protest or appeal a Contract procurement decision of the Port Authority.

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(e) This Vendor Protest Procedure does not constrain the discretion of the Port Commission, which may amend it at any time for any reason. In the absence of a contrary directive by the Executive Director, the Purchasing Executive is responsible for the implementation of this Vendor Protest Procedure, and is the contact for its interpretation.

(f) This Amended Vendor Protest Procedure supersedes and replaces any prior policies and procedures adopted by the Port Commission regarding vendor protest, including the one adopted by the Port Commission as evidenced by Minute 2012-1023-23, and the Amended Vendor Protest Procedure adopted by the Port Commission as evidenced by Minute 2018-0517-10.

Section 12. Adoption.

This Amended Vendor Protest Procedure was adopted by the Port Commission on September 24, 2019 as evidenced by Minute No. 2019-0924- , and is effective as of the day of its adoption.

Policy Owner: Procurement Services
Policy Version: Amended 2.0

F. EXECUTIVE

Subject	4. Appoint Commissioner Wendy Cloonan to the Compensation Committee and the Procurement and Small Business Development Task Force.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, appoint Commissioner Wendy Cloonan to the Compensation Committee and the Procurement and Small Business Development Task Force.

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

Staff Evaluation/Justification:

Commissioner Cloonan has served on the Port Commission since June 2019, and since then has also participated in Port Commission Committee and Task Force meetings. Commissioner Cloonan has now requested her appointment to the following:

- The Procurement and Small Business Development Task Force, which is chaired by Commissioner Branch. Chairman Campo and Commissioner Mease also serve on that task force; and
- The newly-formed Compensation Committee, which is chaired by Chairman Campo. Commissioners Branch and Fitzgerald are members.

Staff requests that the Port Commission appoint Commissioner Wendy Cloonan as a member of the Compensation Committee and the Procurement and Small Business Development Task Force.

F. EXECUTIVE

Subject	5. Approve a donation to South Carolina Ports Authority to help support its Hurricane Dorian relief efforts in an amount not to exceed \$30,000.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, approve a donation to South Carolina Ports Authority to help support its Hurricane Dorian relief efforts, in an amount not to exceed \$30,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Executive

Staff Contact:
Roger Guenther

Background:
Following Hurricane Dorian's impacts in the Bahamas, the South Carolina Ports Authority (SCPA) approved \$250,000 to pay the cost to fill two 40-foot containers with generators and essential goods, which were sent immediately to Freeport, Bahamas to assist with reliefs efforts. SCPA has since asked its port partners help defray the cost of its efforts with \$30,000 contributions; Virginia International Terminals and Miami were the first ports to do so.

Port Houston has separately helped coordinate transportation of and fill nine containers of additional goods for Bahamas relief efforts.

Staff Evaluation/Justification:
Accordingly, staff now requests the Port Commission to approve a donation to South Carolina Ports Authority to help reimburse its support of Hurricane Dorian relief efforts in an amount not to exceed \$30,000.

F. EXECUTIVE

Subject	6. Approve an agreement with Buffalo Bayou Partnership (BBP) to support community-focused master planning efforts in the vicinity of the Port Authority's Turning Basin Terminal, in conjunction with BBP's East End Sector Plan, in an amount not to exceed \$100,000.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, approve an agreement with Buffalo Bayou Partnership (BBP) to support community-focused master planning efforts in the vicinity of the Port Authority's Turning Basin Terminal, in conjunction with BBP's East End Sector Plan, in an amount not to exceed \$100,000.

Category:
General

Department:
Executive

Staff Contact:
Roger Guenther

Background:

Following the completion of BBP's renovations of Buffalo Bayou Park near downtown Houston, BBP is now working on its East End Sector master plan between downtown and the Port Authority's Turning Basin Terminal. Redevelopment options envisioned throughout its entire East End Sector include greenspace expansion, trails, mixed-income housing, more public access opportunities to the waterway, and commercial development.

Following a meeting on September 5, 2019 between Port Authority staff, Chairman Campo, and BBP representatives, and a formal presentation by BBP to the Community Relations Committee at the Committee's September 16, 2019 public meeting regarding BBP's East End Sector Master Plan, BBP has requested \$100,000 to support additional community-focused master planning efforts in the vicinity of the Port Authority's Turning Basin Terminal. These efforts will complement and enhance the Port Authority's comprehensive long-range plan and "connection to community."

The Port Authority's support of BBP would specifically focus planning efforts on properties and areas in the vicinity of the Turning Basin Terminal in coordination with the Port Authority's long-range plan for this area.

Staff Evaluation/Justification:

Accordingly, staff requests that the Port Commission approve an agreement with BBP to support community-focused master planning efforts in the vicinity of the Port Authority's Turning Basin Terminal, in conjunction with BBP's East End Sector plans, in an amount not to exceed \$100,000.

G. COMMERCIAL

Subject	1. Reject proposals for Promotional Items and Webstore Ordering Program.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, reject all proposals received by the Port Authority on July 31, 2019 for the Promotional Items and Webstore Ordering Program, 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:
Marketing and Branding

Staff Contact:
Christine Abbruscato

Background:
Beginning June 24, 2019, the Port Authority notified vendors regarding its request for proposals (RFP) for a proposed Promotional Item and Webstore Ordering Program, using the Port Authority's Eprocurement System, and the program was advertised on the Port Authority's website and in a local newspaper. On July 31, 2019, five responsive proposals were received. The proposals were subsequently reviewed and evaluated by staff in accordance with the published criteria.

After evaluation and discussion, staff identified the need to solicit vendors for individual components of the program. This is expected to provide greater flexibility for Port Authority employees who will purchase items through the program, as well as the opportunity for multiple companies to become participating program vendors. However, the RFP did not permit the procurement to be structured in such fashion.

Staff Evaluation/Justification:
Accordingly, staff recommends that the Port Commission reject all proposals for the Promotional Items and Webstore Ordering Program and terminate this formal procurement.

G. COMMERCIAL

Subject **2. Enter into a professional services contract with Drew Donovan Photography for fifteen months commencing October 1, 2019, to provide professional photography and videography services in an amount not to exceed \$75,000.**

Meeting Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 24, 2019 meeting, authorize the Port Authority to enter into a professional services contract with Drew Donovan Photography for fifteen months commencing October 1, 2019, to provide professional photography and videography services in an amount not to exceed \$75,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals Strategic Objective 2c. - Develop a strong brand identity
STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base)

Category:
Award, Amendments & Change Orders

Department:
Marketing & Branding

Staff Contact
Christine Abbruscato/John Moseley

Background:
The Port Authority regularly uses photographers to obtain images and video recordings of meetings with public officials, special events, and Port Authority operations and other activities. The materials are used in connection with the Port Authority's public outreach efforts and promotional activities, including those that support the development of regional maritime commerce as well as Port Authority terminal and other business activities. These services are needed on a regular basis to support the Port Authority's marketing and public relations efforts.

Staff Evaluation/Justification:
After research and interviews, and in consideration of Drew Donovan Photography's small business certification, references and evaluation of prior work, it has been determined that Drew Donovan Photography has demonstrated the competence and qualifications to perform the services for a fair and reasonable price.

Staff recommends that the Port Commissioner approve a professional services contract with Drew Donovan Photography for professional photography and videography services.

G. COMMERCIAL

Subject **3. Authorize the renewal of a professional services contract with CK Productions for 15 months commencing October 1, 2019, to provide professional photography and videography services in an amount not to exceed \$75,000.**

Meeting Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 24, 2019 meeting, authorize the renewal of a professional services contract with CK Productions for 15 months commencing October 1, 2019, to provide professional photography and videography services in an amount not to exceed \$75,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)
Strategic Objective 2c. - Develop a strong brand identity

Category:
Award, Amendments & Change Orders

Department:
Commercial

Staff Contact:
Christine Abbruscato/John Moseley

Background:
By Minute No. 2018-0731-09, the Port Commission approved a one-year extension for the Port Authority's contracts with its photographers, including CK Productions; these contracts were due to expire August 31, 2019. A one-month extension was entered into for September 2019, thereby making the current expiration of these contracts September 30, 2019.

The Port Authority regularly uses photographers to obtain images and video recordings of meetings with public officials, special events, and Port Authority operations and other activities. The materials are used in connection with the Port Authority's public outreach efforts and promotional activities, including those that support the development of regional maritime commerce as well as Port Authority terminal and other business activities. These services are needed on a regular basis to support the Port Authority's marketing and public relations efforts.

Staff Evaluation/Justification:
After research and interviews, and in consideration of CK Productions' small business certification and past performance, it has been determined that CK Productions has demonstrated the competence and qualifications to perform the services for a fair and reasonable price.

Staff recommends the Port Commission approve the renewal of a professional services contract with CK Productions for professional photography and videography services.

G. COMMERCIAL

Subject	4. Approve Port Authority membership/sponsorship of the 2020 Retail Industry Leaders Association Logistics Conference in an amount not to exceed \$65,000.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, approve Port Authority membership/sponsorship of the 2020 Retail Industry Leaders Association Logistics Conference in an amount not to exceed \$65,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Trade Development

Staff Contact:

Dominic Sun/John Moseley

Background:

The Retail Industry Leaders Association (RILA) is an American trade association headquartered in Arlington, Virginia. Members include retailers, product manufacturers, and service suppliers. Together, RILA members operate more than 100,000 stores, manufacturing facilities, and distribution centers domestically and abroad.

The 2020 RILA Logistics Conference provides an opportunity for the Port Authority's Trade Development team to meet and engage with key industry leaders and promote the Port Authority as a major gateway for inbound containerized retail goods. Membership and sponsorship are required for non-retailers to participate in this annual supply chain conference, which draws small, medium, and large retailers from across the country along with their ocean carriers and forwarder service providers.

An additional benefit, not listed with this package, is having the only Port Authority seat on the Conference Steering Committee. Normally, this is only included to participants at the Title sponsorship level costing \$100,000.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve a membership and sponsorship of the 2020 RILA Logistics Conference.

G. COMMERCIAL

Subject **5. Approve a contract with Levy Restaurants to provide customer event services, as the sole provider, at the 2019 Breakbulk Americas Conference Welcome Reception in an amount not to exceed \$60,000.**

Meeting Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 24, 2019 meeting, authorize the Port Authority to approve a contract with Levy Restaurants to provide customer event services, as the sole provider, at the 2019 Breakbulk Americas Conference Welcome Reception to be held October 2019 in an amount not to exceed \$60,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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

Category:
Awards, Amendments & Change Orders

Department:
Commercial

Staff Contact:
Christine Abbruscato

Background:
The 2019 Breakbulk Americas Conference Welcome Reception allows Port Authority staff to extend its appreciation to all the breakbulk customers that use its facilities, as well as market its general cargo facilities to potential new customers. Since 2015, the Port Authority has sponsored this welcome reception which allows all conference badge holders to attend, with a much higher turnout and lower cost than previous closing night receptions.

Port Authority staff expects the attendance figure to be slightly higher this year, based on reports received from the organizer.

Staff Evaluation/Justification:
Staff recommends the Port Commission authorize contracting with Levy Restaurants to provide customer event services for the 2019 Breakbulk Americas Conference Welcome Reception. The Port Authority is requesting approval to hire Levy Restaurant for this event, as it has been designated the sole provider of these services at this event.

G. COMMERCIAL

Subject	6. Approve a second amendment to the lease with Terminal Link Texas, LLC of approximately 1,394 square feet of office space in the Bayport Container Terminal Berth 5 Stevedore Support building effective October 1, 2019 for an additional two years at an annual base rent of \$43,085, subject to an annual increase of 3%.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, approve a second amendment to the lease with Terminal Link Texas, LLC of approximately 1,394 square feet of office space in the Bayport Container Terminal Berth 5 Stevedore Support building effective October 1, 2019 for an additional two years at an annual base rent of \$43,085, subject to an annual increase of 3%, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

By Minute No. 2015-0929-22, the Port Commission approved a two-year lease agreement with Terminal Link Texas, LLC for approximately 1,394 square feet of office space in the Bayport Container Terminal Berth 5 Stevedore building providing stevedoring services at the Bayport Container Terminal.

Terminal Link Texas, LLC has leased approximately 1,394 square feet of office space since 2009 and has requested the Port Authority extend its lease term for an additional two years through September 30, 2021. The proposed annual base rent for the two-year term reflects a 3% escalation over the base rent currently paid by Terminal Link Texas, LLC.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve this proposed second amendment to the lease agreement with Terminal Link Texas, LLC.

H. FINANCE

Subject	1. Adopt amended banking resolutions to designate Authorized Agents who may act on behalf of the Port Authority in connection with depository accounts and banking and investment agreements, and who may designate names of persons authorized to sign checks and give written or verbal orders or instructions to financial institutions.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, adopt amended banking resolutions to designate Authorized Agents who may act on behalf of the Port Authority in connection with depository accounts and banking and investment agreements, and who may designate names of persons authorized to sign checks and give written or verbal orders or instructions to financial institutions, 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:

Treasury

Staff Contact:

Ray Yi/Roland Gonzalez

Background:

By Minute No. 2015-1027-05, the Port Commission last adopted amended banking resolutions to designate Authorized Agents who may act on behalf of the Port Authority in connection with depository accounts and banking and investment agreements, and who may designate names of persons authorized to sign checks and give written or verbal orders or instructions to financial institutions.

Staff Evaluation/Justification:

Port Authority staff reviewed the current banking resolutions and propose modifying the list of Authorized Agents to include the following additional position:

- Director, Treasury

The resolutions require that two Authorized Agents act together to open, close and/or change signatories on bank accounts, or sign agreements relating to banking or investment services.

Staff recommends that the Port Commission adopt the amended banking resolutions as proposed.

H. FINANCE

Subject	2. Adopt a revised Investment Policy for Port Authority funds, including operating, construction, debt service, and bond reserve funds, and approve the Port Authority's revised Internal Controls for Investments.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, adopt a revised Investment Policy for Port Authority funds, including operating, construction, debt service, and bond reserve funds, and approve the Port Authority's revised Internal Controls for Investments, 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:
Treasury

Staff Contact:
Ray Yi/Roland Gonzalez

Background:

In accordance with Chapter 2256 of the Texas Government Code (Public Funds Investment Act), the Port Commission shall review the Port Authority's investment policy and investment strategies not less than annually, and shall adopt a written instrument or resolution stating that it has reviewed the investment policy and investment strategies and that the written instrument so adopted shall record any changes made to either the investment policy or investment strategies.

By Minute No. 2018-1030-14, the Investment Policy, investment strategies, and Internal Controls for Investments were last reviewed and approved by the Port Commission.

Staff Evaluation/Justification:

The Investment Policy, investment strategies and Internal Controls for Investments have been reviewed by (a) Port Authority staff, (b) Hilltop Securities Asset Management, the Port Authority's investment advisor, and (c) the Audit Committee of the Port Commission.

Revisions have been proposed, which comply with the requirements of the Public Funds Investment Act, as amended. This includes:

- (a) modifications to Exhibit "C" the List of Approved Banks, Broker-Dealers, Custodians, Money Market Funds, Commercial Paper Direct Issuers and Investment Pools, and
- (b) designating the Director, Treasury as an additional Authority Designee, authorized to handle investments for the Port Authority.

The Audit Committee and Port Authority staff recommend adoption of the revised Investment Policy, which includes the investment strategies, and approval of the Internal Controls for Investments, as proposed.

H. FINANCE

Subject **3. Adopt a resolution amending authorized representatives who may act on behalf of the Port Authority in connection with investment accounts at the Texas Local Government Investment Pools.**

Meeting Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 24, 2019 meeting, adopt a resolution amending authorized representatives who may act on behalf of the Port Authority in connection with investment accounts at the Texas Local Government Investment Pools (known as TexPool and TexPool Prime), 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:
Treasury

Staff Contact:
Ray Yi/Roland Gonzalez

Background:

By Minute No. 2017-0425-12, the Port Commission adopted resolutions authorizing the Port Authority's participation in the Texas Local Government Investment Pools (known as TexPool and TexPool Prime), and designated authorized representatives to act on behalf of the Port Authority in connection with the investment pools.

Staff Evaluation/Justification:

Due to changes in Port Authority personnel from time to time, staff recommends that the Port Commission:

1. Adopt a resolution amending authorized representatives, and designate the individuals holding the following positions as authorized to act on behalf of the Port Authority in connection with investment accounts at TexPool and TexPool Prime:

- Senior Director, Treasury
- Director, Treasury
- Manager, Treasury
- Controller
- Chief Financial Officer

2. Authorize the Executive Director to execute any forms required by TexPool or TexPool Prime to designate or amend such authorized representatives; and

3. Authorize the Secretary or any Assistant Secretary of the Port Commission to provide any attestation or certification, as may be required.

H. FINANCE

Subject	4. Authorize the reduction of the actuarial assumption rate for annual investment returns for the Pension Plan and the other post-employment benefits plan from 6.75% to 6.50%, increase the annual required contribution amounts as thereby necessary, and authorize additional funding of \$5,000,000 in the Pension Plan in connection with such rate reduction.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, (a) authorize the reduction of the actuarial assumption rate for annual investment returns for the Pension Plan and the other post-employment benefits (OPEB) Plan from 6.75% to 6.50%, (b) increase the annual required contribution amounts as thereby necessary, (c) authorize additional funding of \$5,000,000 in the Pension Plan in connection with such rate reduction, and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:

General

Department:

Controller/Treasury

Staff Contact:

Curtis Duncan/Ray Yi/Roland Gonzalez

Background:

The actuarial valuations for the Port of Houston Authority Restated Retirement Plan (Pension Plan) and the Port of Houston Authority OPEB Plan, an irrevocable trust established for retiree medical and other post-employment benefits (OPEB Plan), are prepared by Milliman, the Port Authority's actuary, using investment return assumption rates as approved by the Port Commission.

By Minute No. 2016-1213-20, the Port Commission approved a change in the actuarial assumption rates from 7.00% to 6.75% for both the Pension Plan and the OPEB Plan.

At the recent Pension and Benefits Committee meeting, Port Authority staff reviewed the investment return assumptions for the Pension Plan and OPEB Plan, including historical returns and estimates of Pension and OPEB Plan liabilities as of August 1, 2019.

Staff Evaluation/Justification:

Based on the current target asset allocation and future expected investment returns of the Pension Plan and OPEB Plan, a reduction from 6.75% to 6.50% in the investment return assumption rate appears reasonable.

For the Pension Plan, assuming such rate reduction, Milliman has estimated that the Annual Required Contribution (ARC) amount will increase from \$4.4 million to \$5.4 million, while the Unfunded Actuarial Accrued Liability (UAAL) amount increases by approximately \$5.2 million. The proposed additional \$5 million funding will help to maintain the Pension Plan funded ratio close to the current level of 98% (as of the last valuation dated August 1, 2018).

For the OPEB Plan, the Port Authority has been making employer contributions into an OPEB trust account (\$5.4 million in FY2018 and \$5.0 million in FY2019). In addition, OPEB benefits (up to \$4.5 million annually) continue to be paid from the General Fund, and not the trust account, which helps to both increase the funded position over time (88% as of December 31, 2018) and offset the potential increase in liability resulting from this proposed reduction in the actuarial assumption rate. No additional funding is being requested for the OPEB Plan given the current practice of paying benefits from the General Fund.

In accordance with a funding policy approved by the Port Commission (Minute No. 2015-0728-20), Port Authority staff is authorized to continue funding up to 105% of the ARC amount for both the Pension Plan and the OPEB Plan without the need for further authorization. This funding should reduce the UAAL over several years and ensure that the plans continue to be well funded.

Staff recommends the Port Commission reduce the investment return assumption rate to 6.50% for these plans and approve \$5,000,000 additional funding for the Pension Plan, to be covered from cash flows received in the Port Authority's General Fund. At its meeting of September 16, 2019, the Pension and Benefits Committee concurred with staff's recommendations.

I. INFRASTRUCTURE

Subject	1. Award a construction contract to Dowley Security Systems, Inc. for the installation of a security system at the 138-kV substation at Bayport Container Terminal in an amount not to exceed \$166,500.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, award a construction contract to Dowley Security Systems, Inc. for the installation of a security system at the 138-kV substation at Bayport Container Terminal, in an amount not to exceed \$166,500, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

This project consists of the installation of a surveillance system at the main electrical substation at the Bayport Container Terminal, which will be integrated into the Port Authority's existing Physical Security Information Management (PSIM).

The security installation includes the following components:

- Three fixed cameras and two pan-tilt-zoom (PTZ) cameras;
- 675 feet of underground conduit pipes;
- Two 30-foot prestressed concrete poles;
- Three door renovations complete with access controls and;
- Network cabinet modifications, including new door locks and network equipment.

By Minute No. 2018-1030-11(g), the Port Commission authorized the advertisement and receipt of competitive sealed proposals (CSPs) for the 138-kv substation security at Bayport Container Terminal. The Port Authority notified vendors regarding its request for CSPs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Twenty-two vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On August 22, 2019, one CSP was received, opened, and publicly read. The response was reviewed and evaluated by staff in accordance with the published selection criteria.

Following staff Executive Committee review, staff recommends that the Port Commission award a construction contract to Dowley Security Systems, Inc. and act as otherwise described above.

I. INFRASTRUCTURE

Subject	2. Award a professional services contract to TC&B/GBA, a Joint Venture of Turner Collie & Braden Inc. and Gahagan & Bryant Associates, Inc. to provide preliminary critical-path professional services for engineering, design, project coordination, and other general assistance for the Houston Ship Channel Expansion Channel Improvement Project, in an amount not to exceed \$5,500,000.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, award a professional services contract to TC&B/GBA, a Joint Venture of Turner Collie & Braden Inc. and Gahagan & Bryant Associates, Inc., to provide preliminary critical-path professional services for engineering, design, project coordination, and other general assistance for the Houston Ship Channel Expansion Channel Improvement Project in an amount not to exceed \$5,500,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Channel Development Operations

Staff Contact:

Rich Byrnes

Background:

The Houston Ship Channel (HSC) is the busiest deep-draft international trade waterway in the nation, and improvements to the HSC are needed for improved safety and the future growth of regional and national commerce. Widening the entire Bay Reach of the HSC (from Bolivar Roads to Morgans Point) will continue to allow the two-way traffic essential for safety, energy security, and this economic growth. This channel widening, along with deepening in some segments and other channel improvements, is the eleventh and next major HSC improvement project and is referred to as the Houston Ship Channel Expansion Channel Improvement Project (HSC-ECIP).

The sooner the HSC is widened and improved, the sooner that these important objectives of safety and growth will be met. The "business-as-usual" process, working on the customary federal schedule, is expected to result in completion by 2030. Since there is significant demand from industry to accelerate this schedule to take advantage of current economic conditions and facilitate future growth, the Port Authority has proposed an expedited schedule, whereby dredging could begin by 2021 and the project completed in 2024.

The existing Houston-Galveston Navigation Channels, Texas (HGNC) project is the tenth major project of the Houston Ship Channel Project. An advertised request for qualifications (RFQ) was issued earlier this year for professional services for engineering, design, construction management, project coordination, and other general assistance to provide the described professional services to support the Port Authority in its partnership with the U.S. Army Corps of Engineers (USACE) on the remaining HGNC project components. By Minute No. 2019-0423-24, the Port Commission approved staff's ranking of the most qualified providers (on the basis of demonstrated competence and qualifications) to perform these services-first, TC&B/GBA, a Joint Venture of Turner Collie & Braden Inc. and Gahagan & Bryant Associates, Inc. (Joint Venture); second, HDR Engineering, Inc. (HDR); and third, Lloyd Engineering, Inc., and awarded contracts to the Joint Venture and HDR.

Staff Evaluation/Justification:

The expedited process for the HSC-ECIP begins with Pre-construction Engineering and Design (PED) starting as soon as possible. To accommodate the size, timeframe, and resources of the project, Port Authority staff and leadership recommend obtaining the professional services on an accelerated basis to provide the PED and related services for the HSC-ECIP.

In the judgment of Port Authority staff, the three firms evaluated in the RFQ described in the section above, in the same ranking order, are the most highly qualified to provide the PED and related services required for the HSC-ECIP. Based on the qualifications provided in the RFQ responses, and on the Port Authority's years of experience in working with the firm on HSC projects, staff recommends that a contract be awarded to the Joint Venture as described below.

Prior to negotiating final costs and awarding final contracts for the PED and related services required for the HSC-ECIP, and in order to maintain the accelerated schedule, staff recommends awarding a preliminary professional services contract for the items deemed to be "critical-path" items, such as geotechnical work, initial surveying and design, required to determine the extent of the complete tasks and budget. The price for this preliminary professional services contract has been negotiated after the firm was selected on a qualification's basis.

Staff expects to bring to the Port Commission's October 2019 public meeting a recommendation to award contracts for the full scope of professional services for engineering, design, project coordination, and other general assistance for the Houston Ship Channel Expansion Channel Improvement Project.

I. INFRASTRUCTURE

Subject	3. Authorize an agreement with the Houston-Galveston Area Council to receive grant funding through the Federal Supplemental Environmental Project without obligating the Port Authority to provide matching funds, in the amount of \$72,438.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, authorize the Port Authority to enter into an agreement with the Houston-Galveston Area Council to receive grant funding through the Federal Supplemental Environmental Project without obligating the Port Authority to provide matching funds, in the amount of \$72,438, 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 4a. - Be an environmental leader STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:

Awards, Amendments & Change Orders

Department:

Environmental Affairs

Staff Contact:

Trae Camble

Background:

The Port Authority has been designated to receive grant funding in the amount of \$72,438, to assist in the purchase of electric vehicles and related equipment. This grant funding requires no local (i.e. PORT Authority) match and would support the purchase of two electric vehicles and two charging stations. This advances the Port Authority's priority of being environmental stewards.

Staff Evaluation/Justification:

This grant furthers the efforts of the Port Authority's Clean Air Strategy Plan to achieve its goal to reduce air emissions from port-related activities. The electric vehicles would reduce the Port Authority air emissions with the benefit of cost savings from reduced fuel use and maintenance.

Accordingly, staff recommends that the Port Commission approve this agreement with the Houston-Galveston Area Council to receive grant funds in the amount of \$72,438 under the Houston-Galveston Area Council, funded through the Federal Supplemental Environmental Project.

I. INFRASTRUCTURE

Subject	4. Authorize a month-to-month lease with 2Plus of Texas, Inc. dba STAR to lease vans under the Houston-Galveston Area Council METROVan Program for an additional one-year period and with an additional amount not to exceed \$45,000.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, authorize Port Authority staff to enter into a month-to-month lease with 2Plus of Texas, Inc. dba STAR to lease vans under the Houston-Galveston Area Council METROVan Program for an additional one-year period and with an additional amount not to exceed \$45,000, 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 4a. - Be an environmental leader

Category:
Awards, Amendments & Change Orders

Department:
Environmental Affairs

Staff Contact:
Trae Camble

Background:
In September 2007, the Environmental Affairs Department initiated a vanpool program for Port Authority employees by participating in the Houston-Galveston Area Council METROVan Program. The program is available to riders in Harris, Galveston, Brazoria, Liberty, Chambers, Fort Bend, Montgomery, and Waller counties.

The vanpool program was implemented as a means of improving local air quality, by reducing various vehicular emissions and the number of vehicles on roadways, and reducing overall fuel consumption.

In order to participate in the METROVan Program, the Port Authority leases vans on a month-to-month basis from 2Plus of Texas, Inc. dba STAR. By Minute Nos. 2008-0219-52, 2008-0722-42, 2009-0623-27, 2011-0125-21, 2013-0723-20, 2015-0929-40, 2017-0926-30, and 2018-0925-34, the Port Commission has approved prior participation in the program.

The METROVan Program provides a \$35-per month incentive discount per rider on vanpool fares to the Port Authority; each rider in turn is responsible for paying \$25 monthly, in addition to all fuel and toll costs. An average of \$1,000 monthly lease cost per van is incurred by the Port Authority.

Employees at Barbour's Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal participate in the Port Authority's vanpool program. As of August 2018, the Port Authority sponsors four vans and accommodates twenty-five riders, and more riders are anticipated to join the program in the future.

Staff Evaluation/Justification:
Staff agrees that a one-year program extension would enable current vanpool groups to continue operating and for more vanpools to form during the next year.

Staff recommends the Port Commission approve the program above with 2Plus of Texas, Inc. dba STAR through September 2020 and act as otherwise described above.

I. INFRASTRUCTURE

Subject	5. Approve a professional services contract with AECOM to conduct a general conformity determination as part of the upcoming renewal of the United States Army Corps of Engineers Bayport Permit in an amount not to exceed \$106,782.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, approve a professional services contract with AECOM to conduct a general conformity determination as part of the upcoming renewal of the United States Army Corps of Engineers (USACE) Bayport Permit in an amount not to exceed \$106,782, 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 4a. - Be an environmental leader STRATEGIC GOAL #2 - GROWTH (Grow and diversify the business base) STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:

Awards, Amendments & Change Orders

Department:

Environmental Affairs Department

Staff Contact:

Trae Camble

Background:

The Port Authority currently holds a USACE contract for construction at Bayport Container Terminal. The renewal application of that permit will be submitted by December 2019. A requirement of that renewal would be to conduct a general conformity determination to prove that future construction complies with air emission regulatory requirements.

Staff Evaluation/Justification:

On July 26, 2019, two responses were received. After a review and evaluation, AECOM was selected as best demonstrating the competence and qualifications to perform the services for a fair and reasonable price.

Staff recommends that the Port Commission authorize the award of the firm's contract. The total authorized amount and time would permit these services to be provided through March 2020.

I. INFRASTRUCTURE

Subject	6. Authorize an agreement to grant a conservation easement to Galveston Bay Foundation on the Memorial Tract property to comply with United States Army Corps of Engineers Bayport Permit requirements.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, authorize an agreement to grant a conservation easement to Galveston Bay Foundation on the Memorial Tract property to comply with United States Army Corps of Engineers (USACE) Bayport Permit requirements, 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 4a. - Be an environmental leader STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:

Awards, Amendments & Change Orders

Department:

Environmental Affairs Department

Staff Contact:

Trae Camble

Background:

The Port Authority currently holds a USACE permit for construction at the Bayport Container Terminal which expire at years end. The renewal application of that permit is expected to be submitted by December 2019.

The permit requires the Port Authority to place a conservation easement on its Memorial Tract property, which is intended to ensure the property would remain in its natural state on the terms set forth therein.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize the easement agreement with Galveston Bay Foundation to satisfy these Bayport Permit requirements.

I. INFRASTRUCTURE

Subject	7. Amend the interlocal agreement with the Texas Commission on Environmental Quality to receive additional grant funding in the amount of \$500,000 under the Port Authority Studies and Pilot Program without obligating the Port Authority to provide matching funds.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, authorize Port Authority staff to amend the interlocal agreement with the Texas Commission on Environmental Quality (TCEQ) to receive additional grant funding in the amount of \$500,000 under the Port Authority Studies and Pilot Program funded by TCEQ, without obligating the Port Authority to provide matching funds, 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 4a. - Be an environmental leader STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:

Awards, Amendments & Change Orders

Department:

Environmental

Staff Contact:

Trae Camble

Background:

In May 2019, the Port Authority completed a study, working with TCEQ to identify emission reduction opportunities in. The Port Authority subsequently requested an amendment to the Port Authority Studies and Pilot Program, which is funded by the TCEQ, for additional grant funding in the amount of \$500,000 and will allow the Port Authority to purchase an electric yard mule to test the operational capacity on a pilot basis. This is one of one opportunity identified in the study. This grant funding will have no local match.

Staff Evaluation/Justification:

This grant furthers the efforts of the Port Authority's Clean Air Strategy Plan in achieving its goal to reduce diesel air emissions due to port-related activities. The trial electric yard mule will give the Port Authority data driven reports to show if these vehicles are operationally capable for widespread use. The study previously funded showed the vehicles have a financial savings over the period of life.

Accordingly, staff recommends that the Port Commission approve this amendment to the interlocal agreement with TCEQ to receive additional grant funds in the amount of \$500,000 under the TCEQ-funded Port Authority Studies and Pilot Program.

I. INFRASTRUCTURE

Subject	8. Amend the Consulting Agreement with Anchor QEA, Inc. to assist in evaluating groundwater monitoring and remediation activities performed at the GB Biosciences Corporation site, to extend the term to October 30, 2020 and provide an additional amount of \$100,000.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, amend the Consulting Agreement with Anchor QEA, Inc. to assist in evaluating groundwater monitoring and remediation activities performed at the GB Biosciences Corporation (GBB) site (Site), to extend the term to October 30, 2020, and provide an additional amount of \$100,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4a. - Be an environmental leader STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:

Awards, Amendments & Change Orders

Department:

Environmental Affairs

Staff Contact:

Trae Camble

Background:

The Port Authority currently contracts with Anchor QEA, Inc. to assist the Port Authority in evaluating ongoing groundwater monitoring and remediation activities performed by GBB at the Site generally located near GB Biosciences Corporation's office at 2239 Haden Rd, Houston, in Harris County. That contract expired and was extended through April 30, 2020 under the authority of the Executive Director.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize an additional extension of the contract term and additional funding would permit these services to be provided through October 2020.

I. INFRASTRUCTURE

Subject	9. Approve a change order with Thyssen-Laughlin, Inc. to perform additional work associated with the replacement of water and sewer line at Woodhouse Terminal in an amount not to exceed \$64,145.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, approve a change order with Thyssen-Laughlin, Inc. to perform additional work associated with the replacement of water and sewer lines at Woodhouse Terminal in an amount not to exceed \$64,145, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2018-1030-20, the Port Commission awarded a construction contract to Thyssen-Laughlin, Inc. for the replacement of water and sewer lines at Woodhouse Terminal.

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

- Replacing unsuitable water line trench backfill material with acceptable backfill material.
- Replacing water line bedding material with compacted sand bedding.
- Crediting the contract for unused material.

Staff Evaluation/Justification:

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

I. INFRASTRUCTURE

Subject	10. Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal in an amount not to exceed \$81,381.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal in an amount not to exceed \$81,381, 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:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2019-0226-16, the Port Commission awarded a construction contract to McCarthy Building Companies, Inc. for the rehabilitation of Container Yard 1 North and Container Yard 2 North at Barbours Cut Terminal. An unforeseen existing electrical duct bank has been discovered near the location of the new lift station and impeded the installation of the sanitary piping feeding the station. The lift station has now been relocated about 30 feet to the east of its original location as a result.

The change order now proposed by the contractor as a result of this relocation includes the following items:

- Hydro excavation to expose all existing underground conflicts
- Additional traffic barriers
- Additional curbs and core holes on existing manholes
- Additional asphalt and concrete demolition
- 24" RCP storm and trench drain removal
- Concrete bulkhead at existing storm drain
- Additional stabilized sand at lift station

Staff Evaluation/Justification:

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

I. INFRASTRUCTURE

Subject	11. Approve a change order with Fused Industries, LLC to perform additional work associated with the rail spur at Bayport Container Terminal in an amount not to exceed \$584,940.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, approve a change order with Fused Industries, LLC to perform additional work associated with the rail spur at Bayport Container Terminal in an amount not to exceed \$584,940, 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:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2018-0925-28, the Port Commission awarded a construction contract to Fused Industries, LLC for the rail spur at Bayport Container Terminal.

This change order includes the following items:

- Additional items such as insurance, construction trailer upgrades, rail switch temporary construction areas, pipe casing welding, removal of stockpiles, and fill compaction.
- Pipe removal quantities.
- Labor for increased fill material needed for grading.
- Value engineering regarding the existing City of Seabrook potable water line under the new rail spur.

Staff Evaluation/Justification:

Port Authority staff has reviewed the proposal submitted by Fused Industries, LLC and found it to be fair and reasonable. Therefore, staff recommends that the Port Commission authorize this change order.

I. INFRASTRUCTURE

Subject	12. Approve a private adjacency barge fleeting lease agreement with and issue a marine construction permit to Kirby Inland Marine, LP for approximately 91.15 acres of submerged lands in Carpenters Bayou, Old River, San Jacinto River, the Houston Ship Channel, and Greens Bayou at a monthly rental amount of \$22,783 for a ten-year term.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, authorize the Port Authority to approve a private adjacency barge fleeting lease agreement with and issue a marine construction permit to Kirby Inland Marine, LP for approximately 91.15 acres of submerged lands in Carpenters Bayou, Old River, San Jacinto River, the Houston Ship Channel, and Greens Bayou at a monthly rental amount of \$22,783 for a ten-year term, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:
Leases

Department:
Channel Development Operations

Staff Contact:
Garry McMahan

Background:
Kirby Inland Marine, LP (Kirby), Port Authority File No. 2019-0248, has applied for a private adjacency submerged lands lease agreement and a marine construction permit for 68.34 acres of barge fleeting and 22.81 acres of encumbered area in Carpenters Bayou, Old River, San Jacinto River, the Houston Ship Channel, and Greens Bayou, in the Amy White Survey, A-81, and William Harris & D Carpenter Survey, A-28, which are adjacent to 16402 De Zavalla Road, Channelview; 16538 De Zavalla, Channelview; 16524 De Zavalla, Channelview; 18530 Market Street, Channelview; 2237 Harden Road, Houston in Harris County, Texas. The adjacent uplands are either owned by Kirby or the firm has a possessory interest in the property.

Staff Evaluation/Justification:
The applications were reviewed and approved by the Port Authority's Channel Development Operations department. The lease and permit would be entered into pursuant to the Port Authority's submerged land lease terms and conditions for a rental amount of \$22,783 per month for a ten-year term.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	13. Approve a private adjacency barge fleeting submerged lands lease agreement with Stolt Tankers USA, Inc. for approximately 8.77 acres of submerged lands in Carpenters Bayou at a monthly rental amount of \$2,553 for a ten-year term.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, authorize the Port Authority to approve a private adjacency barge fleeting submerged lands lease agreement with Stolt Tankers USA, Inc. for approximately 8.77 acres of submerged lands in Carpenters Bayou at a monthly rental amount of \$2,553 for a ten-year term, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:
Leases

Department:
Channel Development Operations

Staff Contact:
Garry McMahan

Background:
Stolt Tankers USA, Inc. (Stolt), Port Authority File No. 2019-0245, has applied for a private adjacency barge fleeting submerged lands lease agreement for approximately 8.77 acres of submerged lands in Carpenters Bayou, in the Harris and Carpenter Survey, A-28, in Harris County, Texas.

Stolt owns the uplands adjacent to the proposed lease area.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Development Operations department. The lease would be entered into pursuant to the Port Authority's submerged land lease terms and conditions for a rental amount of \$2,553 per month for a ten-year term.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	14. Approve a submerged land barge fleeting lease agreement with Intergulf Marine, LLC for approximately 19.77 acres of submerged lands on the southwest side of Alexander Island barge channel at a monthly rental amount of \$5,087 for a ten-year term.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, authorize the Port Authority to approve a submerged lands barge fleeting lease agreement with Intergulf Marine, LLC for approximately 19.77 acres of submerged lands on the southwest side of Alexander Island barge channel at a monthly rental amount of \$5,087 for a ten-year term, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Leases

Department:

Channel Development Operations

Staff Contact:

Garry McMahan

Background:

Intergulf Marine, LLC, Port Authority File No. 2019-0255, has applied for a submerged lands barge fleeting lease agreement for approximately 19.77 acres of submerged lands on the southwest side of Alexander Island barge channel, in the Enoch Brinson Survey, A-5, in Harris County, Texas.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Development Operations department. The lease would be entered into pursuant to the Port Authority's submerged land lease terms and conditions for a rental amount of \$5,087 per month for a ten-year term.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	15. Approve new license fees for pipeline licenses according to the attached rate schedule, effective October 1, 2019.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, approve new license fees for pipeline licenses according to the attached rate schedule, effective 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 #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development Operations

Staff Contact:

Garry McMahan

Background:

The value of product transmitted through pipelines licensed by the Port Authority in the Houston area is significant. Recently, the Port Authority's Channel Development Operations department completed a review of Port Authority fees as compared to other similar entities. As a result, staff is recommending the new rates that would take effect October 1, 2019 with increases adjusted annually according to the Producers Price Index (PPI), beginning January 1, 2021. The rates schedule is set forth on the attachment.

The proposed fees were disseminated to Port Authority stakeholders in early August for review and potential comment. The Channel Development Operations department have received no comments on the proposed fees.

Staff Evaluation/Justification:

The proposed rates are consistent with certain other Texas port authorities.

Staff recommends approval.

**FEE SCHEDULE FOR PORT OF HOUSTON AUTHORITY
LICENSES AND PERMITS
Effective October 1, 2019**

I. Permits: (e.g., Bulkheads, Moorings, Docks, Dredging, etc.)		
<p>Application fee (one time only) for installations on the Houston Ship Channel, tributaries to the HSC and other Port Authority property.</p> <p>A \$2,500 deposit for "As-Built" drawings will be required at time of application. Such deposit will be refunded when as-built drawings are furnished as required in the permit, or if said project is canceled. If "As-Built" drawings have not been furnished within one year of completion of project installation, the \$2,500 deposit is forfeited and becomes the property of the Port.</p>	\$	675.00
II. Licenses: for Pipelines, Cable or Transmission lines (Pipelines, transmission lines, or surface sites on or crossing Port Authority terminals may be charged Lease Fees rather than License Fees)		
<p>Application fee (term of license) in addition to fees listed below.</p> <p>A \$2,500 deposit for "As-Built" drawings will be required at time of application. Such deposit will be refunded when as-built drawings are furnished as required in the permit, or if said project is canceled. If "As-Built" drawings have not been furnished within one year of completion of project installation, the \$2,500 deposit is forfeited and becomes the property of the Port.</p> <p>Description: For pipeline, cable or transmission line installations along, across, under or within railroad right-of-way, submerged lands, and other properties</p>	\$	675.00
		LF = linear foot min = minimum
Pipelines	Non-Petroleum/Non-Chemical	Petroleum/Chemical
Under 8"	\$ 3.42 per LF \$ 1,688.00 min per line	\$ 10.71 per LF \$ 5,302.21 min per line
Over 8" but not over 16" diameter	\$ 4.69 per LF \$ 1,923.00 min per line	\$ 12.85 per LF \$ 6,362.65 min per line
Over 16" but not over 32" diameter	\$ 8.94 per LF \$ 3,694.00 min per line	\$ 23.57 per LF \$ 8,837.01 min per line
Over 32" but not over 48" diameter	\$ 14.94 per LF \$ 6,092.00 min per line	\$ 37.49 per LF \$ 15,906.62 min per line
Over 48" but not over 64" diameter	\$ 20.46 per LF \$ 7,452.00 min per line	\$ 51.42 per LF \$ 19,441.42 min per line
Over 64" but not over 80" diameter	\$ 26.87 per LF \$ 9,540.00 min per line	\$ 67.48 per LF \$ 22,976.23 min per line
Over 80" but not over 96" diameter	\$ 32.82 per LF \$ 11,629.00 min per line	\$ 82.48 per LF \$ 28,278.43 min per line
96" and greater	\$ 33.38 per LF \$ 13,721.00 min per line	\$ 96.40 per LF \$ 33,580.64 min per line

Electrical Transmission / Distribution	
12KV	\$ 3.42 per LF \$ 1,688.00 min per line
35KV	\$ 3.96 per LF \$ 1,857.00 min per line
69KV	\$ 4.09 per LF \$ 2,026.00 min per line
138KV	\$ 4.44 per LF \$ 2,195.00 min per line
345KV	\$ 4.77 per LF \$ 2,364.00 min per line
Wooden Support Poles	\$ 250.00 each
Steel Towers	\$ 1,000.00 each
III. Dredged Material Placement Agreements	
Application Fee	\$ 675.00 each use
Material Placement Fee (payable to the Port Authority)	\$ 4.12 per cubic yard
IV. Temporary Access License (Right-Of-Entry Letter)	
	\$ 500.00 per letter
V. Seismic Exploration (Right-Of-Entry Letter)	
Fee for Right-Of-Entry	\$ 500.00 per letter
Fee for exploration	3D \$25.00 per acre 2D \$2,475.00 per mile \$ 2,475.00 minimum
VI. Assignment, Name Change, or Amendment of Licenses	
	\$ 675.00
VII. Surface Site Licenses (e.g. Valve Site, Road Grade Crossing, Pipebridge, Access License) (Pipelines, transmission lines, or surface sites on or crossing Port Authority terminals may be charged Lease Fees rather than License Fees)	
Application Fee	\$ 675.00
License Fee	\$ 4.80 per ft ² \$ 7,915.00 minimum
VIII. Penalty for Delinquent Renewal	
NOTE: It is the responsibility of the Licensee to renew its License with the Port Authority before the License expires, even if no renewal notice is received.	For delinquencies of 30 days or less, the greater of 5% of the License Fee amount or \$25.00; for delinquencies of 30 days or more, the greater of 10% of the Licensee Fee or \$25.00
Authority	
Minute 32 of Port Commission Meeting of January 20, 1987 Minute 13 of Port Commission Meeting of February 21, 1989 Minute 20 of Port Commission Meeting of March 21, 1989 Minute 37 of Port Commission Meeting of April 18, 1990 Minute 36 of Port Commission Meeting of June 26, 1990 Minute 11 of Port Commission Meeting of November 24, 1993 Minute 35 of Port Commission Meeting of November 26, 1996 Minute 44 of Port Commission Meeting of July 24, 2000 Minute 46 of Port Commission Meeting of August 22, 2005 Minute 19 of Port Commission Meeting of November 15, 2012 Minute 24 of Port Commission Meeting of October 25, 2016	

I. INFRASTRUCTURE

Subject	16. Assign a license from ExxonMobil Corporation to NP–OV Houston Industrial, LLC.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, authorize the Port Authority to assign a license from ExxonMobil Corporation to NP–OV Houston Industrial, LLC, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Development Operations

Staff Contact:

Garry McMahan

Background:

ExxonMobil Corporation (ExxonMobil), Port Authority File No. 2013-0198, has applied to transfer and assign a license agreement with the Port Authority from ExxonMobil to NP–OV Houston Industrial, LLC for six environmental monitor wells within the Port Authority's Glendale Dredged Material Placement area, Northside Mainline railroad right-of-way, and near the grain elevator at the Turning Basin Terminal in the John Brown Survey, A-8, in Harris County, Texas.

The purpose of the wells is to monitor groundwater contamination in an area near the former ExxonMobil Houston Chemical Plant.

Staff Evaluation/Justification:

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

J. OPERATIONS

Subject	1. Approve staff's ranking of vendors and award a contract in the amount not to exceed \$35,000,000 for the purchase of three dockside electric container cranes for Wharf No. 5 at Bayport Container Terminal to the top-ranked proposer: staff ranking - first, Shanghai Zhenhua Heavy Industry Co. Ltd. (ZPMC); and second, Konecranes Finland Corporation.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Shanghai Zhenhua Heavy Industry Co. Ltd. (ZPMC); and second, Konecranes Finland Corporation; (b) award a contract to the top-ranked proposer for the purchase of three dockside electric container cranes for Wharf No. 5 at Bayport Container Terminal in the amount not to exceed \$35,000,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2019-0129-11(b), the Port Authority authorized the advertisement of a request for proposals (RFP) for three dockside electric container cranes for Wharf No. 5 at Bayport Container Terminal. This project consists of design, fabrication, delivery, and commissioning of these cranes.

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 June 12, 2019, two proposals 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:

- Shanghai Zhenhua Heavy Industry Co. Ltd. (ZPMC)
- Konecranes Finland Corporation

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Shanghai Zhenhua Heavy Industry Co. Ltd (ZPMC) and act as otherwise described above.

J. OPERATIONS

Subject	2. Approve staff's ranking of vendors and award a two-year contract for spotting of vessels at all Port Authority facilities in an amount not to exceed \$1,200,000 to the top-ranked proposers: staff ranking – first, Houston Mooring Co. Inc; second, Texas Mooring, LLC; and third, Marine Tekno Services, LLC.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting: (a) approve staff's ranking of vendors providing best value, based on the selection criteria, in the following order – first, Houston Mooring Co. Inc; second, Texas Mooring, LLC; and third, Marine Tekno Services, LLC; (b) award a two-year contract to Houston Mooring Co. Inc for spotting of vessels at all Port Authority facilities in an amount not to exceed \$600,000; (c) award a two-year contract to Texas Mooring, LLC for spotting of vessels at all Port Authority facilities in an amount not to exceed \$600,000; (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 and Change Orders

Department:

Operations

Staff Contact:

Jeff Davis

Background:

Currently, two mooring companies operate at Port Authority facilities, and one or the other is appointed by the vessel's owner or the owner's representative to provide vessel services. In an effort to streamline the efficiency of arrival and departure of ships, the Port Commission approved contracts by Minute Nos. 2018-0731-36 and 2018-1030-37, with these providers. Staff now seeks to enter into new contracts to provide spotting services for two-year terms. Port Police no longer has these responsibilities.

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

Staff Evaluation/Justification:

On August 21, 2019, three RFPs were received and opened. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors as qualified to provide the required services:

- Texas Mooring, LLC
- Houston Mooring Co. Inc
- Marine Tekno Services, LLC

Following staff Executive Committee review, staff recommends that the Port Authority award a two-year contract to Texas Mooring, LLC and a two-year contract to Houston Mooring Co. Inc for spotting of vessels at all Port Authority facilities in a total amount not exceed \$1,200,000, as providing best value to the Port Authority.

J. OPERATIONS

Subject	3. Approve staff's ranking of vendors and award a contract in an amount not to exceed \$3,750,000 for a position detection system for Barbours Cut Terminal and Bayport Container Terminal to the top-ranked proposer: staff ranking – first, Kalmar USA, Inc.; second, Mi-Jack Products; and third, Konecranes, Inc.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Kalmar USA, Inc.; second, Mi-Jack Products; and third, Konecranes, Inc.; (b) award a contract to the top-ranked proposer for a position detection system for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$3,750,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments and Change Orders

Department:

Operations

Staff Contact:

Jeff Davis

Background:

The use of a position detection system (PDS) serves as a technical foundation for optimization opportunities that support volume growth and service to our customers. The PDS would provide automatic updates for container locations while in the container yards, as units are moved by ILA crane operators to and from trucks as well as repositioned in the stacks, eliminating manual updates by operators and clerks. No reduction in manning is expected to occur as a result of the PDS, but greater efficiencies are expected to be realized. Once deployed, the container's location in the yard would be automatically updated based on the location of the crane and spreader bars when the container lock/unlock action is performed. PDS would provide the operator with additional capacity to direct attention toward operating the crane, resulting in improved efficiency and service levels.

PDS would also support Port Authority safety initiatives by reducing the amount of inventory errors and therefore reducing the need for personnel to enter safety sensitive operating areas to resolve problems. The Port Authority notified vendors regarding its request for proposals (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. Twenty vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On September 4, 2019, three RFPs were received and opened. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors as qualified to provide the required work:

- Kalmar USA, Inc.

- Mi-Jack Products
- Konecranes, Inc.

Following staff Executive Committee review, staff recommends that the Port Authority award a contract to Kalmar USA, Inc. for a PDS for Barbours Cut Terminal and Bayport Container Terminal in a total amount not exceed \$3,750,000.

J. OPERATIONS

Subject	4. Approve staff's ranking of vendors and award a purchase order in an amount not to exceed \$610,000 for the purchase of a five-year supply of gate interchange cards for Barbours Cut Terminal and Bayport Container Terminal to the top-ranked proposer: staff ranking – first, Electronic Data Magnetics, Inc.; second, The Toledo Ticket Company; third, Southland Printing Company, Inc.; and fourth, Digital Printing Systems, Inc.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting: (a) approve staff's ranking of proposals based on the selection criteria, in the following order – first, Electronic Data Magnetics, Inc.; second, The Toledo Ticket Company; third, Southland Printing Company, Inc.; and fourth, Digital Printing Systems, Inc.; (b) authorize negotiations and award a contract for purchase of gate interchange cards for Barbour's Cut Terminal and Bayport Container Terminal in an amount not to exceed \$610,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Award, Amendments & Change Orders

Department:

Operations

Staff Contact:

Jeff Davis

Background:

The Operations department at Barbours Cut Terminal and Bayport Container Terminal utilize approximately ten million gate tickets per year for the gate interchange process. The gate interchange cards are used to document the transfer of custody of intermodal equipment entering and exiting the terminals. Staff has determined that combining the purchases for both terminals into one contract would be economically beneficial and provide the best value to Port Houston.

Port Houston notified vendors regarding its request for competitive sealed proposals (CSPs) using the Port Houston's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper. Thirty vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On August 21, 2019, four CSPs were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as providing best value for the required services:

- Electronic Data Magnetics, Inc.
- The Toledo Ticket Company
- Southland Printing Company, Inc.
- Digital Printing Systems, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Electronic Data Magnetics, Inc. and act as otherwise described above.

J. OPERATIONS

Subject	5. Approve staff's ranking of vendors and award a two-year contract in an amount not to exceed \$1,600,000 for the purchase of wire ropes and related components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal to the top-ranked proposer: staff ranking – first, Bishop Lifting Products, Inc.; second, Southwest Wire Rope Inc.; and third, Certex USA.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Bishop Lifting Products, Inc.; second, Southwest Wire Rope Inc.; and third, Certex USA; (b) award a two-year contract to the top-ranked proposer for the purchase of wire rope and related components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$1,600,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2017-0926-36, the Port Commission awarded a two-year contract to Southwest Wire Rope Inc. in the amount not to exceed \$1,600,000 for the purchase of wire rope and related components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal. This contract expires on September 30, 2019. Wire rope is primarily used for hoist, trolley and boom functions on the Port Authority's twenty-seven wharf cranes and ninety RTG cranes as well as other lifting equipment. Additionally, nine RTG cranes are expected to arrive at Bayport Container Terminal and eight at Barbours Cut Terminal during this contract term.

An adequate inventory of different sizes of wire rope is necessary to service equipment efficiently, minimize equipment downtime, and ensure efficient terminal operations.

The Port Authority notified vendors regarding its request for competitive sealed proposals (CSPs) for the purchase of wire ropes and related components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basing Terminal using the Port Authority's BuySpeed Eprocurement System, and the project was advertised on the Port Authority's website and in a local newspaper. Twenty-seven vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On August 21, 2019, three CSP's were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as providing best value for the required services:

- Bishop Lifting Products, Inc.
- Southwest Wire Rope Inc.
- Certex USA

Following staff Executive Committee review, staff recommends that the Port Authority award a two-year contract to Bishop Lifting Products, Inc. and act as otherwise described above.

J. OPERATIONS

Subject	6. Award a contract to Wesco Distribution for purchase of LED lighting for wharf cranes at Bayport Container Terminal in an amount not to exceed \$165,000.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, award a contract to Wesco Distribution for purchase of LED lighting for wharf cranes at Bayport Container Terminal in an amount not to exceed \$165,000, 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 twelve wharf cranes in operation at its Bayport Container Terminal. High intensity LED lighting technology has matured and is now able to handle the rigorous vibration, heat, and duty cycles of wharf cranes during operation. As the high-pressure sodium light fixtures fail, cost-effective LED solutions now exist to replace them.

Proper lighting is critical to terminal operations. Safe levels of illumination must be adhered to in the yard and on the wharf. The improvements seen by replacing high-pressure sodium lights with LED on high mast light poles have been well-received by tenants and users. Along with fewer fixtures required for installation, LED fixtures use less electricity. By replacing fixtures on STS cranes, staff expects to achieve better illumination levels and more accurate color rendition (leading to less eye strain).

The Port Authority notified vendors regarding its competitive sealed bids (CSBs) using the Port Authority's BuySpeed Eprocurement System, and the project was advertised on the Port Authority's website and in a local newspaper. Twenty-six vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On July 31, 2019, seven CSBs were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria.

Following staff's Executive Committee review, staff recommends that the Port Authority award a contract to Wesco Distribution, the responsible bidder submitting the lowest and best bid, for the purchase of LED lighting for wharf cranes at Bayport Container Terminal.

J. OPERATIONS

Subject	7. Award a two-year contract to Aabbott-Michelli Technologies, Inc. for the purchase of parts and repair services for truck scales at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$250,000.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, award a two-year contract to Aabbott-Michelli Technologies, Inc. for the purchase of parts and repair services for truck scales at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$250,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
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. 2017-0321-35, the Port Commission awarded a two-year contract to Aabbott-Michelli Technologies, Inc. for the purchase of parts and repair services for truck scales at Barbours Cut Terminal and Bayport Container Terminal in the amount of \$150,000. This contract expired on March 31, 2019.

Truck scales are used to weigh all export loads ensuring safe lifting weight limits are adhered to by yard and wharf equipment. These weights are validated against the maximum safe weight for each container. A reliable source for regular calibration, and repair parts and services are needed for operational efficiency. The Port Authority currently has fifty-one scales operating at both facilities. These scales handle approximately 35,000 trucks weekly.

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

Staff Evaluation/Justification:

On July 24, 2019, two responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published.

Following staff's Executive Committee review, staff recommends that the Port Authority award a two-year contract to Aabbott-Michelli Technologies, Inc., the responsible bidder submitting the lowest and best bid, for the purchase of parts and repair services for truck scales at Barbours Cut Terminal and Bayport Container Terminal.

J. OPERATIONS

Subject	8. Award a two-year contract to Southern Tire Mart, LLC for the purchase of tire repair services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$350,000.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, award a two-year contract to Southern Tire Mart, LLC for the purchase of tire repair services for Barbours Cut Terminal, Bayport Terminal, and Turning Basin Terminal in an amount not to exceed \$350,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2016-0628-37, the Port Commission awarded a two-year contract to Southern Tire Mart, LLC in an amount not to exceed \$325,500 for the purchase of tire repair services at Barbours Cut Terminal, Bayport Container Terminal and Turning Basin Terminal. This contract will expire this month. Tire repair services are needed to service and maintain Port Authority equipment including 1,440 tires on RTG cranes, 420 on yard tractors, and 800 on chassis. The services necessary to maintain equipment efficiently, minimize equipment downtime, and ensure efficient terminal operations.

By Minute No. 2019-0326-25(b), the Port Commission authorized the advertisement and receipt of competitive sealed bids (CSBs) for the purchase of tire repair services for Barbours Cut Terminal, Bayport Container Terminal and Turning Basin Terminal. The Port Authority notified vendors regarding its request for CSBs using the Port Authority's BuySpeed Eprocurement System and the project was advertised on the Port Authority's website and in a local newspaper.

Staff Evaluation/Justification:

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

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

J. OPERATIONS

Subject **9. Award a two-year contract to Crane Tech Solutions, the sole source provider, for the purchase of spare and replacement parts for Stinis spreader bars and over-height attachments at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$600,000.**

Meeting Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 24, 2019 meeting, award a two-year contract to Crane Tech Solutions for the purchase of spare and replacement parts for Stinis spreader bars and over-height attachments at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$600,000, 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 a total of thirty-one spreader bars and over-height attachments manufactured by Stinis Holland B.V., including sixteen spreaders and over-height attachments at Barbours Cut Terminal, and fourteen spreaders and one over-height attachment operating at Bayport Container Terminal. Therefore, by Minute No. 2017-0524-32, the Port Commission awarded a two-year contract to Crane Tech Solutions in an amount not to exceed \$600,000 for the purchase of spare and replacement parts for Stinis spreader bars at Barbours Cut Terminal and Bayport Container Terminal. This contract expired on May 31, 2019. Ongoing repairs and periodic inspections of these spreader bars and overheight attachments have been performed and as a result funds are nearly depleted. The ability to expedite procurement of spare and replacement parts for these units is critical to efficient terminal operation.

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 Crane Tech Solutions is the sole authorized source for captive replacement Stinis parts in the United States.

Staff Evaluation/Justification:

Staff recommends that the Port Authority enter into a two-year contract with Crane Tech Solutions for the purchase of spare and replacement parts for Stinis spreader bars and over-height attachments, beginning on October 1, 2019 and ending on September 30, 2021. Replacement and spare parts will be purchased through this contract as needed.

J. OPERATIONS

Subject	10. Award a two-year contract for preventative maintenance and inspection services to Vertiv Corporation, a sole source service provider, for Liebert Uninterruptible Power Supply battery, static transfer switch, power distribution units, and monitoring products for Barbours Cut Terminal, Barbours Cut Terminal, and Turning Basin Terminal in an amount not to exceed \$130,000.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, award a two-year contract for preventative maintenance and inspection services to Vertiv Corporation, a sole source service provider, for Liebert Uninterruptible Power Supply (UPS) battery, static transfer switch, power distribution units, and monitoring products for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$130,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Award, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently uses Vertiv Corporation's services for preventative maintenance and inspection of Liebert UPS battery, static transfer switch, and power distribution units; however, each terminal has its own contract and some have lapsed. Staff recommends that these services be combined under one contract. Additionally, staff believes there are distinct advantages in having Vertiv Corporation perform such work due to their access to proprietary information, troubleshooting information, and technical and parts support.

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 Vertiv Corporation confirming that Vertiv Corporation is the sole authorized service provider for the Liebert Power product line.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve a two-year contract for preventative maintenance and inspection services with Vertiv Corporation, a sole source service provider, for Liebert UPS battery, static transfer switch, power distribution units, and monitoring products for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

J. OPERATIONS

Subject	11. Award an annual contract to AssetWorks, LLC, the sole source provider, for software maintenance, support, and extended hardware warranty of FleetFocus M5, Enterprise Asset Management System, and Fuel Focus software, the Port Authority's Fueling and Fleet management system in an amount not to exceed \$57,000.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, award an annual contract to AssetWorks, LLC, the sole source provider, for software maintenance, support, and extended hardware warranty of FleetFocus M5, Enterprise Asset Management System, and Fuel Focus software, the Port Authority's Fueling and Fleet management system in an amount not to exceed \$57,000, 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.

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

By Minute No. 2018-1030-43, the Port Commission awarded a one-year contract to AssetWorks, LLC for its Fueling/Fleet management system which expired on September 1, 2019. AssetWorks, LLC holds all rights to sales, distribution, implementation, and development services for FleetFocus M5 and Fuel Focus, which includes, but are not limited to, software licenses, maintenance, and support latter intellectual property.

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 AssetWorks, LLC confirming that AssetWorks, LLC is the sole authorized sole provider of FleetFocus M5, Enterprise Asset Management System and Fuel Focus.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve entering into an annual contract with AssetWorks, LLC, for software maintenance, support, and extended hardware warranty of FleetFocus M5, Enterprise Asset Management System, and Fuel Focus software, the Port Authority's Fueling and Fleet management system.

J. OPERATIONS

Subject	12. Issue a purchase order to Caldwell Country Chevrolet for the purchase of five Chevrolet electric vehicles for Environmental, Information Technology, Internal Audit, and Office Services departments, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in an amount not to exceed \$175,000.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, authorize Port Authority staff to issue a purchase order to Caldwell Country Chevrolet for the purchase of five Chevrolet electric vehicles for Environmental, Information Technology, Internal Audit, and Office Services departments, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in an amount not to exceed \$175,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - INFRASTRUCTURE (Provide and facilitate infrastructure to meet demand)

Category:

Award, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Central Maintenance Department, with recommendations from the Environmental Affairs Department, has prepared specifications for the purchase of new electric vehicles. Staff believes that a total of five electric vehicles would help gather sufficient data to assess long-term planning, employee adoption, and training needs. The pilot units would be assigned to Environmental Affairs, Information Technology, Internal Audit, and Office Services (Executive Office Pool Vehicles).

The Local Government Purchasing Cooperative (Cooperative) is an administrative agency of cooperating local governments authorized by the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Cooperative is further authorized as a local purchasing cooperative organization as set forth in Section 271.101, et seq., of the Texas Local Government Code. The Port Commission, by Minute No. 2006-1023-43, entered into an interlocal agreement with the Cooperative to become a member participant, and since that time uses the Cooperative and its BuyBoard electronic purchasing application to facilitate compliance with state procurement requirements, to more efficiently identify qualified vendors of commodities, goods and services, to relieve the burdens of the governmental purchasing function, and to realize the various potential economies, including administrative cost savings.

Staff Evaluation/Justification:

Staff has compared electric vehicle prices from local and non-local dealerships, taking into consideration the statutory competitive procurement requirements, and has determined that purchasing these vehicles using the cooperative purchasing program of BuyBoard satisfies statutory requirements and provides the best value to the Port Authority. BuyBoard websites list several pre-approved dealerships.

Staff has reviewed the electric vehicle specifications from these websites and determined that Caldwell Country Chevrolet is the vendor for BuyBoard with the best price for the electric vehicles meeting the Port Authority's requirements.

Staff recommends the Port Commission approve a purchase order to Caldwell Country Chevrolet for the purchase of five Chevrolet electric vehicles.

K. PEOPLE

Subject	1. Award group insurance agreements to the following providers to include coverage for calendar year 2020 in a total amount not to exceed \$2,210,017: (a) Aetna Life Insurance Company, for dental, vision, and Medicare Advantage medical coverage; (b) Minnesota Life Insurance Company, for basic life, voluntary and dependent life, and retiree life coverage; and (c) Hartford Life and Accident Insurance Company, for long term disability (LTD) and short-term disability (STD) coverage.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	<p>The Port Commission, at its September 24, 2019 meeting:</p> <p>(i) award group insurance agreements to the following providers to include coverage for calendar year 2020 in a total amount not to exceed \$2,210,017:</p> <p>(a) Aetna Life Insurance Company, for dental coverage, in an amount not to exceed \$345,342;</p> <p>(b) Aetna Life Insurance Company, for vision coverage, in an amount not to exceed \$97,924;</p> <p>(c) Aetna Life Insurance Company, for Medicare Advantage medical coverage, in an amount not to exceed \$815,000;</p> <p>(d) Minnesota Life Insurance Company, for basic life coverage for eligible active employees, in an amount not to exceed \$94,335;</p> <p>(e) Minnesota Life Insurance Company, for voluntary life coverage for eligible active employees and dependents, in an amount not to exceed \$291,161;</p> <p>(f) Minnesota Life Insurance Company, for basic life coverage for eligible retirees, in an amount not to exceed \$147,758;</p> <p>(g) Hartford Life and Accident Insurance Company, for long-term disability (LTD) coverage for eligible active employees, in an amount not to exceed \$234,987;</p> <p>(h) Hartford Life and Accident Insurance Company, for short-term disability (STD) coverage for eligible active employees, in an amount not to exceed \$163,510;</p> <p>(ii) authorize the Port Authority to pay 50% of the cost of dental coverage for eligible active employees and dependents;</p> <p>(iii) authorize the Port Authority to pay 100% of the cost of the Medicare Advantage medical insurance for eligible retirees and dependents;</p> <p>(iv) authorize the Port Authority to pay 100% of the cost of basic life coverage for eligible active employees and retirees;</p> <p>(v) authorize the Port Authority to pay 100% of the cost of LTD and STD coverage for eligible active employees;</p> <p>(vi) determine that Port Authority employees shall reimburse the Port Authority for the full cost of any vision or voluntary life coverage;</p> <p>(vii) authorize contract renewal negotiations with providers prior to contract expiration; and</p> <p>(viii) further authorize the Executive Director to do any all things in his opinion reasonable and necessary to give effect to all of the foregoing.</p>
Goals	STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Invest in people and organize for success)
Category:	
Awards, Amendments & Change Orders	
Department:	
Human Resources	

Staff Contact:

Roger Walter

Background:

By Minute No. 2018-0130-43, the Port Commission awarded a contract to Lockton Companies LLC, (Lockton), to provide employee benefits consulting services, including assisting in: development of requests for proposals for group insurance coverages; evaluation of proposals; negotiation of renewal rates; and recommendations on provider selections.

By Minute No. 2018-0925-05, the Port Commission authorized renewal of the group insurance contracts for calendar year 2019 including: (a) Aetna, for dental coverage; (b) Ameritas, for vision coverage; (c) Minnesota Life Company, for basic life coverage; (d) Minnesota Life Company, for voluntary life coverage; (e) Minnesota Life, for accidental death and dismemberment (AD&D) coverage; and (f) Aetna, for long-term disability (LTD) coverage. The Port Commission also authorized contract renewal negotiations with insurance carriers prior to contract expiration, to better ascertain in advance the need to request proposals for the next contract year.

On July 15, 2019, the Port Authority issued a Request for Proposal soliciting proposals for certain 2020 group insurance coverage. This included dental insurance, vision insurance, Medicare Advantage medical insurance, LTD, basic life, voluntary life, and STD coverage for eligible Port Authority employees, retirees, and dependents.

Staff Evaluation/Justification:

Lockton and staff reviewed and evaluated these responses and negotiated with the incumbent carriers for coverage for calendar year 2020 to obtain a rate decrease for dental, vision, basic life, Medicare Advantage medical, and LTD coverage. Additionally, there are no rate increases for voluntary life coverage. Responses also included options for group STD coverage.

The proposals were discussed at the Pension and Benefits Committee meeting on September 16, 2019. Staff recommends, and the Pension and Benefits Committee concurs, that group insurance contracts be awarded to the following providers for calendar year 2020, as providing the best value to the Port Authority:

- (a) Aetna Life Insurance Company, for dental, vision, and Medicare Advantage medical coverage;
- (b) Minnesota Life Insurance Company, for basic life, voluntary and dependent life, and retiree life coverage; and
- (c) Hartford Life and Accident Insurance Company, for LTD and STD coverage.

Staff further recommends, and the Pension and Benefits Committee concurs, that for calendar year 2020:

1. The Port Authority begin to pay 50% of the cost of dental coverage for eligible active employees and dependents;
2. The Port Authority continue to pay 100% of the cost of the Medicare Advantage medical insurance for eligible retirees and dependents;
3. The Port Authority continue to pay 100% of the cost of basic life coverage for eligible active employees and retirees;
4. The Port Authority continue to pay 100% of the cost of LTD coverage for eligible active employees;
5. The Port Authority begin to pay 100% of the cost of STD coverage for eligible active employees; and
6. Port Authority employees reimburse the Port Authority for the full cost of any vision or voluntary life coverage.

Staff estimates that approximately \$571,756 of the \$2,210,017 total amount requested will be reimbursed to the Port Authority by employees, leaving a total cost to the Port Authority of approximately \$1,638,261. The estimated costs shown above are based on current participant levels with adjustments for additional 2020 staffing levels. The total amount requested by staff of \$2,210,017 allows for a possible modest increase in participant levels in 2020, but may be subject to amendment.

K. PEOPLE

Subject	2. Approve a professional services contract with Heidrick and Struggles to conduct an executive search for the Chief Government and Public Relations Officer position in an amount not to exceed \$105,000.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, approve a professional services contract with Heidrick and Struggles to conduct an executive search for the Chief Government and Public Relations Officer position in an amount not to exceed \$105,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

The Port Authority is seeking to create a new role, Chief Government and Public Relations Officer, to report to the Executive Director. The role will work directly with the Port Commission and Port Houston's Executive team to provide strategic leadership of the organizations' efforts to engage with and collaborate with key partners at the federal, state, and local levels.

Port Houston has a need for a transformational executive leader who can develop and pursue strategies to promote Port Houston's priorities in the legislative and public realm. This new Chief Officer is expected to play a key role in the current and ongoing top priority for Port Houston, the widening of the Houston Ship Channel, an extremely complex and significant infrastructure project requiring coordinated efforts at the federal, state and local levels with public and private stakeholders. Candidates will need strong government affairs and public relations expertise that includes legislative or lobbyist experience and the ability to navigate the unique stakeholder environment of Port Houston.

Staff Evaluation/Justification:

Staff recommends engaging an executive search firm to assist with the identification, recruitment and attraction of top talent for this role.

Port Authority staff has solicited proposals from five executive search firms. Staff recommends retaining Heidrick and Struggles to assist in the identification and selection of a Chief Government and Public Relations Officer. Heidrick and Struggles offers a dedicated and experienced team with relevant expertise in government affairs and public relations and has an extensive network throughout Texas and nationally.

Heidrick and Struggles has proposed a flat fee of \$100,000 for this executive search engagement in addition to reimbursement for direct expenses, which has been estimated at \$5,000.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	1. Approve a two-year extension to the professional services contract with Oil Mop LLC dba OMI Environmental Solutions for hazardous materials incident response services.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, approve a two-year extension to the professional services contract with Oil Mop LLC dba OMI Environmental Solutions for hazardous materials incident response services, 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 4a. - Be an environmental leader Strategic Objective 4c. - Operate safely and securely

Category:
Awards, Amendments & Change Orders

Department:
PSEO

Staff Contact:
Colin Rizzo

Background:
By Minute No. 2017-1023-24, the Port Commission awarded a two-year professional services contract, with an option for a two-year extension, to Oil Mop LLC dba OMI Environmental Solutions for hazardous materials incident response services in the amount of \$100,000. The contract is used on an "as needed" basis and was initially funded at \$100,000 based on historical usage. By Minute No. 2018-0731-18, a change order was approved to add an additional \$150,000 to the purchase order, based on contract usage. Since the contract was put in place, the vendor has responded to multiple incidents and has performed satisfactorily.

Due to the uncertain nature of emergency management, it continues to be in the best interests of the Port Authority to have a "stand-by" hazardous materials incident response services contract in place for the safety of personnel and the environment. By competitively procuring the contract in advance of an incident, the Port Authority is eligible for potential reimbursement from the Federal Emergency Management Agency in a declared disaster.

Staff Evaluation/Justification:
Staff recommends that the Port Commission approve a two-year extension to the current professional services contract with Oil Mop LLC dba OMI Environmental Solutions. No additional funds are requested at this time as approximately \$85,000 remains on the open purchase order.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	2. Enter into an Intergovernmental Agreement with the City of Morgan's Point for security services for one year in an amount not to exceed \$24,720.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, authorize the Port Authority to enter into an Intergovernmental Agreement with the City of Morgan's Point for security services for one year in an amount not to exceed \$24,720, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4c. - Operate safely and securely STRATEGIC GOAL #4 - STEWARDSHIP (Sustain the business for the long-term)

Category:
General

Department:
Police

Staff Contact:
Mark Smith

Background:

The Port Authority's Police Department has primary law enforcement jurisdiction within Barbours Cut Terminal, with the City of Morgan's Point providing primary police services within the city jurisdiction that surrounds the terminal.

The current one-year Intergovernmental Agreement expires on September 30, 2019. The cost is divided into 12 monthly amounts of \$2,060, for a total annual cost of \$24,720. If approved by the Port Commission, the agreement would then also be required to be approved by the Morgan's Point City Council.

Staff Evaluation/Justification:

The Port Authority and the City of Morgan's Point each stands to benefit from an Intergovernmental Agreement which fosters cooperation in responding to crime in and around Barbours Cut Terminal.

Staff recommends that the Port Commission approve the above agreement.

M. TECHNOLOGY

Subject	1. Issue a purchase order to Critical Start for purchase of Mimecast annual software licensing and software support for the Port Authority's Information Technology infrastructure, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$58,000.
Meeting	Sep 24, 2019 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 24, 2019 meeting, issue a purchase order to Critical Start for purchase of Mimecast annual software licensing and software support for the Port Authority's Information Technology infrastructure, using Texas Department of Information Resources cooperative purchase program, in an amount not to exceed \$58,000, 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.

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Ron Farrow

Background:

The Port Authority is seeking to obtain renewal of licenses and maintenance for its Mimecast product. Mimecast software provides the Port Authority with the ability to archive emails for record retention, historical searches, and public records requests. The Port Authority has been utilizing the Mimecast application and services for almost four years.

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

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

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring Mimecast licenses and maintenance through the Texas Department of Information Resources (DIR) purchasing program is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

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

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