

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
September 29, 2020

<u>Minute No.</u>	<u>Event/Action</u>
	General
	Chairman Campo convened the virtual Port Commission meeting
2020-0929-01	Adopt a Resolution of the Port Commission in Honor of Alan Clark
	Chairman Campo provided opening remarks
	Minutes
2020-0929-02	Approve the minutes of the July 30, 2020 Port Commission meeting
	Staff Reports
2020-0929-03	Roger Guenther, Executive Director, presented a summary of selected operational matters
	Appearances
2020-0929-04(a)	Chairman Campo introduced Roland Garcia, Board of Pilot Commissioners for Harris County Ports, who addressed the Port Commission
2020-0929-04(b)	Chairman Campo recognized Rev. James Caldwell, Coalition of Community Organizations, who addressed the Port Commission
2020-0929-04(c)	Chairman Campo recognized Kristine Singleton, Houston Port Communities Coalition, and Texas Health and Environment Alliance, who addressed the Port Commission
	F. Executive
2020-0929-05	Chairman Campo recognized Mr. Heidt to provide a report of selected Executive Division agenda items
2020-0929-06	Amend the professional services agreement with HDR Engineering, Inc. for services related to the San Jacinto River Waste Pits Superfund Site

<u>Minute No.</u>	<u>Event/Action</u>
2020-0929-07	Authorize the Community Relations Committee to review staff recommendations and rank and approve awards under the 2020 Community Grants Program
2020-0929-08	Approve a donation to the American Association of Port Authorities Port Employee Emergency Relief Fund to help support port employees impacted by Hurricane Laura and other storms during the 2020 hurricane season
2020-0929-09	Authorize a three-month extension to the Amended Interlocal Agreement with the Board of Pilot Commissioners for Harris County Ports regarding the performance of certain governmental functions and services
2020-0929-10	Authorize the Executive Director to (i) represent, in connection with certain grant applications, that the Port Authority will provide funds needed for the project supported by such grant award, and (ii) enter into grant agreements obliging the Port Authority to do so
2020-0929-11	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, contingent on securing additional grant funding totaling \$750,000
G. Commercial	
2020-0929-12	Chairman Campo recognized Mr. Heidt to provide a report of selected Commercial Division agenda items
2020-0929-13	Approve a two-year contract with a third-year mutual option, with Flensburg and Associates GmbH for trade development activities on behalf of the Port Authority in Europe, the Mediterranean, and selected countries in Africa and the Middle East in respective amounts not to exceed \$253,000 and \$131,090
2020-0929-14	Approve a two-year contract with a third-year mutual option with Ben Line Agencies Singapore, Limited, for trade development activities on behalf of the Port Authority in Asia in respective amounts not to exceed \$381,817 and \$197,054
2020-0929-15	Enter into a two-year contract with a third-year option with IHS Global Inc. for access to the Journal of Commerce Port Import/Export Reporting Service 2021 through 2023 databases and optional industry reports, effective January 1, 2021, in respective amounts not to exceed \$194,782 and 106,241

<u>Minute No.</u>	<u>Event/Action</u>
2020-0929-16	Approval of a fifth amendment to the Lease Agreement with Sesco Cement Corp. to add an additional 0.59 acres to the existing 19.55-acre Lease Premises for a total of approximately 20.14 acres out of the Southside Turning Basin, effective no earlier than October 1, 2020, at an annual total rent of \$396,455.76 subject to annual base rent escalation equal to the increase in the Consumer Price Index, not to exceed 4%
2020-0929-17	Authorize the extended term of a month-to-month lease with RLB Contracting, Inc. for approximately 0.433 acres out of Block 4 of Sims Bayou effective no earlier than December 1, 2020 with a 3% annual increase over the existing month-to-month premium rate, for an annual rent of \$10,387.92

H. Finance

2020-0929-18	Chairman Campo recognized Mr. Heidt to provide a report of selected Finance Division agenda items
2020-0929-19	Authorize renewal of the agreement with AS&G Claims Administration, Inc. for third party administration services for the Port Authority's self-insured workers' compensation and liability program for an additional one-year period
2020-0929-20	Adopt a resolution expressing the Port Authority's intent to finance Houston Ship Channel Expansion Channel Improvement Project expenditures with the proceeds of tax-exempt debt obligations

I. Infrastructure

2020-0929-21	Chairman Campo recognized Mr. Heidt to provide a report of selected Infrastructure Division agenda items
2020-0929-22	Approve staff's ranking of vendors and award a two-year environmental services agreement for public water supply operator services to the top-ranked proposer: staff ranking- first, Miggins Interest, LLC dba Hydro Tech Utilities; second, Tejas Environmental Enterprises, LLC dba Texas Operations and Professional Services; and third, Public Utility Services, Inc. Port Commission adopted the staff-recommended ranking and authorized award
2020-0929-23	Approve staff's ranking of vendors and award a professional services contract to provide professional services in support of Houston Gateway & Gulf Coast Container on Barge Central Node Study (Container-on-Barge

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	Study) to the top-ranked proposer: staff ranking - first, WSP USA, Inc.; second, Moffatt & Nichol; and third, Hatch
	Port Commission adopted the staff-recommended ranking and authorized award
2020-0929-24	Amend the professional services contract with Lockwood, Andrews & Newnam, Inc. for construction phase services associated with the rail spur at Bayport Container Terminal
2020-0929-25	Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Wharf 3, construction of electrical infrastructure, and Lighter Aboard Ship (LASH) dock demolition at Barbours Cut Terminal
2020-0929-26	Ratify, and authorize an amendment to, the Memorandum of Understanding with Harris County for the conveyance and maintenance of drainage features associated with the Port Road project
2020-0929-27	Issue Watco Companies a permit to operate over a portion of railroad right-of-way known as the "Brown Lead" to provide direct movement of locomotives and railcars in service at its plant at Greens Port
2020-0929-28	Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: Enterprise Intrastate LLC, Enterprise Texas Pipeline LLC, Explorer Pipeline Company, Houston Pipe Line Company LP, HSC Pipeline Partnership, LLC, INEOS Americas LLC, Seaway Crude Pipeline Company, and Valero Refining-Texas, L.P.
2020-0929-29	Issue a transmission line license to Comcast of Houston, LLC for one fiber optic cable line over and across the Port Authority's Manchester Terminal Spur Railroad right-of-way
2020-0929-30	Issue a pipeline license to HSC Pipeline Partnership, LLC for one 8-inch high purity ISO-Butane pipeline under and across Cedar Bayou, Banana Bend, and San Jacinto River
2020-0929-31	Amend a pipeline license to NuStar Logistics, LP to add one 12-inch refined petroleum product pipeline under and across the Southside Mainline Railroad right-of-way
2020-0929-32	Amend a marine construction permit issued to Boone Towing, Inc. to dredge an additional 0.3 acres and add three moorings in Old River along Lakeside Drive

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2020-0929-33	Issue a marine construction permit to and approve a private and a port-adjacency barge fleeting lease agreement with AccuTRANS Fleeting Services LLC for approximately 4.8 acres of submerged lands in Old River at an initial monthly rental amount of \$5,964 for a ten-year term
2020-0929-34	Approve a private adjacency barge fleeting lease agreement and a marine construction permit with Boone Towing, Inc. for approximately 18.15 acres of submerged lands in Old River at a monthly rental amount of \$5,445 for a ten-year term
J. Operations	
2020-0929-35	Chairman Campo recognized Mr. Heidt to provide a report of selected Operations Division agenda items
2020-0929-36	Award a contract to Konecranes, Inc., the sole source provider, for purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control system retrofit for four rubber-tyred gantry cranes at Barbours Cut Terminal
2020-0929-37	Award a contract to Cavotec USA Inc., the sole source provider, for repairs to a medium-voltage cable trench cover at Bayport Container Terminal
2020-0929-38	Authorize additional purchase order funding for continuing pandemic response services with Workplace Safety Screenings for \$650,000 and Ambassador Services, LLC for \$600,000
2020-0929-39	Issue a purchase order to PaveConnect Logistics LLC, for asphalt repairs at Turning Basin Terminal's Central Maintenance compound, using the OMNIA Partners (formerly National IPA/US Communities) cooperative purchase program
2020-0929-40	Issue a purchase order to Carrier Enterprise, LLC, for purchase of one 150-ton chiller unit and installation of two 150-ton chiller units for the Bayport Container Terminal's Administration and Maintenance & Repair buildings, using the Sourcewell cooperative purchase program
2020-0929-41	Issue a purchase order to International Business Machines for the purchase of electronic data interchange pre-processor for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using Texas Department of Information Resources' cooperative purchase program, (inclusive of one year maintenance and support)
2020-0929-42	Approve a 30-year lease with Texas Stevedoring Services, LLC for interim premises (an approximately 12.00-acre parcel of land at Barbours Cut

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Terminal) and permanent leased premises (an approximately 11.50-acre parcel of land at Barbours Cut Terminal), providing for an expansion option

K. People

2020-0929-43 Chairman Campo recognized Mr. Heidt to provide a report of selected People Division agenda items

2020-0929-44 Authorize renewal of group insurance agreements with the following carriers to include coverage for calendar year 2021: (a) Aetna Life Insurance Company, for dental, vision, and Medicare Advantage 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) coverage and short-term disability (STD) coverage

2020-0929-45 Authorize an additional premium payment to Aetna Life Insurance Company, for additional 2020 group dental coverage

L. Port Security and Emergency Operation

2020-0929-46 Chairman Campo recognized Mr. Heidt to provide a report of selected Port Security and Emergency Operations Division agenda items

2020-0929-47 Enter into an Intergovernmental Agreement with the City of Morgan's Point for police services for one year

M. Technology

2020-0929-48 Chairman Campo recognized Mr. Heidt to provide a report of selected Technology Division agenda items

2020-0929-49 Issue a purchase order to Mythics, Inc. for purchase of three-year licensing for the Port Authority's JDEdwards enterprise resource planning software, using the Texas Department of Information Resources' cooperative purchase program

2020-0929-50 Approve the purchase of annual software subscription and support services for ManageEngine service desk ticketing software from SHI Government Solutions, using the Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program

Recess Open Meeting and Convene Executive Session

Reconvene Open Meeting

Minute No.

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2020-0929-51

Authorize the Port Authority to enter into or amend the agreements for legal services with (a) J. Kent Friedman, (b) W. Allyn Hoaglund, and (c) Littler Mendelson on the terms discussed in Executive Session, and to authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing

Adjourn Meeting

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

**Houston, Texas
September 29, 2020**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on September 29, 2020 at 9:15 a.m., via Cisco WebEx. The following commissioners, staff, and counsel were present:

Ric Campo, Chairman
Wendy Cloonan, Commissioner
Dean Corgey, Commissioner
Cheryl Creuzot, Commissioner
Stephen DonCarlos, Commissioner
Clyde Fitzgerald, Commissioner
Roy Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

Chairman Campo began the meeting by recognizing Alan Clark, the Director of Transportation Planning for the Houston-Galveston Area Council, who was retiring at the end of September. Chairman Campo declared that for decades Mr. Clark had been a true champion of transportation planning and infrastructure improvements in the region. Through his dedication and leadership Mr. Clark had a tremendous positive impact on regional mobility, efficient freight movement, multimodal transportation planning, and improvements to air quality.

Chairman Campo remarked that Mr. Clark had always recognized the importance of the Port Authority and its economic impact to the region, state, and nation and had advocated for efficient multimodal solutions, including the Broadway Double Track Project and the establishment of the Greater Houston Freight Committee.

Chairman Campo explained that the Port Authority was honoring Mr. Clark with a resolution in recognition of his service to the community, the Houston-Galveston Area Council, the Port Authority, City of Houston, Harris County, and the State of Texas. The Chairman wished Mr. Clark the very best in his retirement and thanked him for the many years of partnership and friendship with the Port Authority.

(2020-0929-01) Chairman Campo called for a motion to adopt a Resolution of the Port Commission in Honor of Alan Clark. Commissioner Mease moved for approval, seconded by Commissioner Fitzgerald. The resolution was adopted.

Mr. Clark addressed the meeting, expressing his thought that it was a great privilege to receive the honor, and felt it belonged to all the members of the Transportation Policy Council. He emphasized that the Port Authority had provided wonderful representation to the Houston-Galveston Area Council and that Mr. Guenther specifically had done an

excellent job on the policy council. The benefit of having the Port Authority on the policy council was to bring regional thinking to the table; while many of the members represented one city or county, the Port Authority understood how important it was to work together to find solutions to the many challenges the region faced and to seize the opportunities that arose.

Commissioner DonCarlos expressed his gratitude and that he had appreciated working with Mr. Clark on east end of Harris County matters.

Mr. Guenther stated he would miss Mr. Clark, wished him the best of luck, and added that his engagement and recognition of the economic impact of the Port Authority and freight mobility had been tremendous.

Commissioner Mease noted that the recognition of Mr. Clark was well deserved.

Chairman Campo proceeded with an update on the disparity study that was nearing completion. He reminded attendees that the Port Authority had contracted with Griffin and Strong, P.C. in August of 2019 to perform the study and a draft report was expected within the week.

Chairman Campo explained that the study was initiated to review the Port Authority's already robust small business program, which had provided economic development for the community totaling over a half billion dollars since its inception. The disparity study would help see if the program, though it already was award-winning, could be improved. The hope was that as a result of the study, the program would be improved and expanded to reach more of the Port Authority's community partners.

Chairman Campo stated the Port Commission and staff would have the opportunity to review the initial draft for a short period and offer comments; the final report was scheduled to be submitted in October and would include all findings and recommendations. Following submission of the final report, a presentation and executive summary would be made by Griffin and Strong to the Port Commission – hopefully at the October 2020 meeting.

Chairman Campo thanked Port Authority employees, including those who worked on the docks and terminals, along with members of the International Longshoremen's Association handling cargo for the region. He also thanked the employees working remotely and members of the Port Police and Fire Departments.

Chairman Campo spotlighted the Project 11 team that had kept the channel deepening and widening project moving forward. The project was included in both the House and Senate versions of the Water Resources Development Act (WRDA) legislation,

and staff was hopeful that the bill would be completed and signed by the end of the year so that construction could begin in 2021.

(2020-0929-02) Chairman Campo called for a motion to approve the minutes of the July 30, 2020 Port Commission meeting. Commissioner Corgey moved for approval, seconded by Commissioner Mease. The minutes were approved as written.

(2020-0929-03) Roger Guenther, Executive Director, presented a summary of selected operational matters as follows.

Mr. Guenther highlighted operating results since the last Port Commission meeting in June:

- Total tonnage across the public docks was down 5% for the year through August.
- General cargo continued to struggle as a result of the decline in import steel.
- Container volumes showed signs of strength, especially on the import side.
- Cancelled sailings had subsided and been offset recently with an increase in “extra loaders” feeding peak season demand for retail goods.
- Momentum on the export side had been set back after several resin production facilities in southeast Texas and southwest Louisiana were shut down because of Hurricane Laura.
- September volumes were solid. Despite the impact resulting from closure of the ship channel for three days due to Tropical Storm Beta, the terminals remained open for operations and continued to serve customers.

Mr. Guenther reported that more than \$7,000 in relief donations had been made by Port Authority employees and industry partners to those who were impacted by Hurricane Laura, including a \$5,000 donation by Cooper/Ports America, a Port Authority stevedore. Staff had a recommendation on the agenda for the approval of a \$10,000 donation from the Port Authority to the American Association of Port Authority’s (AAPA) emergency relief fund, to provide direct assistance to other ports’ employees in areas hardest hit by the hurricane.

Mr. Guenther continued with an update on Project 11 and the WRDA bill. Staff continued to make tremendous progress with the U.S. Army Corps of Engineers toward design completion, which would place the project in a great position to move forward following congressional authorization and funds appropriation. It was anticipated that passage of the WRDA bill would occur after the November election.

Mr. Guenther emphasized that COVID-19 had not impacted the advancement of Project 11, as staff continued to advance through the steps needed toward commencement of construction. Mr. Guenther gave a shoutout to Rich Byrnes, Chief Infrastructure Officer,

Charlie Jenkins, Senior Director, Strategic Programs, Lori Brownell, Director, Channel Improvement, and their staff and consultants for the outstanding leadership and diligence in keeping the project on track to “turn dirt” as soon as possible. To ensure its success, staff also continued to remain engaged with Houston Ship Channel stakeholders in unified advocacy for the project.

Finally, Mr. Guenther introduced Kerrick Henny, the recently hired Chief of Government and Public Relations, who would oversee the Government Relations and Media Relations departments. In this role, Mr. Henny would work directly with the executive team and the Port Commission to provide strategic leadership and oversight of the Port Authority’s efforts to engage and collaborate with key partners at the federal, state, and local levels.

Mr. Guenther emphasized that Mr. Henny had over 25 years of experience working with a broad range of stakeholder groups, including legislators, agency leaders, and other policy makers at all levels of government. Mr. Guenther was confident that Mr. Henny’s leadership skills, expertise, and extensive experience in government and public affairs would make him an excellent addition to the Port Authority team.

(2020-0929-04) Appearances

(a) Chairman Campo recognized Roland Garcia, Commissioner, Board of Pilot Commissioners for Harris County Ports, who addressed the Port Commission.

Mr. Garcia noted that there had been about twenty meetings of the Pilot Board transition committee and significant progress had been made. A request for qualifications had been published for legal counsel services, as well as two requests for proposals, one for an executive director and the other for an incident investigator. This followed the committee’s study of models across the country for best practices, operations, and budgets. Good and credible submissions for these positions had been received and interviews were currently underway.

Mr. Garcia observed that the enabling statute did not provide for funding and so the committee had to take on the task of finding funding. Several meetings were convened, and stakeholders were invited including the pilots themselves, representatives from shipping companies, the chemical companies, terminal owners, and ship owners, in an attempt to reach a consensus on how to fund the Pilot Board. As a result of the meetings, the Houston Pilots have agreed to fund operations for a two-year period.

Mr. Garcia explained the point of building consensus was to avoid any arguments that a conflict of interest would arise due to funding by the pilots, and the stakeholders were in favor of the Pilots’ funding. Within the next 30 to 60 days the negotiations would

be completed, contracts would be signed, office space would be attained, human resources would be up and running, and counsel would be in place.

Mr. Garcia emphasized that most of the leg work had been done. The full Pilot Board met recently and voted unanimously to ask for an extension of the interlocal agreement to allow for completion of the remaining measures.

Mr. Garcia thanked Chairman Campo, Mr. Eriksson, and Tyler Gavis, Manager, Pilot Administration, for being great resources and helping to navigate the transition. The good news was that the Pilot Board should be up and running by the end of the year.

Commissioner Mease asked how many times the Pilot Board had met since January. Mr. Garcia answered that the Pilot Board had met four times.

Commissioner Mease questioned whether the Pilot Board was getting the job done when it was meeting so infrequently.

Chairman Campo emphasized that the transition committee had met over 20 times, the Pilot Board had met quarterly to follow up with the transition committee, and there had been a lot of offline discussion as well. Chairman Campo felt that the transition would have already been completed had the pandemic not set everything back. He reminded everyone that while he was still the chairman of the Pilot Board, he had allowed the transition committee to go in its own direction since he would not be part of the Pilot Board moving forward.

Chairman Campo felt that the Pilot Board and the transition committee understood that, should the Port Commission approve the extension of the interlocal agreement, there would be no further extensions granted.

Commissioner DonCarlos suggested that Mr. Garcia used the word “should” in his remarks. Barring another act of God in 2020, Commissioner DonCarlos wanted a reassurance that Mr. Garcia was confident there would be no further need for an extension.

Mr. Garcia stated he felt very confident that there would be no further extension needed: the Pilot Board was on track to be up and running by the end of the year.

Commissioner Fitzgerald emphasized that a strong and successful Pilot Board was needed in order to make the port successful, and stated that he was in favor of granting the extension.

Commissioner Corgey appreciated all the hard work that had been done, and that creating the Pilot Board from scratch was no easy task. The pilots were critical to the industry and the operation had to be kept running.

Chairman Campo thanked Mr. Garcia and his team for the work that had been done. He also thanked the Pilots for stepping up to fund the organization. Additionally, at the last Pilot Board meeting, industry approved of the plan to have the Pilots fund it for two years, despite the concept that a conflict of interest could occur because the regulator was being paid by the regulated party. Chairman Campo expressed his view that such a model was not uncommon, as accountants, real estate brokers, and lawyers in Texas all pay to fund their regulators.

(b) Chairman Campo recognized Rev. James Caldwell, Coalition of Community Organizations, who addressed the Port Commission.

Rev. Caldwell thanked the Port Commission and staff for allowing the port community to grow through communication and engagement. He felt that communication was essential regarding the economic, environmental, and health impacts that the port had on the community. The opportunity to share such impacts with the Port Authority was essential: as the port grew, the surrounding communities would grow as well.

Chairman Campo thanked Rev. Caldwell for his comments and invited anyone interested to attend the Port Commission Community Advisory Council open meeting scheduled for the forthcoming Thursday. He felt it was critical for the Port Authority to have community outreach.

(c) Chairman Campo recognized Kristine Singleton, Houston Port Communities Coalition, and Texas Health and Environment Alliance, who addressed the Port Commission.

Ms. Singleton explained that her team at Texas Health and Environment Alliance had spent nearly a decade working toward the Environmental Protection Agency's (EPA) safe removal work at the San Jacinto River Waste Pits superfund site. She supported the Port Authority's authorization to work with an outside engineering firm.

Ms. Singleton felt the superfund process could not be solved by the EPA or the responsible parties alone. The situation was extremely complex and to be successful, cooperation and coordination would be needed from a myriad of agencies.

Ms. Singleton was aware that the Port Authority and Harris County had advocated to be part of the technical working group's regular meetings, strongly supported this, and urged the Port Authority to encourage the EPA to use every ounce of its authority to clean up the superfund site as efficiently as possible. She firmly believed that local stakeholders such as Harris County and the Port Authority should have a seat at the table when decisions were being made regarding the cleanup.

Chairman Campo thanked Ms. Singleton and noted that agenda Item F1 was the item she was speaking about. The Port Authority would have its own engineering company focus on the issue.

Commissioner DonCarlos applauded all groups helping with the superfund site. He had observed a person fishing in the site the previous day which, to him, underscored the need to get the site cleaned up quickly, efficiently, and as economically as possible.

Commissioner Corgey added that the mariners working on the ship channel appreciated getting the site cleaned up quickly as well, as they had been worried about it for some time.

(2020-0929-05) Chairman Campo recognized Tom Heidt, Chief Operating Officer, to provide a report of selected Executive agenda items.

Mr. Heidt first explained that the item related to Ms. Singleton's comments was for approval of a contract with HDR to act as the Port Authority's eyes and ears on the cleanup of the San Jacinto River Waste Pits.

Regarding Item F2, Mr. Heidt explained that Port Authority bylaws authorized the Port Commission to give its committees power to vote on items. The request was that the Port Commission authorize the Community Relations Committee to approve or disapprove staff's recommendations for the 2020 Community Grant Program.

Mr. Heidt noted that the third item was for a \$10,000 donation by the Port Authority to the AAPA Port Employees Emergency Relief Fund as previously mentioned. Mr. Heidt added that Port Authority staff received relief from the fund after Hurricane Harvey and Tropical Storm Imelda.

Mr. Heidt stated that Item F4 was for the extension of the interlocal agreement with the Pilot Board as previously mentioned by Mr. Garcia.

Item F5 was a request to give authority to the Executive Director to represent the Port Authority when it received the initial paperwork for grant applications and agreements. All projects over \$50,000 would still be brought before the Port Commission for approval.

Mr. Heidt explained that Item F6 was for a \$250,000 grant to the Severe Storm Prediction, Education, and Evacuation from Disaster (SSPEED) Center, contingent on the SSPEED Center securing \$750,000 from other sources. The Port Authority would not give the \$250,000 until the remaining \$750,000 was obtained.

Commissioner Mease remarked that he appreciated that the Pilots had stepped forward and stated he would support the extension of the interlocal agreement. However, he emphasized that a different funding method needed to be worked out in the long term so that the burden was not permanently placed on the Pilots. He added that he thought it was a conflict of interest and that the Pilots would be regulating themselves.

Chairman Campo commented that Item F6 had been on the agenda before and there was a lot of debate over it. He did not think that passing the item would be a sign of the Port Authority's support of the SSPEED Center's project; rather, the grant was seed money to get more information and to see if the project was viable, and it was all about trying to get more funding to do the math on the engineering.

Chairman Campo reiterated that even without that, the SSPEED Center proposal had been able to get support from the City of Houston, Harris County, and a press release from the Corps of Engineers. The grant was strictly about funding further study of the project so that all stakeholders, including those in the port area, could see whether further pursuit of the project made sense.

Commissioner DonCarlos explained how twelve years ago he walked through the Lakewood Subdivision in Baytown and saw firsthand the effects of a 14-foot storm surge. He understood the necessity for a system to protect ship channel residents and industries from storm surges. However, the Coastal Spine project, which was endorsed by all of the east end of Harris County and the Army Corps of Engineers, was already in the works and had sadly been unable to secure funding to commence.

Commissioner DonCarlos felt that, from a practical matter, to start spending public money to study a second project made no sense. He reminded the Port Commission that the SSPEED Center project was primarily in Chambers County, which had sent a resolution to the Port Commission stating its opposition to the project. Commissioner Billy Combs of Chambers County, whose precinct covered the project area, also emailed Mr. Guenther stating solid opposition to Port Commission funding of the project.

Commissioner DonCarlos emphasized that it made no sense to him to be spending \$250,000 of public money for a project where the people directly affected did not want it. He added that there was concern a competing project would affect any potential funding for the Coastal Spine project.

Commissioner DonCarlos understood that Harris County, which had put little money into the project, supported it, and the City of Houston, which had put no money into the project, also supported it.

He continued by observing that the project was dependent on fill material, not from Project 11, but from a future widening project that would not happen for decades.

Commissioner DonCarlos wondered how the SSPEED Center project would get funding if the Coastal Spine could not, adding that he felt it was absurd and believed the project was a feed trough for consultants. It was not advantageous to the Port Authority but rather an improper use of funds.

Commissioner DonCarlos continued that he understood that the \$250,000 grant would not amount to sponsorship of the project by the Port Authority. Nonetheless, he felt that the SSPEED Center would use the Port Authority's name as a *de facto* sponsor of the project to raise more money. In his representation of the thirty-one cities in Harris County that were opposed to the SSPEED project, Commissioner DonCarlos stated he would not be voting for the agenda item. He hoped that, should the Port Commission pass the item, it be made clear in written communication to SSPEED that the Port Authority's name not be used as an endorsement or sponsorship of the project and in connection with raising money from other sources.

Commissioner Mease agreed with Commissioner DonCarlos. He had attended several meetings concerning the Ike Dike but did not take a position as a Port Commissioner as he did not believe the Port Authority had any business selecting something that would not happen. Rather, he thought the goal should be to widen the channel to 700 feet, and there should be no interference with any other group attempting to get money. He observed that the Port Authority would spend \$30 million on engineering work for Project 11 and so one million dollars spent by SSPEED for engineering would only be a drop in the bucket.

Commissioner Mease added that if the SSPEED Center project did come to pass, it would be in 15 years. He reiterated that the Port Authority should not be involved in it, its sole goal should be widening the channel to 700 feet, and remarked that he had not asked Mr. Guenther directly, but imagined that he did not support the SSPEED Center project either.

Commissioner Mease continued by observing that he did not appreciate a person being appointed to a board to do the best possible job and then being told how to vote by another individual. He felt each Port Commissioner was capable of making his or her own decision, and concluded that he would be voting nay on the agenda item.

Commissioner Corgey appreciated the concern of residents in the small cities, but the fact was that Hurricane Ike had hit twelve years ago and nothing had happened since. He wanted to see something happen as the Port Authority needed to be concerned about the port. If Hurricane Laura had come up Galveston Bay, there would have been storage tanks floating around and catastrophic pollution incidents, and so something needed to be done to protect the port.

Commissioner Corgey did not know what could be done to protect the port but believed that the \$250,000 grant would give a clearer idea of what could be done and at what cost. He kept hearing that the Ike Dike was too expensive, and the price always seemed to be increasing, and so he was in favor of giving the SSPEED Center project a chance.

Commissioner Cloonan agreed with Commissioner Corgey. She wanted something to be done and wanted to be clear that the \$250,000 would not be given until the SSPEED Center could prove the validity of its project, by first obtaining \$750,000 – there was nothing wrong with collecting data to figure out the best path forward.

Commissioner Fitzgerald emphasized that the SSPEED Center should be told the Port Authority was not supporting one project over the other, and could not go to the community and state the Port Authority was in support of the project.

Commissioner Creuzot commented that she was in favor of spending the \$250,000 to gather information about what she deemed to be critical protection of the port. She felt it wise to initially spend the money to gather information about the viability of the project.

Chairman Campo commented that the Port Commission would not always agree on everything. He thanked Commissioner DonCarlos and Commissioner Mease for being forthright in representing their communities and making their positions clear. There was something to be said about being able to disagree in an agreeable manner, and being able to come together, state opinions, and agree to disagree was the way a group ought to function.

(2020-0929-06) RCA F1 was presented, moved by Commissioner Mease, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F1 PASSED.

(2020-0929-07) RCA F2 was presented, moved by Commissioner Mease, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F2 PASSED.

(2020-0929-08) RCA F3 was presented, moved by Commissioner Mease, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F3 PASSED.

(2020-0929-09) RCA F4 was presented, moved by Commissioner Mease, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan,

Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F4 PASSED.

(2020-0929-10) RCA F5 was presented, moved by Commissioner Mease, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F5 PASSED.

(2020-0929-11) RCA F6 was presented, moved by Commissioner Corgey, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, and Fitzgerald voted Aye. Commissioners DonCarlos and Mease voted Nay. RCA F6 PASSED.

(2020-0929-12) Chairman Campo recognized Mr. Heidt to provide a report of selected Commercial agenda items.

Mr. Heidt addressed items one and two, pertaining to the renewals of trade development service assistance. Flensburg and Associates would represent the Port Authority in Europe and Ben Line would do so in Asia. Ben Line had represented the Port Authority since 2010 while Flensburg had done so since 2018.

Commissioner DonCarlos requested that Mr. Guenther give a brief report at the next meeting about what the trade agents in other countries do for the Port Authority and how they go about their business. He felt it would be interesting and educational to find out what the Port Authority was getting for its funds spent overseas.

Chairman Campo agreed with Commissioner DonCarlos, adding that he had asked that question during his briefing and received a detailed answer.

Mr. Guenther stated he would put the report on the agenda. He emphasized that the firms had helped the Port Authority expand its reach by contacting beneficial cargo owners, and were part of weekly team meetings regarding targets for commercial activities.

(2020-0929-13) RCA G1 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G1 PASSED.

(2020-0929-14) RCA G2 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G2 PASSED.

(2020-0929-15) RCA G3 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G3 PASSED.

(2020-0929-16) RCA G4 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G4 PASSED.

(2020-0929-17) RCA G5 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA G5 PASSED.

(2020-0929-18) Chairman Campo recognized Mr. Heidt to provide a report of selected Finance agenda items.

Mr. Heidt noted there were two items on the agenda and first addressed the final option year with AS&G, for third party administration services for the Port Authority's self-insured workers' compensation and liability program. This item would be bid next year.

Concerning agenda Item H2, Mr. Heidt explained that federal and state law required certain steps to be taken when entities wanted to issue debt obligations, which the Port Authority would have to do in order to pay for Project 11. The resolution called for would allow the Port Authority to reimburse itself for costs paid prior to the issuance of said obligations.

Chairman Campo clarified that Item H2 was a precursor to how Project 11 would be financed. It did not require the Port Authority to spend 100% of the money, since it was still hoped that industry would step up and fund half the cost, using some sort of mechanism as was promised. Chairman Campo noted that the ball had not moved forward on the funding issue as much as preferred due to the onset of COVID-19 but ultimately the subject would be revisited.

Chairman Campo explained that if the funding mechanism was a fee or something similar, it would be incorporated into the revenue stream that would ultimately support Port Authority bonds, which would not be backed by Harris County tax revenues. He reiterated that he wanted it understood that Harris County bonds were not being contemplated; the resolution only related to bonds issued by the Port Authority using its own cash flow as a source of repayment.

(2020-0929-19) RCA H1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2020-0929-20) RCA H2 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H2 PASSED.

(2020-0929-21) Chairman Campo recognized Mr. Heidt to provide a report of selected Infrastructure agenda items.

Mr. Heidt explained various agenda items, beginning with Item I2 for the approval of staff's ranking of vendors for a study to investigate requirements necessary for the Port Authority to develop a container-on-barge terminal. Staff had been discussing the container-on-barge study for quite some time, and recently the U.S. Department of Transportation provided a grant opportunity to investigate the efficiencies of running such a facility. The study was needed to determine the location and equipment needed for the operation and the grant was for \$225,000, with the Port Authority's share at \$45,000.

Mr. Heidt addressed Item I5: previously the Port Commission had approved conveyance of Port Road to Harris County once it was completed. However, at the time of the approval, staff did not have all the documentation for the drainage components of the project and so staff was requesting amendment of the memorandum of understanding with the county to include the drainage features in the conveyance and maintenance.

Commissioner Fitzgerald inquired as to whether the container-on-barge study was inside or outside the port community, and if it was to bring containers on barges from outside of Houston, or to move containers around Port Authority facilities. Mr. Heidt answered that it was for both. Mr. Guenther added its feasibility needed to be studied. While a barge terminal at Barbours Cut Container Terminal or Bayport Container Terminal might interfere with the large ships coming in, he felt it was worthwhile to study and was in favor of any measures that could be taken to improve and create more commerce.

Commissioner Fitzgerald wanted to make sure the Port Authority stayed focused on Chambers County because it would be a big distribution area in the future and it would make sense to get some trucks off the highway and move containers by barge.

Mr. Guenther replied that movements to Chambers County would be part of the study, along with the upper reaches of the Houston Ship Channel.

Commissioner Corgey noted that what was being discussed was short-sea shipping, which he had advocated for many years, would get trucks off the highways and stop tearing up bridges and roadways, and would also be more efficient in terms of emissions as there would only be one tow boat used instead of several trucks.

Commissioner DonCarlos was also in favor of the grant. He noted that the Port of Freeport and the Highway 36A Coalition had studied a freight shuttle system that the Port Authority had also taken a cursory look at, which would move containers by freight rail up to the Interstate 10 area to be offloaded. He suggested that it would behoove the Port Authority to look at every possible way to stay competitive and reduce costs.

(2020-0929-22) RCA I1 was presented. Commissioner Corgey moved for staff ranking – first, Miggins Interest, LLC dba Hydro Tech Utilities; second, Tejas Environmental Enterprises, LLC dba Texas Operations and Professional Services; and third, Public Utility Services, Inc., seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I1 PASSED.

(2020-0929-23) RCA I2 was presented. Commissioner Corgey moved for staff ranking – first, WSP USA, Inc.; second, Moffatt & Nichol; and third, Hatch, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2020-0929-24) RCA I3 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2020-0929-25) RCA I4 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2020-0929-26) RCA I5 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I5 PASSED.

(2020-0929-27) RCA I6 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I6 PASSED.

(2020-0929-28) RCA I7 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I7 PASSED.

(2020-0929-29) RCA I8 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I8 PASSED.

(2020-0929-30) RCA I9 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I9 PASSED.

(2020-0929-31) RCA I10 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I10 PASSED.

(2020-0929-32) RCA I11 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I11 PASSED.

(2020-0929-33) RCA I12 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I12 PASSED.

(2020-0929-34) RCA I13 was presented, moved by Commissioner Corgey, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I13 PASSED.

(2020-0929-35) Chairman Campo recognized Mr. Heidt to provide a report of selected Port Operations agenda items.

Mr. Heidt noted that Item J1 was for award of a sole source contract to Konecranes for the purchase and installation of upgraded drives and controls on four rubber-tired gantries (RTGs). The RTGs were from 2003 to 2009 and the manufacturer no longer serviced their drives, and so rather than buying a \$2 million RTG, staff recommended

fixing the drives to get more life out of the current ones. He added that this had been done on previous RTGs and worked just fine.

Mr. Heidt highlighted Item J3 for additional funding of \$650,000 for temperature screening at the terminals and \$600,000 for cleaning at the terminals during the weekend. He noted that the total to date spent on COVID-19 related costs was \$3.9 million, and when broken down, \$1.4 million was spent on cleaning, \$1.8 million for temperature screening, and \$650,000 for supplies. The \$650,000 request would cover costs through the month of December.

Chairman Campo asked Mr. Heidt to talk about any potential reimbursement from the Federal Emergency Management Agency (FEMA) under the CARES Act. Mr. Heidt explained that FEMA had first ruled it would reimburse for some of these expenses, but as of September 15, 2020, FEMA had changed said rules. The Port Authority documented and submitted its costs through September 15, 2020 and was hoping that these would be reimbursed, as the Port Authority was an essential workplace.

Regarding Item I6, Mr. Heidt remarked that the Port Authority got all its electronic information by electronic data interchange (EDI) from steamship lines, customs, and other governmental agencies, but there was no standard EDI language, so the Port Authority needed to have a pre-processor to take different EDI versions and convert them to what could be used in the NAVIS system. The vendor for the current system was unable to guarantee it could address issues that had been experienced, but an alternative pre-processor had been identified that some of the terminal operators were using and that worked very well with NAVIS.

Mr. Heidt announced that Item J7 was for a 30-year lease with Texas Stevedoring Services, which was a combination of Hapag-Lloyd – the largest container carrier at the Barbours Cut Container Terminal – and Ceres. The request made was identical to the process in place at the Bayport Container Terminal, where CMA-CGM and Mediterranean Shipping Company were building their own empty yards. Texas Stevedoring Services would run the empty yard for Hapag-Lloyd at the Barbours Cut Container Terminal for thirty years after building it out.

Mr. Heidt explained that there was an interim location provided for in the lease because the maintenance shop currently occupied the location where the empty yard would be. The process of building a new maintenance shop was already underway and Texas Stevedoring Services would occupy the location of the current maintenance shop once the new one was finished.

Commissioner DonCarlos inquired as to the amount of rent to be paid by Texas Stevedoring Services. Mr. Heidt did not have the figures and stated he would get back to Commissioner DonCarlos.

Mr. Guenther noted that generally the rent was whatever the current approved rate was for improved property on the terminal, reiterating that he would get the exact amount for Commissioner DonCarlos.

(2020-0929-36) RCA J1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2020-0929-37) RCA J2 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2020-0929-38) RCA J3 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J3 PASSED.

(2020-0929-39) RCA J4 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J4 PASSED.

(2020-0929-40) RCA J5 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J5 PASSED.

(2020-0929-41) RCA J6 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J6 PASSED.

(2020-0929-42) RCA J7 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J7 PASSED.

(2020-0929-43) Chairman Campo recognized Mr. Heidt to provide a report of selected People agenda items.

Mr. Heidt explained there were two items on the agenda for People, the first an authorization of the group insurance agreements, with the exception of medical coverage. The Port Commission previously approved a two-year quote, but only approved the funds for the first year and therefore, staff was asking for approval of the funds for the second year. This agreement included the life insurance, dental, vision, long-term disability, and short-term disability programs. There would be no changes to the programs or the rates, and the increase to the dollar amount was due to staffing increases.

Mr. Heidt noted that Item K2 asked for additional premiums for the dental program. Changes to the program the previous year resulted in more staff enrollment and, as a result, the Port Authority would be short on premium funds. Staff was asking for an increase of \$75,000 to get through the end of the year.

(2020-0929-44) RCA K1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2020-0929-45) RCA K2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2020-0929-46) Chairman Campo recognized Mr. Heidt to provide a report of selected Port Security and Emergency Operations agenda items.

Mr. Heidt highlighted agenda Item L1, the inter-governmental agreement with the City of Morgan's Point to provide law enforcement assistance when needed. The Port Authority did not use the assistance often, but Mr. Heidt noted it was nice to have for use with any issues either in or around the terminal.

(2020-0929-47) RCA L1 was presented, moved by Commissioner Mease, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2020-0929-48) Chairman Campo recognized Mr. Heidt to provide a report of selected Technology agenda items.

Mr. Heidt noted that there were two items, both for licensing and software renewals. Item M1 was for JDEdwards, which was the Port Authority's enterprise resource planning software that handled all financial processes. The agreement was only for a three-year term, because Oracle was dropping JDEdwards in approximately seven years, and staff

would be starting development of a new enterprise resource planning application as a result, which would take staff a few years to develop.

Mr. Heidt stated that agenda Item M2 was to approve a software package called ManageEngine, which was used by the help desk to log and track IT issues and also monitored all 11,000 physical technology assets owned by the Port Authority.

(2020-0929-49) RCA M1 was presented, moved by Commissioner Mease, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2020-0929-50) RCA M2 was presented, moved by Commissioner Mease, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M2 PASSED.

Chairman Campo called for an Executive Session. Mr. Eriksson made the following announcement:

It is now 10:36 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 proposed amendments to the agreements for legal services with (a) J. Kent Friedman, (b) W. Allyn Hoaglund, and (c) Littler Mendelson; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including disposition of Barbours Cut Terminal, Beltway 8, and Turning Basin Terminal vicinity properties; (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*); and Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*).

Immediately thereafter the Port Commission retired into closed session.

At 11:15 a.m., Chairman Campo reconvened the open meeting via Cisco WebEx with the following Commissioners, staff, and counsel in attendance:

Ric Campo, Chairman
Wendy Cloonan, Commissioner
Dean Corgey, Commissioner

Cheryl Creuzot, Commissioner
Stephen DonCarlos, Commissioner
Clyde Fitzgerald, Commissioner
Roy Mease, Commissioner
Roger Guenther, Executive Director
Erik Eriksson, Chief Legal Officer
Tom Heidt, Chief Operating Officer
J. Kent Friedman, outside counsel

(2020-0929-51) Commissioner Mease moved to authorize the Port Authority to enter into or amend the agreements for legal services with (a) J. Kent Friedman, (b) W. Allyn Hoaglund, and (c) Littler Mendelson on the terms discussed in Executive Session, and to authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

At 11:17 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the September 29, 2020 meeting of the Port Commission of the Port of Houston Authority.



Ric Campo, Chairman



Erik A. Eriksson, Secretary

F. EXECUTIVE

Subject	1. Amend the professional services agreement with HDR Engineering, Inc. for services related to the San Jacinto River Waste Pits Superfund Site in an amount not to exceed \$100,000.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, authorize the Port Authority to amend the professional services agreement with HDR Engineering, Inc. for services related to the San Jacinto River Waste Pits Superfund Site in an amount not to exceed \$100,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Executive

Staff Contact:

Erik Eriksson

Background:

The Port Authority entered into a professional services agreement with HDR Engineering, Inc. ("HDR") in November 2010 to provide support necessary to facilitate the rendering of legal services in connection with the San Jacinto River Waste Pits Superfund Site ("Site"), in an amount not to exceed \$35,000.

HDR's services under this agreement have included assisting with technical document review and providing scientific and technical advice relating to the dioxin contamination at the Site.

The Port Commission authorized the Port Authority to amend the agreement with HDR in an amount not to exceed \$120,000 at its March 27, 2012 meeting.

HDR subsequently assisted staff with reviewing and preparing comments to the U.S. Environmental Protection Agency ("EPA") on documents relating to (i) the Time Critical Removal Action, pursuant to which a cap was placed at the Site to prevent further leakage of contaminants from the Site into the San Jacinto River pending further investigation and determination of a long-term remediation plan for the Site, and (ii) the Remedial Investigation and Feasibility Study, which determined the final remediation plan for the Site.

On October 11, 2017, the EPA approved that remediation plan, which includes removal of the dioxin-containing material from the Site and off-site disposal.

Since that time, remedial designs for the waste impoundments at the Site have been submitted to the EPA by the parties designated as responsible for the clean-up of the Site, providing plans to implement the remedy selected in the October 2017 Record of Decision. These documents have been reviewed by EPA Region 6 and EPA Headquarters in coordination with the Texas Commission on Environmental Quality, U.S. Army Corps of Engineers, Harris County, and the Port Authority. The design contractor for the responsible parties is expected to incorporate review comments and develop a final design plan due at the end of the year.

Many additional scientific technical documents will be required to be submitted to the EPA by the design contractor for determining the final Site remediation. Commenting on these documents provides the Port Authority an opportunity to participate in the remainder of the superfund process in a significant and meaningful way to advocate and protect the Port Authority's navigational and environmental interests.

Staff Evaluation/Justification:

The Legal and Environmental Affairs departments have determined that the services of HDR have been beneficial to the Port Authority and are still needed to assist staff with providing comments to the EPA on documents submitted for review during the superfund process. Staff recommends amending the contract in an amount not to exceed \$100,000 for a total contract amount of \$255,000.

F. EXECUTIVE

Subject	2. Authorize the Community Relations Committee to review staff recommendations and rank and approve awards under the 2020 Community Grants Program.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, authorize the Community Relations Committee to review staff recommendations and rank and approve awards under the 2020 Community Grants Program.

Category:

General

Department:

Executive

Staff Contact:

Erik Eriksson

Background:

Last year the Port Authority began work on the Port Houston Community Grants Program, a new initiative focused on investing resources into meaningful projects and programs to enhance local communities while advancing the Port Authority's mission and vision as a part of the 2020 Strategic Plan.

Program grants are intended to develop and strengthen community partnerships and create greater value for the region.

- The 2020 Port Authority budget approved by the Port Commission included \$250,000 to fund first-year awards under the Community Grants Program.
- The Port Commission Community Relations Committee, a "committee of the whole" tasked with advising on community matters, approved the program (including priorities, procedures, and schedules) at its May 2020 meeting.
- Following Port Authority outreach, seventy-three preliminary "letters of intent" and sixty-four applications for grant funding were submitted to it from June through mid-August. The applications were subsequently reviewed and ranked by a staff-level committee for possible awards that would total substantially all of the allocated \$250,000 budget fund.

The recommendations were also reviewed by staff leadership earlier this month and are attached as Exhibit A.

Staff Evaluation/Justification:

The Amended and Restated Bylaws of the Port Authority provides that Port Commission committees may supervise or control Port Authority matters, if delegated by the Port Commission to do so.

Accordingly, in order to provide a focused "workshop" opportunity to review these recommendations and facilitate community participation in the process, staff proposes that the Port Commission formally delegate to the Community Relations Committee the authority to review staff's recommendations, and rank and approve awards (including those greater than \$50,000), under the 2020 Community Grants Program.

2020 Community Grant Recipients

San Jacinto College

Incipient Fire Protection and Control Course \$17,000

Ser Jobs

CDL Training and Wraparound Services Program \$25,000

Juma Ventures

Economic and Workforce Development Program \$15,000

American Bird Conservancy

Plastics and Trash Pollution Reduction and Prevention \$47,538

University of Houston

Supply Chain & Logistics Technology Degree Plan Program \$50,000

El Centro de Corazon

Improving East End Community Health through Healthy Food Access \$35,000

Capital Idea

Maritime & Transportation Logistics Training Program \$25,000

Houston Zoo

Sea Turtle and Plastics Cleanup Program \$25,000

Scenic Houston

*The Reimagining of Clinton Drive:
A Streetscape Enhancement Initiative* \$10,000

F. EXECUTIVE

Subject	3. Approve a \$10,000 donation to the American Association of Port Authorities Port Employee Emergency Relief Fund to help support port employees impacted by Hurricane Laura and other storms during the 2020 hurricane season.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, approve a donation to the American Association of Port Authorities (AAPA) Port Employee Emergency Relief Fund to help support port employees impacted by Hurricane Laura and other storms during the 2020 hurricane season, in an amount not to exceed \$10,000, 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 Laura, Port Houston team members hosted a relief campaign which raised over \$8,000 to support individuals impacted by the storm in both East Texas and Southwest Louisiana. In order to provide further assistance, specifically for port employees in that region, and other areas impacted during the 2020 hurricane season, Port Houston will be separately contributing \$10,000 to the AAPA Port Employees Emergency Relief Fund. This fund was established by the AAPA in 2005 to provide assistance to port authority staff and their families severely impacted by hurricanes, earthquakes, or other natural disasters.

Staff Evaluation/Justification:

Accordingly, staff now requests the Port Commission to approve a donation to the AAPA Port Employees Emergency Relief Fund to help support port employees impacted by Hurricane Laura and other storms during the 2020 hurricane season in an amount not to exceed \$10,000.

F. EXECUTIVE

Subject **4. Authorize a three-month extension to the Amended Interlocal Agreement with the Board of Pilot Commissioners for Harris County Ports regarding the performance of certain governmental functions and services.**

Meeting Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 29, 2020 meeting, authorize a three-month extension to the Amended Interlocal Agreement with the Board of Pilot Commissioners for Harris County Ports (Pilot Board) for the performance of certain governmental functions and 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.

Category:

General

Department:

Executive

Staff Contact:

Erik Eriksson

Background:

Beginning in 1923, the regulation of pilot services by the Pilot Board was an adjunct to the Port Authority's state-mandated exercise of control over the channels and waterways within Port Authority limits. The cooperation between the Port Authority and the Pilot Board in performing their respective functions has been beneficial to the Port of Houston and the Pilot Board and improved the efficiency and effectiveness of the Pilot Board's regulatory efforts. Since that time, Port Commissioners served as Pilot Board members as well.

In order to formalize the cooperation of the two entities, interlocal agreements have been adopted between them, providing for the use of Port Authority staff time and resources to assist the Pilot Board in carrying out its duties. Both parties are authorized under the Texas Government Code Section 791 (the Interlocal Cooperation Act) to enter into interlocal contracts for such services.

As a result of a new appointment process provided in S.B. 1915 enacted by the 86th Legislature in 2019, following the resignation of Port Commissioners from the Pilot Board, separately-appointed Pilot Board members succeeded to its governance. However, Chairman Campo has remained as Pilot Board chairman pending appointment of a successor.

Staff Evaluation/Justification:

An Amended Interlocal Agreement was adopted on December 11, 2019 by both entities, to continue the existing cooperative arrangements and permit the newly-seated Pilot Board members to implement new procedures for carrying out the Pilot Board's statutory duties, prior to termination of the agreement in March 31, 2020. The agreement has since been extended by the parties through September 30, 2020.

The transition process is underway but in order to continue to facilitate the effective discharge of its duties, at its September 22 meeting the Pilot Board acted to request that the Port Commission approve an additional three-month extension to the agreement, and which it also authorized on its behalf.

Legal Division staff recommends that the Port Commission enter into an extension through year-end of the Amended Interlocal Agreement with the Pilot Board for the performance of governmental functions

and services by the Port Authority to assist the Pilot Board, including use of Port Authority staff, time, and resources, and for the funding of certain expenses of the Pilot Board.

F. EXECUTIVE

Subject	5. Authorize the Executive Director to (i) represent, in connection with certain grant applications, that the Port Authority will provide funds needed for the project supported by such grant award, and (ii) enter into grant agreements obliging the Port Authority to do so.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting (a) authorize the Executive Director to: (i) represent, in connection with grant applications, that the Port Authority will provide funds needed for the project supported by such grant award, and (ii) enter into grant agreements obliging the Port Authority to do so, to incur without Port Commission approval, (b) ratify, confirm, and approve, as the actions of the Port Authority, such actions of the Executive Director and his designees taken prior to the date hereof that are within the authority conferred hereby, and (c) 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 Authority periodically applies for grant funding for capital projects with a total cost in excess of the contractual amount (currently \$50,000) that Water Code Sec. 60.403 permits authorized designees, including the executive director, to incur without Port Commission approval. Such grants typically require the Port Authority to enter into the applicable capital contract(s) and pursue and often complete such work in advance of grant reimbursement. In such instances Port Authority staff will solicit proposals to perform the work as required by law and request that the Port Commission authorize the Port Authority to enter into the contracts to do so.

Such grant applications often require that the Port Authority submit a "letter of commitment" to the grant sponsor and enter into a grant agreement with it confirming that the Port Authority will provide the local match and other funds needed for the grant project. Unless the project to be financed by such award does not require any contracts in excess of the Water Code Sec. 60.403 amount referenced above, staff takes such actions based on the Port Commission's approval of the capital budget that includes the applicable project, or its inclusion in mid-range or long-term plans.

Recent notable examples of these include the awards by the Department of Transportation Maritime Administration (MARAD) of (i) \$79.47 million under the Infrastructure for Rebuilding America (INFRA) program, for the Barbours Cut Terminal Restoration and Upgrade Project, and (ii) \$21.84 million for the construction of Wharf 6 at Bayport Terminal. The project costs are expected to total \$119.2 million and \$54.6 million respectively.

Staff Evaluation/Justification:

Grant sponsors often impose short turn-around times for submitting grant applications. In addition, eligible projects may not have commenced and contracts may not be in place prior to notice of the availability of grant funding. As a result, staff believes that in most instances it would neither be possible

nor practical to obtain advance Port Commission approval of staff actions to apply for or secure such grant funding.

Accordingly, the Legal Department recommends that the Port Commission delegate to the Executive Director the authority to make such representations and enter into such grant agreements as requested above, and ratify similar past actions by staff. The Executive Director would in turn delegate that authority to a limited number of chief division officers, as has been the past practice.

F. EXECUTIVE

Subject	6. Deliberate and consider authorizing 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 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, deliberate and consider authorizing 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 SSPEED Center at Rice University along with local architecture and engineering partners have developed a plan to address the threat of hurricane storm surge flood waters that could inundate east Harris County residential areas and the Houston Ship Channel industrial complex. This Galveston Bay Park Plan storm surge defense system (Plan) would include a barrier within Galveston Bay, and would potentially be associated with a future ship channel project.

Plan proponents have confirmed that its planning and construction will not interfere with, or use materials from, the ongoing project to obtain authorization, funding, and completion of a widened ship channel through Galveston Bay, a major component of "Project 11," the ongoing Houston Ship Channel – Expansion Channel Improvement Project.

At its June 25, 2019 meeting, the Port Commission authorized staff to assist in further developing the Plan. Staff has subsequently continued discussions with interested parties regarding the matter.

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

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 a law firm to assist the effort, with funding totaling \$20,000.

Following a discussion at the September Port Commission meeting, on October 3, 2019, the commission met in special session to permit representatives of the SSPEED Center to make a presentation of the Plan to the Port Commission and local mayors in attendance for that purpose, and further discuss the matter.

Staff is further informed that:

- Representatives of the SSPEED Center have subsequently conducted other meetings with public officials.
- Harris County Commissioner Adrian Garcia and Houston Mayor Sylvester Turner support the Plan.
- Chambers County Commissioners Court is on record opposing it.

In recent weeks during hurricane season, media attention has been directed to the Plan, along with the Corps' Coastal Texas Protection and Feasibility Study (the coastal spine or "Ike Dike" project). In addition, last month the Plan was among three projects to win top honors in the international design competition "Houston 2020 Visions."

At its September 15, 2020 meeting, Harris County Commissioner Court authorized staff to develop a report on proposed alternatives to "protect Galveston Bay, adjoining counties, and critical assets from the increasing risks of storm surge and rising sea levels."

Staff Evaluation/Justification:

The Port Commission has previously tabled consideration of Port Authority participation in funding to advance the SSPEED Center's work on the Galveston Bay Park Plan, but at this time staff again requests that the Port Commission deliberate and consider authorizing a challenge grant service agreement with the SSPEED Center to assist in further developing the Park, in the amount of \$250,000, contingent on securing additional grant funding totaling \$750,000.

G. COMMERCIAL

Subject	1. Approve a two-year contract with a third-year mutual option, with Flensburg and Associates GmbH for trade development activities on behalf of the Port Authority in Europe, the Mediterranean, and selected countries in Africa and the Middle East in respective amounts not to exceed \$253,000 and \$131,090.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, approve a two-year contract with a third-year option with Flensburg and Associates GmbH, for trade development activities on behalf of the Port Authority in Europe, the Mediterranean, and selected countries in Africa and the Middle East in an amount not to exceed \$253,000 for the two-year contract period and \$131,090 for the third-year mutual option period, 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 - PARTNERSHIPS (Develop and Strengthen External Partnerships)

Category:

Awards, Amendments & Change Orders

Department:

Trade Development

Staff Contact:

Dominic Sun

Background:

Flensburg and Associates GmbH, an independent contractor domiciled in Germany with 30 years experience in the shipping industry in Europe, the Mediterranean, Africa, and the Middle East, has proven abilities representing U.S.-based firms in maritime and port-related business development activities in the Trans-Atlantic trade, and has deep relationships with beneficial cargo owners, ocean carriers, freight forwarders, and other maritime-related entities in both the container and break-bulk sectors in those regions.

By Minute No. 2018-0925-09, the Port Commission authorized the award of a contract to Flensburg and Associates GmbH, for a two-year, three-month term in an amount not to exceed \$281,250.

In 2019, loaded containerized imports and exports through the Port Authority container facilities to and from Europe and the Mediterranean represented 30% of loaded container throughput or 725,829 TEUs. Containerized trade with the region grew 9% in 2019 from 2018 levels, aboard nine of 23 regular container liner services calling Port Authority facilities. Exports to Belgium (Port Authority's number one country for exports), Netherlands, and the UAE account for 15% of the Port Authority's total exports, and North Europe represents 21% of its total imports.

Four of the top five container ocean carriers and many of the world's top break bulk ocean carriers are headquartered in Europe. With the significant and ongoing expansion of Houston's regional petrochemical complex, the Port Authority's strong links with Europe's petrochemical, consumer products, and automotive sectors, increasing vessel sizes, and high beneficial cargo owner demand for cargo routing through the Port of Houston, transatlantic volumes are expected to continue to trend upward.

Staff Evaluation/Justification:

Based on these circumstances, staff recommends the Port Authority advance its strategic positioning in Europe, the Mediterranean, Africa, and the Middle East (i.e., Albania, Andorra, Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Kazakhstan, Kosovo, Latvia, Liechtenstein, Lithuania, Luxembourg, Macedonia, Malta, Moldova, Monaco, Montenegro, Netherlands, Norway, Poland, Portugal, Romania, Russia, San Marino, Serbia, Slovakia, Slovenia, Spain, Sweden, Switzerland, Turkey, Ukraine, United Kingdom, and Vatican City), Eastern Mediterranean (Israel and Jordan), Middle East (United Arab Emirates, Saudi Arabia, Oman, Bahrain, Qatar, and Kuwait) and Africa (Nigeria, South Africa, Kenya, Equatorial Guinea, Ghana, and Angola) through the award of a new two-year contract with Flensburg and Associates GmbH, not to exceed \$253,000 during the initial term of this Agreement, and not to exceed \$131,090 for the third-year mutual option period (\$8,333.33 per month for the first year, \$8,583.33 per month for the second year and \$8,840.33 per month for third-year option period), including Port Authority-related travel and business expense reimbursements not to exceed \$25,000 per year, including the third-year option period.

Staff recommends the Port Commission approve the proposed contract with Flensburg and Associates GmbH.

G. COMMERCIAL

Subject	2. Approve a two-year contract with a third-year mutual option with Ben Line Agencies Singapore, Limited, for trade development activities on behalf of the Port Authority in Asia in respective amounts not to exceed \$381,817 and \$197,054.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, approve a two-year contract with a third-year mutual option with Ben Line Agencies Singapore, Limited, for trade development activities on behalf of the Port Authority in Asia in an amount not to exceed \$381,817, for the two-year contract period and \$197,054.44 for the third-year option period, 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 - PARTNERSHIPS (Develop and Strengthen External Partnerships)

Category:

Awards, Amendments & Change Orders

Department:

Trade Development

Staff Contact:

Dominic Sun

Background:

Ben Line Agencies Singapore, Limited, an independent contractor, using its experience for over 150 years in the shipping industry in Asia and its established network of over 100 offices across 15 countries has promoted Port Authority facilities and services while helping maintain a positive image of Houston across Asia.

By Minute No. 2018-0731-08, the Port Commission authorized the award of a contract to Ben Line Agencies Singapore, Limited, for a two-year, three-month term in an amount not to exceed \$425,025.

In 2019, East Asian imports through the Port Authority container facilities grew over 17%. Trade with Asia now represents 32% of the total volume of import and export containers which move through Port Authority terminals. China was the Port Authority's number-one country for container trade in 2019 and accounted for 18% of all loaded containers, nearly three times that of the next highest country, Belgium, followed closely by Brazil. With the addition of the new Maersk/MSC/ZIM Asia service (launched in Aug 2019), increasing Asia service vessel sizes, and high beneficial cargo owner demand for cargo routing through the Port Authority, Asian volumes are expected to continue to trend upward, and Asia continues to represent the fastest-growing trade area for the Port Authority.

Staff Evaluation/Justification:

Based on these circumstances, staff recommends the Port Authority advance its strategic positioning in Asia (i.e., China, South Korea, Japan, Hong Kong, Taiwan, Singapore, Philippines, Thailand, Indonesia, Malaysia, Vietnam, Cambodia, Myanmar, Australia, Sri Lanka, and India) through the award of a new two-year contract with Ben Line Agencies Singapore, Limited, not to exceed \$381,816.92 during the initial term of this Agreement, and not to exceed \$197,054.44 for the third-year mutual option period. (\$11,158.33 per month for the first year, \$11,493.08 per month for the second year, and \$11,837.87 per

month for the third year option period), including Port Authority-related travel and business expense reimbursements not to exceed \$55,000 per year.

Staff recommends the Port Commission approve the proposed contract with Ben Line Agencies Singapore, Limited.

G. COMMERCIAL

Subject **3. Enter into a two-year contract with a third-year option with IHS Global Inc. for access to the Journal of Commerce Port Import/Export Reporting Service 2021 through 2023 databases and optional industry reports, effective January 1, 2021, in respective amounts not to exceed \$194,782 and 106,241.**

Meeting Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 29, 2020 meeting, authorize the Port Authority to enter into a two-year contract and third-year option with IHS Global Inc. for access to the Journal of Commerce Port Import/Export Reporting Service 2021 through 2023 databases and optional industry reports, effective January 1, 2021, in an amount not to exceed \$194,782 for the two-year contract period and \$106,241 for the third-year option period, 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:

Research and Forecasting

Staff Contact:

John Moseley

Background:

By Minute No. 2018-1030-06, the Port Commission authorized a contract with IHS Global Inc. for access to the Journal of Commerce Port Import/Export Reporting Service (PIERS) 2019-2020 database and optional industry reports.

Staff Evaluation/Justification:

This data is used extensively in the Port Authority's market analysis for tracking its cargo volumes by trade lane, commodity types, and carriers, relative to competitive ports in the United States. It also allows the Port Authority marketing group to build beneficial cargo owner target lists for further business development. In summary, this database helps support the ongoing competitive market research and analysis necessary for more effective trade development.

Staff recommends that the Port Authority enter into a two-year contract with a one-year option with IHS Global Inc. for access to the Journal of Commerce PIERS 2021 through 2023 databases and optional industry reports as described above.

G. COMMERCIAL

Subject	4. Approval of a fifth amendment to the Lease Agreement with SESCO Cement Corp. to add an additional 0.59 acres to the existing 19.55 acre Lease Premises for a total of approximately 20.14 acres out of the Southside Turning Basin, effective no earlier than October 1, 2020, at an annual total rent of \$396,455.76 subject to annual base rent escalation equal to the increase in the Consumer Price Index, not to exceed 4%.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, approve a fifth amendment to the Lease Agreement with SESCO Cement Corp. to add an additional 0.59 acres to the existing 19.55 acre Lease Premises for a total of approximately 20.14 acres out of the Southside Turning Basin, effective no earlier than October 1, 2020, at an annual total rent of \$396,455.76 subject to annual base rent escalation equal to the increase in the Consumer Price Index, not to exceed 4%, 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 - PARTNERSHIPS (Develop and Strengthen External Partnerships)

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

In June 2017 SESCO Cement Corp. entered into lease agreement with the Port Authority for approximately 10.67 acres of land in the Southside Turning Basin. The Lease Agreement has since been amended four times, increasing the premises to the current 19.55 acres in addition to other changes and modifications specifically provided for in each amendment.

This additional 0.59 acre tract to be added to the existing premises would be used for storage purposes and includes construction of a small storage shed.

Staff Evaluation/Justification:

Staff recommends approval of an amendment to the lease for an additional 0.59 acres effective no earlier than October 1, 2020.

G. COMMERCIAL

Subject	5. Authorize the extended term of a month-to-month lease with RLB Contracting, Inc. for approximately 0.433 acres out of Block 4 of Sims Bayou effective no earlier than December 1, 2020 with a 3% annual increase over the existing month-to-month premium rate, for an annual rent of \$10,387.92.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, authorize the extended term of a month-to-month lease with RLB Contracting, Inc. for approximately 0.433 acres out of Block 4 of Sims Bayou effective no earlier than December 1, 2020 with a 3% annual increase over the existing month-to-month premium rate, for an annual rent of \$10,387.92, 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 - PARTNERSHIPS (Develop and Strengthen External Partnerships)

Category:

Leases

Department:

Real Estate

Staff Contact:

R. D. Tanner

Background:

The Port Authority currently has a month-to-month lease with RLB Contracting, Inc. at the Port Authority's Sims Bayou property that will have been in effect for more than a year after November 30, 2020. RLB Contracting, Inc.'s annual rental is currently \$10,085.40 and is based upon the current premium rate for a month-to-month leases. The premises are used by RLB as it carries out dredging work for the U.S. Army Corps of Engineers (USACE).

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

Staff Evaluation/Justification:

Staff recommends the extended term of a month-to-month lease with RLB Contracting, Inc. to permit RLB to plan its future work with the USACE.

H. FINANCE

Subject	1. Authorize renewal of the agreement with AS&G Claims Administration, Inc. for third party administration services for the Port Authority's self-insured workers' compensation and liability program for an additional one-year period in an amount not to exceed \$122,800.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, authorize the Port Authority to renew the agreement with AS&G Claims Administration, Inc. for third party administration (TPA) services for the Port Authority's self-insured workers' compensation and liability programs for an additional one-year period in an amount not to exceed \$122,800, and further authorize the Executive Director to do any all things in his opinion reasonable and necessary to give effect to the foregoing.
Goals	Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact Strategic Objective 3b. - Demonstrate transparency and accountability

Category:

Awards, Amendments & Change Orders

Department:

Risk Management

Staff Contact:

Norma C. Essary

Background:

By Minute No. 2014-1216-24, the Port Commission awarded a contract to AS&G Claims Administration, Inc. (AS&G) to provide TPA services for the Port Authority's self-insured workers' compensation and liability program. Services provided under the contract include: (1) administration of workers' compensation, liability, subrogation, and insured litigation management programs, (2) acting as the Port Authority's workers' compensation agent in Austin for purposes of complying with Chapter 406 of the Texas Labor Code, and (3) risk management, loss prevention and safety consulting services.

The initial term of the contract with AS&G was for a five-year period, beginning March 1, 2015. It provided for two one-year renewals, at the option of the Port Authority, subject to the same terms and conditions and price. This would be the second and final extension, after which staff would issue a solicitation to the market for proposals from potential future service providers.

Staff Evaluation/Justification:

AS&G has continually met its obligations under the agreement and exceeded expectations as administrator since the inception of this contract. Additionally, both independent third-party audit and actuarial studies support that the administration, claims adjudication, and loss reserve activities have been well administered by AS&G, in accordance with Port Authority contractual requirements and industry best practices.

Staff recommends the Port Commission authorize renewal of the agreement with AS&G Claims Administration, Inc. for TPA services under current contractual terms with no fee increase.

H. FINANCE

Subject **2. Resolution expressing the Port Authority's intent to finance Houston Ship Channel Expansion Channel Improvement Project expenditures with the proceeds of tax-exempt debt obligations.**

Meeting Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action, Information

Recommended Action The Port Commission, at its September 29, 2020 meeting, adopt a resolution expressing the Port Authority's intent to finance Houston Ship Channel Expansion Channel Improvement Project expenditures with the proceeds of tax-exempt debt obligations, 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 (Create Greater Value for the Region)

Category:

General

Department:

Finance

Staff Contact:

Roland Gonzalez/Erik Eriksson

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. The Houston Ship Channel Expansion Channel Improvement Project (HSC-ECIP) is underway to widen the entire Galveston Bay reach of the HSC (from Bolivar Roads to Morgan's Point), along with deepening some upstream segments and other channel improvements (the HSC-ECIP is also referred to as "Project 11," the eleventh major HSC improvement project).

In response to significant demand to accelerate completion of the project, the Port Authority has pursued an expedited schedule to permit dredging to begin by 2021 and project completion in 2024. With the Port Authority's work with the Army Corps of Engineers on the HSC-ECIP feasibility study concluded in December 2019, the Port Authority has since been leading project design work, which is expected to be substantially finished later this fall. Additionally, going beyond its traditional role as local sponsor of this federal waterway, the Port Authority also expects to carry out a significant portion of HSC-ECIP construction in the coming years.

In addition to its past expenditures for this work, the Port Authority will continue to incur significant additional expense in connection with the HSC-ECIP, even as representatives of the "Coalition for a Fair and Open Port" group of ship channel industry stakeholders have expressed their willingness to contribute half of its estimated \$960 million cost. The Port Authority expects to finance much of this expense with tax-exempt debt.

Staff Evaluation/Justification:

In order to permit the Port Authority to reimburse itself for these costs in advance of debt issuance from the proceeds of tax-exempt financing, staff recommends that the Port Commission adopt the resolution attached as Exhibit A expressing its intent to do so. The resolution would permit reimbursement for up to \$960 million, for both certain preliminary and capital expenditures in connection with the HSC-ECIP that the Port Authority has and will incur.

RESOLUTION EXPRESSING INTENT TO
FINANCE EXPENDITURES TO BE INCURRED

September 29, 2020

WHEREAS, the Port of Houston Authority of Harris County, Texas (the "Authority") is a political subdivision of the State of Texas authorized to finance its activities by issuing obligations; and

WHEREAS, the Authority will make, or has made not more than sixty days prior to the date hereof, payments with respect to the projects described in Exhibit A (collectively, "Financed Projects"); and

WHEREAS, in certain circumstances, federal and/or state law requires that the Authority express its official intent to issue obligations to reimburse itself for expenditures paid prior to the issuance of such obligations in order for such expenditures to be eligible for reimbursement from proceeds of such obligations; and

WHEREAS, Section 1.150-2(d)(2) of the Treasury Regulations sets forth limitations regarding the timing of reimbursements made from the proceeds of certain obligations.

NOW, THEREFORE, be it resolved by the Port Commission of the Authority that:

Section 1. The Authority reasonably expects to reimburse itself for all costs that have been or will be paid subsequent to the date that is sixty days prior to the date hereof and that are to be paid in connection with the Financed Projects from the proceeds of obligations to be authorized subsequent to the date hereof.

Section 2. The Authority reasonably expects that the maximum principal amount of obligations issued to reimburse the Authority for costs associated with the Financed Projects will not exceed the amounts described in Exhibit A. Such obligations may be issued in one or more series.

Section 3. Unless otherwise advised by bond counsel, any reimbursement allocation will be made not later than 18 months after the later of (i) the date the original expenditure is paid or (ii) the date on which the Financed Projects (or the portion thereof to which the expenditure relates) is placed in service or abandoned, but in no event more than three years after the original expenditure is paid.

Section 4. All resolutions and parts of resolutions in conflict herewith are hereby repealed to the extent of the conflict only.

Section 5. If any word, phrase, clause, sentence, paragraph, section or other part of this resolution or the application thereof to any person or circumstance shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this

resolution and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this resolution to any other person or circumstance shall not be affected thereby.

Section 6. The terms that are defined in the recitals to this resolution are hereby adopted and incorporated in this resolution.

Section 7. The Port Commission hereby finds, determines and declares that a sufficient written notice of the date, hour, place and subject of each meeting at which this resolution was discussed, considered or acted upon was given in the manner required by the Texas Open Meetings Act, as amended, and that each such meeting has been open to the public as required by law at all times during such discussion, consideration and action.

[Signature page follows.]

ADOPTED by the Port Commission of the Port of Houston Authority of Harris County, Texas, at a meeting duly called and held on the 29th day of September, 2020.

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

ATTEST:

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

**EXHIBIT A
FINANCED PROJECTS**

<u>Project/Purpose</u>	<u>Costs</u>
Expenditures relating to the design, construction and equipment of the Houston Ship Channel – Expansion Channel Improvement Project including, but not limited to costs associated with the deepening and widening the channel, acquisition of property, relocation of utilities, construction and acquisition of aids to navigation, and other expenditures related to the project.	\$960,000,000

I. INFRASTRUCTURE

Subject	1. Approve staff's ranking of vendors and award a two-year environmental services agreement in an amount not to exceed \$75,000 for public water supply operator services to the top-ranked proposer: staff ranking- first, Miggins Interest, LLC dba Hydro Tech Utilities; second, Tejas Environmental Enterprises, LLC dba Texas Operations and Professional Services; and third, Public Utility Services, Inc.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020, meeting: (a) approve staff's ranking of the vendors providing best value based on the selection criteria, in the following order - first, Miggins Interest, LLC dba Hydro Tech Utilities; second, Tejas Environmental Enterprises, LLC dba Texas Operations and Professional Services; and third, Public Utility Services, Inc.; (b) award a two-year environmental services agreement to Miggins Interest, LLC dba Hydro Tech Utilities for public water supply operator services in an amount not to exceed \$75,000; (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 Objective 4a. - Implement an innovative environmental leadership strategy STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region) STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Environmental Affairs

Staff Contact:

Trae Camble

Background:

The Port Authority is seeking to obtain an environmental service provider to operate the Port Authority's registered public water system at Barbour's Cut Terminal and non-registered water system at Bayport Container Terminal. The operations of these systems would include weekly, monthly, quarterly, and annual testing of parameters in accordance to Texas Commission on Environmental Quality standards; record keeping of monthly logs, quarterly, and annual reports; and assisting with other activities related to public water system compliance, as directed by the Environmental Affairs Department staff.

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. Nine vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On August 19, 2020, three RFP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFP. Staff identified the following firms, listed in order of ranking, as providing the best value for the required services:

- Miggins Interest, LLC dba Hydro Tech Utilities
- Tejas Environmental Enterprises, LLC dba Texas Operations and Professional Services
- Public Utility Services, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Miggins Interest, LLC dba Hydro Tech Utilities for public water supply operator services.

I. INFRASTRUCTURE

Subject	2. Approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$225,000 to provide professional services in support of Houston Gateway & Gulf Coast Container on Barge Central Node Study (Container-on-Barge Study) to the top-ranked proposer: staff ranking - first, WSP USA, Inc.; second, Moffatt & Nichol; and third, Hatch.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020, meeting: (a) approve staff's ranking of the vendors providing best value based on the selection criteria, in the following order - first, WSP USA, Inc.; second, Moffatt & Nichol; and third, Hatch; (b) award a professional services contract to WSP USA, Inc. provide professional services in support of Houston Gateway & Gulf Coast Container on Barge Central Node Study (Container-on-Barge Study) in an amount not to exceed \$225,000; (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 & Change Orders

Department:

Facility Planning

Staff Contact:

Rohit Saxena

Background:

The anticipated long-term growth of Container-on-Barge (COB) traffic at the Port Authority's Barbours Cut Terminal and Bayport Container Terminal requires long-term planning for COB facilities. Currently, the Port Authority handles COB shipments at deep water wharves by ship to shore (STS) cranes scaled to service ocean-going vessels. Through this study, the Port Authority aims to investigate and identify options to site, scale, equipment, and integrate the operations of special or dedicated COB facilities at Barbours Cut Terminal and Bayport Container Terminal.

The scope of work includes:

1. Identifying suitable locations for COB facilities within the existing Barbours Cut Terminal and Bayport Container Terminal footprints.
2. Scaling and integration of dedicated COB operations.
3. Identifying suitable container handling equipment to support the dedicated COB operations.
4. Preparing conceptual layouts and preliminary cost estimates.

The Port Authority was awarded and would enter into a grant COB agreement with the United States Department of Transportation providing for: (i) award of an America's Marine Highways Program grant totaling \$180,000 to partially fund 80% of the study; (ii) the Port Authority's commitment of \$45,000 (20%) to fund the balance of the study; and (iii) the terms for administration of the award by the Maritime Administration (MARAD).

The award is conditional upon final approval, execution, and notice to proceed from MARAD.

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. 10 vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On August 17, 2020, five RFPs were received, opened, and publicly read. Staff evaluated and ranked the proposals in accordance with the selection criteria published in the RFP. Staff identified the following vendors, listed in order of ranking, as providing best value to the Port Authority:

- WSP USA, Inc.
- Moffatt & Nichol
- Hatch

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

The resources and work plan provided by WSP USA Inc. stood out in terms of the respondent's experience in supporting marine highway projects, delivery methodology, and understanding of the challenges in undertaking the services, along with the visualization tool proposed to communicate outcomes. Consequently, the WSP USA Inc. proposal received the highest score in the evaluation process.

I. INFRASTRUCTURE

Subject	3. Amend the professional services contract with Lockwood, Andrews & Newnam, Inc. for construction phase services associated with the rail spur at Bayport Container Terminal in an amount not to exceed \$541,357.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, approve an amendment to the professional services contract with Lockwood, Andrews & Newnam, Inc. to perform construction phase services associated with the rail spur at Bayport Container Terminal in an amount not to exceed \$541,357, 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. 2014-0923-31, the Port Commission awarded a professional services contract to Lockwood, Andrews & Newnam, Inc. to perform construction phase services associated with the rail spur at Bayport Container Terminal.

By Minute No. 2018-0925-19, the Port Commission amended the professional services contract with Lockwood, Andrews & Newnam, Inc. to change the scope of work for the rail spur at Bayport Container Terminal.

This proposed amendment would consist of additional construction phase services to complete the construction of the rail spur at Bayport Container Terminal.

Staff Evaluation/Justification:

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

I. INFRASTRUCTURE

Subject	4. Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Wharf 3, construction of electrical infrastructure, and Lighter Aboard Ship (LASH) dock demolition at Barbours Cut Terminal in an amount not to exceed \$486,000.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation of Wharf 3, construction of electrical infrastructure, and Lighter Aboard Ship (LASH) dock demolition at Barbours Cut Terminal in an amount not to exceed \$486,000, 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 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2019-0423-21, the Port Commission awarded a construction contract to McCarthy Building Companies, Inc. for the rehabilitation of Wharf 3, construction of electrical infrastructure, and LASH dock demolition at Barbours Cut Terminal.

This change order consists of the complete extraction of 8 large deep battered piles at the LASH Dock which originally were scheduled to be cut and remain, to be extracted later. The contractor McCarthy has made a proposal to remove them completely for \$486,000 including a \$250,000 credit to the Port Authority for the original partial extraction. The price was found to be reasonable and one that it offers best value to the Port Authority.

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	5. Ratify, and authorize an amendment to the Memorandum of Understanding with Harris County, for the conveyance and maintenance of drainage features associated with the Port Road project.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, ratify, and authorize the Port Authority to enter into a amendment to the Memorandum of Understanding with Harris County, for the conveyance and maintenance of drainage features associated with the Port Road project, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	<p>STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)</p> <p>Strategic Objective 2b. - Drive development of landside infrastructure and inland distribution networks</p> <p>STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)</p> <p>Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port</p>

Category:

General

Department:

Freight Mobility

Staff Contact:

Bruce Mann

Background:

Drainage features to support the Port Road Phase III Widening and Drainage project need to be conveyed to Harris County in order for Harris County to operate and maintain drainage pipes and structures to be constructed during the project. The existing Memorandum of Understanding (MOU) with Harris County entered into in April 2019 and this amendment would ensure the future operation and or maintenance of both Port Road and the associated drainage pipes and structures. The project facilitates the continued growth of Bayport Container Terminal as well as the future development of the Port Authority's "u-shaped" property at the northwest corner of SH-146 and Port Road.

Staff Evaluation/Justification:

Staff recommends ratification of, and approval of the amendment to, the MOU between the Port Authority and Harris County.

I. INFRASTRUCTURE

Subject **6. Issue Watco Companies a permit to operate over a portion of railroad right-of-way known as the "Brown Lead" to provide direct movement of locomotives and railcars in service at its plant at Greens Port.**

Meeting Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 29, 2020 meeting, authorize the Port Authority to issue a permit with the Port Terminal Railroad Association (PTRA) to Watco Companies to construct and use two switches and a cross-over track along the right-of-way of the Port Authority used by PTRA known as the "Brown Lead" to provide direct movement of locomotives and railcars in service at its plant at Greens Port, 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 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)
Strategic Objective 2b. - Drive development of landside infrastructure and inland distribution networks
STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)
Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port

Category:
General

Department:
Freight Mobility

Staff Contact:
Bruce Mann

Background:

Under this new agenda item, the PTRA and Port Authority would permit Watco to construct and use two switches and a cross-over track along the right-of-way of The Port Authority used by PTRA, in order to connect PTRA's "Brown Lead" trackage with Watco's new extension of its South Loop industrial track in its Greens Port facility. Watco would agree to commence construction of said new extension by July 1, 2021, and complete its construction by December 31, 2021. The permit would continue in force for a term of seven years and could be renewed by Watco for successive one-year periods.

Staff Evaluation/Justification:

Staff recommends authorizing a permit for Watco to operate over a portion of the railroad right-of-way known as the "Brown Lead" to provide direct movement of locomotives and railcars in service at its plant at Greens Port.

This permit would facilitate the shipment of unit train traffic from Watco into Mexico and would result in incremental growth in revenue for the Port Authority through the per car fees collected from PTRA by the Port Authority.

I. INFRASTRUCTURE

Subject **7. Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: Enterprise Intrastate LLC, Enterprise Texas Pipeline LLC, Explorer Pipeline Company, Houston Pipe Line Company LP, HSC Pipeline Partnership, LLC, INEOS Americas LLC, Seaway Crude Pipeline Company, and Valero Refining-Texas, L.P.**

Meeting Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: Enterprise Intrastate LLC, Enterprise Texas Pipeline LLC, Explorer Pipeline Company, Houston Pipe Line Company LP, HSC Pipeline Partnership, LLC, INEOS Americas LLC, Seaway Crude Pipeline Company, and Valero Refining-Texas, L.P.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Channel Operations

Background:

The pipeline licensees listed below have applied to renew their licenses:

Company	File No.	License Fee
Enterprise Intrastate LLC	1990-0218	\$5,302
Enterprise Texas Pipeline LLC	2000-0267	\$22,209
Explorer Pipeline Company	2000-0248	\$421,309
Houston Pipe Line Company LP	2000-0249	\$162,018
HSC Pipeline Partnership, LLC	2010-0306	\$15,906
INEOS Americas LLC	1988-0309	\$5,064
Seaway Crude Pipeline Company	1990-0128	\$17,674
Seaway Crude Pipeline Company	2011-0266	\$22,885
Valero Refining-Texas, L.P.	1990-0150	\$8,104
Total		\$680,471

Staff Evaluation/Justification:

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

Staff recommends approval.

I. INFRASTRUCTURE

Subject	8. Issue a transmission line license to Comcast of Houston, LLC for one fiber optic cable line over and across the Port Authority's Manchester Terminal Spur Railroad right-of-way.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, authorize the Port Authority to issue a transmission line license to Comcast of Houston, LLC for one fiber optic cable line over and across the Port Authority's Manchester Terminal Spur Railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

Comcast of Houston, LLC, Port Authority File No. 2020-0209, has applied for a transmission line license for one fiber optic cable line over and across the Port Authority's Manchester Terminal Spur Railroad right-of-way, in the MA Callahan & Allen Survey, A-9.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department and the Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$1,688. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **9. Issue a pipeline license to HSC Pipeline Partnership, LLC for one 8-inch high purity ISO-Butane pipeline under and across Cedar Bayou, Banana Bend, and San Jacinto River.**

Meeting Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 29, 2020 meeting, authorize the Port Authority to issue a pipeline license to HSC Pipeline Partnership, LLC for one 8-inch high purity ISO-Butane pipeline under and across Cedar Bayou, Banana Bend, and San Jacinto River, 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:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

HSC Pipeline Partnership, LLC, Port Authority File No. 2020-0205, has applied for a pipeline license for one 8-inch high purity ISO-Butane pipeline under and across Cedar Bayou, Banana Bend, and San Jacinto River, in the Hannah Nash Survey, A-54, the George White Survey, A-82, and the Amy White Survey, A-81 Chambers County, Texas.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department and the Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$30,450. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	10. Amend a pipeline license to NuStar Logistics, LP to add one 12-inch refined petroleum product pipeline under and across the Southside Mainline Railroad right-of-way.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, authorize the Port Authority to amend a pipeline license to NuStar Logistics, LP to add one 12-inch refined petroleum product pipeline under and across the Southside Mainline Railroad right-of-way, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

NuStar Logistics, LP, Port Authority File No. 2000-0014, has applied to amend a pipeline license to add one 12-inch refined petroleum product pipeline under and across the Southside Mainline Railroad right-of-way, in the William Vince Survey, A-78.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department and the Port Terminal Railroad Association. The license is subject to the Port Authority's usual terms and conditions and at an additional fee of \$5,939. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **11. Amend a marine construction permit issued to Boone Towing, Inc. to dredge an additional 0.3 acres and add three moorings in Old River along Lakeside Drive.**

Meeting Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 29, 2020 meeting, authorize the Port Authority to amend a marine construction permit issued to Boone Towing, Inc. to dredge an additional 0.3 acres and add three moorings in Old River along Lakeside Drive, 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:
Permits/Licenses/Pipeline Easements

Department:
Channel Operations

Staff Contact:
Garry McMahan

Background:
Boone Towing, Inc., Port Authority File No. 2011-0375, has applied to amend its marine construction permit to dredge an additional 0.3 acres and to add three moorings in Old River along Lakeside Drive, in the William W. Beuhler Survey, A-1708.

Staff Evaluation/Justification:
The application was reviewed and approved by the Port Authority's Channel Operations department and the U.S. Army Corps of Engineers. The permit is to be issued subject to the Port Authority's usual terms and conditions. The \$675 application fee and \$2,500 as-built deposit have been paid.

Staff recommends approval.

I. INFRASTRUCTURE

Subject **12. Issue a marine construction permit to and approve a private and a port-adjacency barge fleeting lease agreement with AccuTRANS Fleeting Services LLC for approximately 4.8 acres of submerged lands in Old River at an initial monthly rental amount of \$5,964 for a ten-year term.**

Meeting Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 29, 2020 meeting, authorize the Port Authority to issue a marine construction permit to and approve a private and a port-adjacency barge fleeting lease agreement with AccuTRANS Fleeting Services LLC for approximately 4.8 acres of submerged lands in Old River at an initial monthly rental amount of \$5,964 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.

Category:

Leases

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

AccuTRANS Fleeting Services LLC (AccuTRANS), Port Authority File No. 2019-0131 (a lease of two tracts: a 2.51 acre tract and a 1.26 acre tract adjacent to Port Authority uplands), Port Authority File No. 2020-0265 (a lease of a 1.03 acre tract adjacent to private uplands), and Port Authority File No. 2020-0106 (a marine construction permit for a total of 4.8 acres of submerged lands), has applied for a private adjacency submerged lands lease, a port adjacency submerged lands lease, and a marine construction permit leasing approximately 4.8 acres of submerged land for barge fleeting in Old River, adjacent to Lost Lake Dredged Material Placement Area.

This recommendation for Port Commission action supersedes and replaces recommendations previously authorized by Minute No. 2019-0521-22 for leasing 14 acres of submerged land, and Minute No. 2020-0428-51 for leasing 6.6 acres of submerged land to AccuTRANS.

AccuTRANS has operated a fleet management service for over 20 years and has owned property in the vicinity of this project for over five years.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department. The leases would be entered into pursuant to the Port Authority's submerged land lease terms and conditions for an initial rental amount of \$309 per month for a ten-year term for the private adjacency lease (set fees), and for an initial rental amount of \$5,655 per month for a ten-year term for the port adjacency lease (negotiated fees). The permit is to be issued subject to the Port Authority's usual terms and conditions.

Staff recommends approval.

I. INFRASTRUCTURE

Subject	13. Approve a private adjacency barge fleeting lease agreement and a marine construction permit with Boone Towing, Inc. for approximately 18.15 acres of submerged lands in Old River at a monthly rental amount of \$5,445 for a ten-year term.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action, Information
Recommended Action	The Port Commission, at its September 29, 2020 meeting, authorize the Port Authority to approve a private adjacency barge fleeting lease agreement and a marine construction permit with Boone Towing, Inc. for approximately 18.15 acres of submerged lands in Old River at a monthly rental amount of \$5,445 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.

Category:

Leases

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

Boone Towing, Inc., Port Authority File No. 2020-0256, has applied for a private adjacency submerged lands lease agreement for approximately 18.15 acres of barge fleeting in Old River, adjacent to Lakeside Drive, Channelview.

Boone Towing, Inc. has been in business for over thirty years in the Channelview area.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel 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 \$5,445 per month for a ten-year term. The fee schedule for private adjacency submerged land leases have been set by the Port Commission. The lease agreement is to be issued subject to the Port Authority's usual terms and conditions.

Staff recommends approval.

J. OPERATIONS

Subject	1. Award a contract to Konecranes, Inc., the sole source provider, for purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control system retrofit for four rubber-tyred gantry cranes at Barbours Cut Terminal in an amount not to exceed \$2,079,000.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, award a contract to Konecranes, Inc., the sole source provider, for purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control system retrofit for four rubber-tyred gantry (RTG) cranes at Barbours Cut Terminal in an amount not to exceed \$2,079,000, 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 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns a total of ninety-eight Kone RTG cranes, including forty-eight at Bayport Container Terminal and fifty at Barbours Cut Terminal. The motor control drives for hoist, gantry, and trolley functions on forty-five of these units, commissioned between 2003 and 2009, have been discontinued.

These older motor control drives are becoming more costly to repair and replacement parts are no longer available. As a result, cranes are experiencing longer downtime for repairs. Staff recommends that four RTG cranes at Barbours Cut Terminal be retrofitted with a new DynAC/DynaHoist Vector II drive and control system, which is expected to extend the useful life of the cranes. The first and second units were successfully retrofitted in 2015 and 2018 (respectively) at Bayport Container Terminal. Four additional units were successfully retrofitted in 2019. In addition to improving RTG performance, reclaimed drives can provide spare parts for remaining units operating with older technology.

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 Konecranes, Inc. is the sole source for purchase of DynAC/DynaHoist Vector II drives and control systems in the United States.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve entering into a contract with Konecranes, Inc. for purchase and installation of Konecranes DynAC/DynaHoist Vector II drives and control system on four RTG cranes at Barbours Cut Terminal.

J. OPERATIONS

Subject	2. Award a contract to Cavotec USA Inc., the sole source provider, for repairs to a medium-voltage cable trench cover at Bayport Container Terminal in an amount not to exceed \$137,348.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, award a contract to Cavotec USA Inc., the sole source provider, for repairs to a medium-voltage cable trench cover at Bayport Container Terminal in an amount not to exceed \$137,348, 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 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently maintains a 4,000-foot trench for medium-voltage power cables at Bayport Container Terminal. These cables provide electrical power for wharf cranes. The trench in which these cables run has a heavy-duty rubber cover to protect cables from debris and potential damage. Damage to one cable could lead to multiple cable damage due to their proximity, and severely impact wharf crane operations.

The installation of a trench cover, including mending plates, connecting hardware and a device to stretch the cover require experience, proper equipment, and proficiency to minimize disruption to operations. The Cavotec USA Inc. personnel have been on-site before and performed repairs very effectively. Port Authority staff is currently not qualified to perform these types of repairs.

Staff Evaluation/Justification:

Section 60.412 of the Water Code provides that a purchase for an item that can be obtained only from one source is exempt from certain procurement requirements of the Water Code. Port Authority staff has received a written statement from the manufacturer confirming that Cavotec USA Inc. is the sole authorized source of repairs to medium voltage cable trench cover in the United States.

Staff recommends that the Port Commission approve entering into a contract with Cavotec USA Inc. for repairs to a medium-voltage cable trench cover at Bayport Container Terminal.

J. OPERATIONS

Subject	3. Authorize additional purchase order funding for continuing pandemic response services with Workplace Safety Screenings for \$650,000 and Ambassador Services, LLC for \$600,000.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, authorize additional purchase order funding for continuing pandemic response services with Workplace Safety Screenings for \$650,000, and Ambassador Services, LLC for \$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.

Category:

Awards, Amendments & Change Orders

Department:

Port Operations

Staff Contact:

Paulo Soares

Background:

The COVID-19 pandemic continues to impact Port Authority operations and employees and require staff to make emergency purchases, including temperature screening and emergency cleaning services.

Water Code Section 60.4035(a)(1) permits the Executive Director and authorized officers to make emergency purchases and contracts, in amounts that exceed \$50,000, if necessary among other things, "to preserve or protect the public health and safety of the residents of the district." As the Port Commission has been advised, Port Authority staff has concluded that this statute permits these COVID-19 procurements without the customary competitive procedures or prior Port Commission approval, and staff has endeavored to notify the Port Commission within forty-eight hours of such purchases as required.

At its May meeting, the Port Commission ratified a number of previous procurements that totaled more than \$50,000. It also approved additional emergency funding as follows.

1. Workplace Safety Screenings performs temperature screenings at Port Authority terminals.
 - On April 7 the firm was issued an emergency purchase order for \$310,000 to perform temperature screenings at Port Authority terminals.
 - At the April 28 meeting the Port Commission approved an additional \$370,000 that lasted until the end of May.
 - At the May 20 meeting the Port Commission approved an additional \$720,000 that lasted until the end of July.
 - At the July 30 meeting the Port Commission authorized an additional \$400,000 needed to continue these services until the end of September.
2. Ambassador Services, LLC provides general cleaning services at the container terminals pursuant to two contracts totaling \$800,000 that were previously approved by the Port Commission. Since mid-March, additional services have been provided by the firm on a weekly basis, for disinfecting and sanitizing both facilities.

- At the May 20 meeting the Port Commission approved an additional \$560,000 that lasted until the end of July.
- At the July 30 meeting the Port Commission authorized an additional \$450,000 that has lasted until the first week of September.

Staff Evaluation/Justification:

Accordingly, with the continuing need for emergency services related to the Port Authority's COVID-19 response efforts, staff requests that the Port Commission authorize the following additional purchase order amounts:

- Workplace Safety Screenings - \$650,000 for temperature screenings, and
- Ambassador Services, LLC - \$600,000 for disinfecting and sanitizing.

The requests will help the Operations Division continue to reliably and efficiently procure these emergency services through year-end. However, the nature of emergency management and the duration of this specific pandemic response are unpredictable, hence future requests for additional funding may be required.

J. OPERATIONS

Subject	4. Issue a purchase order to PaveConnect Logistics LLC, for asphalt repairs at Turning Basin Terminal's Central Maintenance compound, using the OMNIA Partners (formerly National IPA/US Communities) cooperative purchase program, in an amount not to exceed \$500,000.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, issue a purchase order to PaveConnect Logistics LLC, for asphalt repairs at Turning Basin Terminal's Central Maintenance compound, using the OMNIA Partners (formerly National IPA/US Communities) cooperative purchase program, in an amount not to exceed \$500,000, 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 #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Award, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority is seeking to obtain pavement repair services for the Central Maintenance compound. The Central Maintenance compound has been paved, and repaved and has been in operation since the 1940's. Years of asphalt patching of potholes and ruts have created uneven areas that have affected water run-off and which in some cases has caused flooding of Central Maintenance buildings. Additionally, heavy equipment traveling over uneven surfaces has caused premature wear and tear of equipment. Repairs to Central Maintenance's asphalt are necessary to redirect water run-off and create a safe and efficient flow of traffic.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring asphalt repair services through OMNIA Partners (formerly National IPA/US Communities) is the method that both satisfies competitive purchase requirements and provides best value to the Port Authority.

The Central Maintenance department has determined that the best availability, price, and contract term for the item needed is provided by PaveConnect Logistics LLC, under the pricing schedule obtained from that vendor's contract with OMNIA Partners (formerly National IPA/US Communities) and is therefore recommending this purchase.

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

J. OPERATIONS

Subject	5. Issue a purchase order to Carrier Enterprise, LLC, for purchase of one 150-ton chiller unit and installation of two 150-ton chiller units for the Bayport Container Terminal's Administration and Maintenance & Repair buildings, using the Sourcwell cooperative purchase program, in an amount not to exceed \$300,000.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, issue a purchase order to Carrier Enterprise, LLC, for purchase of one 150-ton chiller unit and installation of two 150-ton chiller units for the Bayport Container Terminal's Administration and Maintenance & Repair buildings, using the Sourcwell cooperative purchase program, in an amount not to exceed \$300,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Award, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority is seeking to purchase one 150-ton chiller unit and install two 150-ton chiller units at its Bayport Container Terminal. Two 150-ton chiller units currently provide heating, ventilation, and air conditioning (HVAC) to the Administration and Maintenance & Repair buildings. These units are approximately 12 years old, are at the end of their service life, and have become costly to maintain. One unit is no longer operating due to excessive internal corrosion. The remaining unit is currently operating with no back-up. If this unit fails, both the Administration and Maintenance & Repair buildings would be without these services.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring and installing the 150-ton chiller units through the Sourcwell cooperative purchasing program (formerly the National Joint Purchasing Alliance) is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

The Maintenance department has concluded that the best availability, installation, and price are provided by Carrier Enterprise, LLC., under the pricing schedule obtained from that vendor's contract with Sourcwell and is therefore recommending this purchase.

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

J. OPERATIONS

Subject	6. Issue a purchase order to International Business Machines for the purchase of electronic data interchange pre-processor for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed 250,000 (inclusive of one year maintenance and support).
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its Sept 29, 2020 meeting, authorize the Port Authority to issue a purchase order to International Business Machines (IBM) for the purchase of electronic data interchange (EDI) pre-processor for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed 250,000 (inclusive of one year maintenance and support), 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 #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Operations

Staff Contact:

Jeff Davis

Background:

The Port Authority communicates globally via EDI with over 15-plus shipping companies and governmental entities, including U.S. Custom and Border Protection (CBP). This communication results in over 2.5 million EDI transmissions being sent/received every month. With each customer requiring a unique, customized EDI translation, the Port Authority needs to replace its existing outdated EDI pre-processor and replace it with a smarter, more robust user-friendly solution. The implementation and configuration of the IBM pre-processor solution would be handled by a third party via an existing support agreement.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring the purchase of an EDI pre-processor for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal 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 Terminal Technology and Innovation department has determined that the best availability, price, and contract term for the item needed is provided by International Business Machines under the pricing schedule obtained from that vendor's contract with DIR (DIR-TSO-3996), and is therefore recommending this purchase.

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

J. OPERATIONS

Subject **7. Approve a 30-year lease with Texas Stevedoring Services, LLC for interim premises (an approximately 12.00-acre parcel of land at Barbours Cut Terminal) and permanent leased premises (an approximately 11.50-acre parcel of land at Barbours Cut Terminal), providing for an expansion option.**

Meeting Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 29, 2020 meeting, approve a 30-year lease with Texas Stevedoring Services, LLC for interim premises (an approximately 12.00-acre parcel of land at Barbours Cut Terminal) and permanent leased premises (an approximately 11.50-acre parcel of land at Barbours Cut Terminal), providing for an expansion option, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Operations

Staff Contact:
Jeff Davis

Background:
Under the proposed lease Tenant would use the premises for the development and operation of an empty container depot, and for container freight station operations, including the stuffing and/or stripping of containers, authorized within a one and a half-acre portion of the premises.

Staff Evaluation/Justification:
Staff recommends the Port Commission approve the above lease.

K. PEOPLE

Subject **1. Authorize renewal of group insurance agreements with the following carriers to include coverage for calendar year 2021 in a total amount not to exceed \$2,378,431: (a) Aetna Life Insurance Company, for dental, vision, and Medicare Advantage 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) coverage and short-term disability (STD) coverage.**

Meeting Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its September 29, 2020 meeting:

- (i) award group insurance agreements to the following carriers to for coverage for calendar year 2021 in a total amount not to exceed \$2,378,431:
 - (a) Aetna Life Insurance Company, for dental coverage, in an amount not to exceed \$454,557;
 - (b) Aetna Life Insurance Company, for vision coverage, in an amount not to exceed \$99,754;
 - (c) Aetna Life Insurance Company, for Medicare Advantage medical coverage, in an amount not to exceed \$816,335;
 - (d) Minnesota Life Insurance Company, for basic life coverage for eligible active employees, in an amount not to exceed \$101,712;
 - (e) Minnesota Life Insurance Company, for voluntary life coverage for eligible active employees and dependents, in an amount not to exceed \$310,635;
 - (f) Minnesota Life Insurance Company, for basic life coverage for eligible retirees, in an amount not to exceed \$150,437;
 - (g) Hartford Life and Accident Insurance Company, for long-term disability (LTD) coverage, in an amount not to exceed \$262,441;
 - (h) Hartford Life and Accident Insurance Company, for short-term disability (STD) coverage, in an amount not to exceed \$182,560;
- (ii) authorize the Port Authority to continue to pay: 50% of the cost of dental premiums for eligible active employees; 100% of the cost of the Medicare Advantage medical premiums for eligible retirees and dependents; and 100% of the cost of basic life premiums for active employees and retirees; 100% of the cost of LTD and STD premiums for eligible active employees;
- (iii) determine that Port Authority employees shall continue to reimburse the Port Authority for the full cost of any vision or voluntary life premiums;
- (iv) authorize contract renewal negotiations with insurance carriers prior to contract expiration; and
- (v) further authorize the Executive Director to do any and all things in his opinion reasonable and necessary to give effect to all of the foregoing.

Goals STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Be the Best Place to Work)

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 selection.

By Minute No. 2019-0923-56, the Port Commission awarded agreements for calendar year 2020 to (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. This action also authorized contract renewal negotiations with the insurance carriers prior to contract expiration. Accordingly, Lockton and Port Authority staff began negotiations with the incumbents for 2021 coverages.

Staff Evaluation/Justification:

Lockton and Port Authority staff reviewed and evaluated the 2021 renewal rates, and determined that the rates are fair and reasonable, with a decrease in the Medicare Advantage rate and no change to the other 2020 rates.

The renewals were discussed at the Pension and Benefits Committee meeting on September 23, 2020. Staff recommends, and the Pension and Benefits Committee concurs, that group insurance contracts be awarded to the following incumbent carriers for calendar year 2021, 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 long term disability (LTD) and short-term disability (STD) coverage.

Staff further recommends, and the Pension and Benefits Committee concurs, that:

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

Staff estimates that approximately \$637,668 of the \$2,378,431 total amount requested would be reimbursed to the Port Authority by employees, leaving a total cost to the Port Authority of approximately \$1,740,763.

The individual not-to-exceed amounts in the Recommended Action are based on current participant levels with adjustments for additional 2021 staffing levels. The total amount requested by staff allows for an increase in participation in 2021 based on current open positions and new 2021 headcount additions, but may be subject to amendment in order to account for actual participation levels.

K. PEOPLE

Subject	2. Authorize an additional premium payment to Aetna Life Insurance Company, for additional 2020 group dental coverage, in an amount not to exceed \$75,000.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, authorize an additional premium payment to Aetna Life Insurance Company, for additional 2020 group dental coverage, 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 (Be the Best Place to Work)

Category:

Award, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

By Minute No. 2019-0924-56, the Port Commission authorized the award of a group insurance agreement to Aetna Life Insurance Company, for dental coverage, in an amount not to exceed \$345,342.

Staff derives its initial recommended award amount for group insurance using assumptions and estimates about participation levels. Though the rate per covered member remains constant, the actual cost may differ from the initial estimate based upon this difference between the actual participation levels during the coverage year and the estimated participation levels.

In preparing the initial estimate, staff anticipated an increase over the 2019 participation levels due to two changes in the program: an increase of the yearly maximum benefit from \$1,000 to \$2,000 and the Port Authority's decision to pay 50% of the cost of premiums, which had previously been completely paid by employees.

However, the actual increase in participation was even greater than expected, and a higher than expected percentage of participants enrolled in the more expensive dental preferred provider organization (DPPO) plan. In 2019, 579 employees participated in the group dental program, with 45% enrolled in the dental maintenance organization (DMO) plan and 55% enrolled in the DPPO plan. In 2020, 629 employees have participated, with 35% in the DMO plan and 65% in the DPPO plan.

This greater-than-expected participation and higher percentage participation in the DPPO plan has increased the projected total year-end premium costs of the Aetna Dental program to \$420,342, which is \$75,000 more than the initial projected total of \$345,342. Because the Port Authority pays 50% of the premium costs, the actual net increased cost to the Port Authority is expected not to exceed \$37,500.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize the payment of an additional premium amount not to exceed \$75,000 to Aetna Life Insurance Company to maintain dental coverage for the balance of the 2020 year without interruption.

L. PORT SECURITY AND EMERGENCY OPERATIONS

Subject	1. Enter into an Intergovernmental Agreement with the City of Morgan's Point for police services for one year in an amount not to exceed \$24,720.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, authorize the Port Authority to enter into an Intergovernmental Agreement with the City of Morgan's Point for police 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 4b. - Prepare for disruptive events and mitigate their impact Strategic Objective 3a. - Cultivate key relationships to accomplish common goals

Category:
General

Department:
Police

Staff Contact:
Chief 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, 2020. The cost is paid in 12 monthly amounts of \$2,060, for a total annual cost of \$24,720. If approved by the Port Commission, the agreement would 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 stand 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 Mythics, Inc. for purchase of three-year licensing for the Port Authority's JDEdwards enterprise resource planning software, using the Texas Department of Information Resources' cooperative purchase program, a cooperative purchase program, in an amount not to exceed \$387,713.08.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, issue a purchase order to Mythics, Inc. for purchase of three-year licensing for the Port Authority's JDEdwards enterprise resource planning (ERP) software, using the Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$387,713.08, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 2c. - Enhance efficiency and resilience through innovative technology and other means

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

The Port Authority is seeking to obtain the purchase of three-year licensing for its JDEdwards ERP software to track financial transactions related to payroll, accounts payables, accounts receivable, procurements, and receipts associated with the procurement process. The licensing agreement related to the software is based upon the Port Authority's audited operating budget. This software is hosted within a remote cloud environment to negate capital expenses to support the same.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring the three-year licensing for the JDEdwards Enterprise Resource Planning software 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 (IT) department has determined that the best availability, price, and contract term for the item needed is provided by Mythics, Inc. under the pricing schedule obtained from that vendor's contract with DIR, and is therefore recommending this purchase.

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

M. TECHNOLOGY

Subject	2. Approve the purchase of annual software subscription and support services for ManageEngine service desk ticketing software from SHI Government Solutions, using the Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in an amount not to exceed \$54,007.
Meeting	Sep 29, 2020 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its September 29, 2020 meeting, approve the purchase of annual software subscription and support services for ManageEngine service desk ticketing software from SHI Government Solutions, using the Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in an amount not to exceed \$54,007, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 2c. - Enhance efficiency and resilience through innovative technology and other means

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

The Port Authority uses ManageEngine software as a tool for tracking Information Technology service desk tickets as well as tracking and reporting of technology assets. Annual renewals offer support services to provide for software revision upgrades and technical support.

Staff Evaluation/Justification:

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

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

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