

## I N D E X

PORT COMMISSION  
OF THE  
PORT OF HOUSTON AUTHORITY  
OF THE PORTS OF HARRIS COUNTY, TEXAS  
October 27, 2022

Minute No.

Event/Action

**General**

Chairman Campo convened the in-person and virtual Port Commission meeting and provided opening remarks along with Port Commissioners

**Minutes**

2022-1027-01 Approve the minutes of the September 27, 2022 Port Commission meeting

**Staff Reports**

2022-1027-02 Roger Guenther, Executive Director, presented a summary of selected financial and operational matters

**Appearances**

2022-1027-03(a) Chairman Campo recognized Ellu Nasser, Environmental Defense Fund, who addressed the Port Commission

2022-1027-03(b) Chairman Campo recognized Alondra Torres, Air Alliance Houston, who addressed the Port Commission

2022-1027-03(c) Chairman Campo asked if anyone else had registered to address the Port Commission; there were none

**F. Executive**

2022-1027-04 Staff Report – Selected agenda items – Erik Eriksson, Chief Legal Officer

2022-1027-05 Award a three-year contract to Thomson Reuters Corporation for online legal research services, and printed publications and updates

2022-1027-06 Approve the Amended and Restated Bylaws of the Port Authority, the Third Amended and Restated Code of Ethics, and the Public Comment Policy

**G. Business Equity (no items)**

Minute No.

Event/Action

**H. Commercial**

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|--------------|--|
| 2022-1027-07 | Staff Report – Selected agenda items – John Moseley, Chief Commercial Officer  |
| 2022-1027-08 | Enter a two-year professional services contract with a one-year mutual extension option with Sergio Ojeda Ossa for trade development services on behalf of the Port Authority in Central and South America, in an amount not to exceed \$243,600 for the two-year contract period and in an amount not to exceed \$127,308 for the one-year option period, plus Port Authority-related travel and business expense reimbursement not to exceed \$28,875 per year, including the one-year option period |
| 2022-1027-09 | Approve the 2023 membership with the Greater Houston Partnership at the Managing Partner level with associated membership fees   |
| 2022-1027-10 | Approve a 3% lease rate increase for twenty-four ratified Port Authority month-to-month leases and new month-to-month leases, effective no earlier than January 1, 2023  |
| 2022-1027-11 | Ratify the extended term of a month-to-month lease with R. Warehousing & Port Services, Inc., commencing November 11, 2022, for approximately 5.24 acres out of Block 22B at Industrial Park East, at an annual base rent of approximately \$228,960   |
| 2022-1027-12 | Approve an amendment to the lease with CMA CGM (America) LLC for approximately 1,500 square feet of office space in the Bayport Container Terminal Administration Building to extend the term for three years, effective no earlier than December 1, 2022, at an annual base rent of approximately \$30,883, subject to annual base rent escalation of 3%  |

**I. Finance**

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|--------------|---|
| 2022-1027-13 | Staff Report – Selected agenda items – Tim Finley, Chief Financial Officer  |
| 2022-1027-14 | Authorize payment to Renew International LLC for Accounts Payable Recovery Audit Services   |
| 2022-1027-15 | Approve and ratify a one-year extension for the second year of the professional audit services agreement with Forvis, LLP (f/k/a BKD, LLP), in an amount not to exceed \$350,000, and approve a one-year extension for the third year of the professional audit services agreement with Forvis, LLP, in an amount not to exceed \$370,000 |
| 2022-1027-16 | Approve and adopt the proposed Internal Audit 2023 Annual Audit Plan  |

<u>Minute No.</u>	<u>Event/Action</u>
2022-1027-17	Authorize staff to elect a funding holiday for the Port of Houston Authority Other Post-Employment Benefit Plan (OPEB), by the end of each calendar year, if the OPEB plan reflects a funded status of 125% or greater
2022-1027-18	Appoint and authorize a designated officer in accordance with Section 60.271, Texas Water Code, and Chapter 105, Texas Local Government Code, to advertise and receive proposals for depository and other banking services on behalf of the Port Authority
	<b>J. Infrastructure</b>
2022-1027-19	Staff Report – Selected agenda items –Rich Byrnes, Chief Infrastructure Officer
2022-1027-20	<p>Approve staff's ranking of vendors and award a two-year environmental consulting agreement for general environmental consulting services to the top-ranked proposer: staff ranking- first, Terra Nova Consulting, Inc.; second, Edge Engineering &amp; Science, LLC; and third, InControl Technologies, LLC</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2022-1027-21	<p>Approve staff's ranking of vendors and award a construction contract to construct a 12-acre expansion of the interim container storage facility for redevelopment of the west end of Barbours Cut Terminal, to the top-ranked proposer: staff ranking - first, Rigid Constructors, LLC; second, McCarthy Building Companies, Inc.; and third, Spawglass Civil Construction, Inc.</p> <p>Port Commission adopted the staff-recommended ranking and authorized award</p>
2022-1027-22	Award a professional services contract to Hatch Associates Consultants, Inc. to prepare training materials and perform other services for the facility inspection and condition assessment program (FICAP), and rescind the award of a FICAP contract amendment to the same firm
2022-1027-23	Amend the professional services contract with Burrer Engineering, Inc. to perform additional on-call electrical engineering services
2022-1027-24	Amend the professional services contract with AECOM Technical Services, Inc. to perform additional work associated with planning and design for reconstruction of 87 acres of container yard at Barbours Cut Terminal

<u>Minute No.</u>	<u>Event/Action</u>
2022-1027-25	Amend the professional services contract with Jacobs Engineering Group, Inc. to perform additional work associated with design and construction phase services for the construction of Wharf No. 6 at Bayport Container Terminal
2022-1027-26	Approve a change order with Jerdon Enterprise, Inc. to perform additional work associated with the Ramp Road 8 modification and guardhouse at Turning Basin Terminal
2022-1027-27	Approve a change order with Harper Brothers Construction, LLC to perform additional work associated with the Port Road expansion and drainage project at Bayport Container Terminal
2022-1027-28	Approve a change order with Rigid Constructors, LLC to perform additional work associated with the construction of the 14.5-acre interim container storage facility for redevelopment of the west end of Barbours Cut Terminal
2022-1027-29	Amend the contract with Great Lakes Dredge & Dock Company for dredging of the Houston Ship Channel between Station 73+467 and 138+369 to alter the methodology of dredging between Stations 132+000 and 138+369 from hydraulic to mechanical, reducing the contract amount from \$92,518,835 to a not-to-exceed amount of \$91,356,632
2022-1027-30	Amend the contract with Curtin Maritime Corp. for dredging of the Houston Ship Channel between Station 78+844 and 16+000 & Bayport Ship Channel to add additional Barbours Cut Container Terminal maintenance dredging
2022-1027-31	Provide the U.S. Army Corps of Engineers to support the Fiscal Year 2023 request dated September 2022, for the Design and Construction of the Houston Ship Channel Expansion Channel Improvement Project
2022-1027-32	Amend a professional services contract with HDR Engineering, Inc. for construction support services for the Houston Ship Channel Expansion Channel Improvement Project
2022-1027-33	(i) Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: CenterPoint Energy Houston Electric, LLC, (ii) approve the renewal of the following expiring Port Authority licenses for new thirty-year terms: CenterPoint Energy Intrastate Pipeline, LLC and CenterPoint Energy Resources Corporation dba CenterPoint Energy Texas Gas Operations
2022-1027-34	(i) Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: Arkema, Inc., Enterprise Products Operating LLC,

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Shell Pipeline Company LP, and Valero Refining-Texas LP, (ii) approve the renewal of the following expiring Port Authority licenses for new thirty-year terms: BWC Terminals LLC, Concha Chemical Pipeline LLC, Chevron Phillips Chemical LP, DCP Southern Hills Pipeline LLC, Energy Transfer Mont Belvieu NGLs LP, Enterprise Houston Ship Channel, L.P., Enterprise Intrastate LLC, Enterprise Products Operating LLC, Enterprise TE Products Pipeline Company LLC, Enterprise Texas Pipeline LLC, Equistar Chemicals, LP, Explorer Pipeline Company, Houston Pipe Line Company LP, HSC Pipeline Partnership, LLC, INV Propylene, LLC, Kinder Morgan Tejas Pipeline LLC, Linde, Inc., Marathon Pipe Line LLC, Seminole Pipeline Company, LLC, Shell Chemical LP, Shell Pipeline Company LP, Targa Downstream LLC, TPC Group, LLC, and Valero Refining-Texas LP

2022-1027-35 Issue a pipeline license to Enterprise Houston Ship Channel, L.P. for two 30-inch crude oil pipelines along the east side of the Beltway 8 property

2022-1027-36 Reconcile thirteen pipeline licenses assigned to Easton Energy Pipelines, LLC including renewals, transfers, and amendments as needed

**K. Operations**

2022-1027-37 Staff Report – Selected agenda items – Jeff Davis, Chief Operations Officer

2022-1027-38 Approve staff's ranking of vendors and award a three-year contract for the purchase of hydraulic components and repair services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal to the top-ranked proposer: staff ranking - first, Sapphire Hydraulics, Inc.; second, Coastal Associates, LLC dba Coastal Hydraulics; and third, Womack Machine Supply Company of Houston

Port Commission adopted the staff-recommended ranking and authorized award

2022-1027-39 Approve staff's ranking of vendors and award a two-year contract to rent portable toilets for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal to the top-ranked proposer: staff ranking - first, Texas Outhouse, Inc.; second, Port-A-San Ltd.; and third, United Site Services of Texas, Inc.

Port Commission adopted the staff-recommended ranking and authorized award

2022-1027-40 Approve staff's ranking of vendors and award a two-year contract for repairs to warehouse doors at Turning Basin Terminal, to the top-ranked proposer: staff ranking - first, Generocity Services, Inc.; and second, ABC Steel Products, Inc. dba ABC Doors

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	Port Commission adopted the staff-recommended ranking and authorized award
2022-1027-41	Award a three-year contract to Applied Industrial Technologies, Inc. for the purchase of machinery components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal
2022-1027-42	Issue a purchase order to Mohawk Lifts, LLC for the purchase of one vehicle lift for Turning Basin Terminal, using the Houston-Galveston Area Council Cooperative Purchase Program
2022-1027-43	Award a three-year contract to ESL Power Services, Inc., the sole source provider, for the purchase and repair of reefer receptacles at Barbours Cut Terminal and Bayport Container Terminal
2022-1027-44	Award a one-year contract to Kalmar USA Inc, the sole source provider, for maintenance services for the Marine Terminal Position Detection Software System for Barbours Cut Terminal and Bayport Container Terminal
2022-1027-45	Amend the professional services agreement with Liftech Consultants, Inc. to perform additional inspection services for construction of three dockside electric container cranes for Wharf No. 6 at Bayport Container Terminal
2022-1027-46	Authorize an amendment to Tariff 14 Subrule 093 and Tariff 15 Subrule 095 regarding commencement of free time for export storage, import storage, and rail storage
2022-1027-47	Authorize a (i) a fifteen year lease with (with four five years options) of 61.58 acres of land at the Jacintoport Terminal, with an additional 648,009 sq. ft. of warehouse space to Jacintoport International LLC, with an initial base rent of \$381,523.11 per month and providing for a rent abatement (in consideration for certain work performed by Tenant) in an amount not to exceed \$2,852,262, (ii) a Freight Handling Assignment Agreement to Jacintoport International LLC for the public wharf at the Jacintoport terminal for a term of fifteen years (with four options to extend for a term of five years each), and (iii) the demolition of the spiralveyors at the Jacintoport Terminal as the disposal of surplus property under the Texas Water Code
2022-1027-48	Amend Port Authority Tariffs Nos. 14 and 15 covering Barbours Cut Terminal and Bayport Container Terminal, effective December 1, 2022 to implement a sustained import dwell fee and authorize an excessive import dwell fee

#### **L. People**

<u>Minute No.</u>	<u>Event/Action</u>
2022-1027-49	Staff Report – Selected agenda items – Roger Walter, Director, Human Resources
2022-1027-50	Award a contract to Aetna Life Insurance Company for stop-loss insurance coverage for the calendar year 2023 for the Port Authority’s self-funded group medical benefits program for active employees, retirees who are not Medicare-eligible, and dependents
2022-1027-51	Authorize amendment of the agreement with PlanSource Benefits Administration, Inc. for employee and retiree benefits and payroll integration services for an additional one-year period
<b>M. Security and Emergency Operations</b>	
2022-1027-52	Staff Report – Selected agenda items – Marcus Woodring, Chief Port Security and Emergency Operations Officer
2022-1027-53	Award a contract to Ready2Go Restroom Trailer Sales, LLC for the purchase of two trailer-mounted portable guard booths with generators
2022-1027-54	Issue a purchase order to Motorola Solutions for the purchase of land mobile radio equipment including radios, batteries, chargers, related hardware, and accessories for the Operations and Port Security and Emergency Operations Divisions, using the Houston-Galveston Area Council’s cooperative purchase program
2022-1027-55	Authorize an agreement with the Houston Ship Channel Security District for payment of the current year (2022-2023) contribution
2022-1027-56	Amend the existing contract with Oil Mop LLC dba OMI Environmental Solutions for hazardous materials incident response services
<b>N. Technology</b>	
2022-1027-57	Staff Report – Selected agenda items – Ron Farrow, Director, Information Technology
2022-1027-58	Approve staff’s ranking of vendors and award contracts for purchase of information technology implementation services in support of the migration into SharePoint Online and Microsoft Teams (Next Generation Collaboration) to the top-ranked proposer: Items #1-3: DocPoint Solutions and Item #4: BKJ Global Management Consulting, LLC
	Port Commission adopted the staff-recommended ranking and authorized award

Minute No.

Event/Action

**Recess Open Meeting and Convene Executive Session**

**Reconvene Open Meeting**

2022-1027-59

Motion to authorize the Port Authority to acquire property owned by ODIA Fairmont, LLC in the vicinity of Bayport Terminal, on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing

**Closing Remarks by Chairman and Commissioners**

**Adjourn Meeting**



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

**Houston, Texas  
October 27, 2022**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on October 27, 2022, at 9:15 a.m., at the Port of Houston Authority Executive Offices, Fourth Floor Boardroom, at 111 East Loop North, Houston, Texas 77029, and 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 his opening remarks by thanking everyone involved in the Port Authority's operations, from employees to International Longshoremen's Association (ILA) seafarers. He emphasized the hard work that went into handling the Port Authority's continued record volumes and added that the Port Authority was overperforming its budget, with cash flow through September totaling \$275 million against a budgeted amount of \$157 million, a 71% "out-performance" of the budget. The additional cash flow allowed for investment in landside infrastructure as Project 11 progressed.

Chairman Campo concluded by congratulating Mr. Guenther on his 35<sup>th</sup> anniversary with the Port Authority.

(2022-1027-01) Chairman Campo called for a motion to approve the minutes of the September 27, 2022 Port Commission meeting. Commissioner Mease moved for approval, seconded by Commissioner Cloonan. The minutes were approved as written.

(2022-1027-02) Roger Guenther, Executive Director, presented a summary of selected financial and operational matters:

- Total twenty-foot equivalent units (TEU) were up 18% year to date (YTD) with loads up 20%.
- Loaded import units in September 2022 amounted to the second highest monthly total in the Port Authority's history, finishing slightly behind August 2022.
- A softening in import loads was anticipated for later in the year.

- General Cargo was up 68%, and continued to be driven by substantial increases in steel and bulk commodities.
- Commodities such as steel, cement, and aluminum continued to perform well.

Mr. Guenther highlighted the inaugural Houston International Maritime Conference, which had been held the previous Monday and attracted approximately 250 of the Port Authority's partners, including ocean carriers, beneficial cargo owners (import retail), firms producing export commodities in Houston (resins, cotton, etc.), truckers, stevedores, labor, sustainability stakeholders, and economic forecasters. The event was tremendously well done by Port Authority Commercial Division staff, and many Port Authority staff had participated as moderators and panelists.

Mr. Guenther concluded his remarks by congratulating Barbara Smith on her 40 years of service with the Port Authority.

Commissioner Fitzgerald was impressed with the conference. He felt that Houston's future looked great and would keep going strong while every other port and region slowed down. He was very impressed with Port Authority employees for putting on such an event, especially the younger generation.

(2022-1027-03)      Appearances

(a)      Chairman Campo recognized Ellu Nasser, Environmental Defense Fund, who addressed the Port Commission.

Ms. Nasser shared that she had completed a five-month national landscape analysis of ports across the country with the intent to find out how different ports were moving toward zero-emission technology transition. The study showed that there was great diversity in what ports were doing, but the salient point was that the ports that were investing in sustainability with meaningful stakeholder engagement and clear goals were the ones able to mobilize more federal dollars.

With the passage of the Inflation Reduction Act there were billions of dollars focused on environmental sustainability. The Environmental Defense Fund wanted to see as much of the money as possible allocated to the Port of Houston generally, and the Port Authority specifically.

Ms. Nasser wanted to see the Port Authority invest its capital into environmental programs as well. Given the cash flow numbers shared earlier in the meeting, such investment seemed more than possible. Transparency in the forthcoming budget for environmental sustainability programs was strongly desired, with specific line items instead of peppering such programs throughout.

Ms. Nasser knew that there was strong movement on the zero-emission goal, but without clear funding for carbon emission reduction programs, it was difficult to see how the targets and goals would be met for net zero operations by 2050.

Ms. Nasser requested specific carveouts in the budget for air quality and sustainability programs to demonstrate the Port Authority's commitment that was made to such programs. Such carveouts would help in obtaining future federal dollars.

Commissioner DonCarlos asked if the items mentioned by Ms. Nasser could be flagged in the budget. Staff responded that they could be, and Commissioner Campo added that a section which identified all the items in one place would be helpful.

(b) Chairman Campo recognized Alondra Torres, Air Alliance Houston, who addressed the Port Commission.

Ms. Torres acknowledged the Port Authority's commitment to use clean dredging technology during Project 11. The commitment was being undermined by the U.S. Army Corps of Engineers (Army Corps) as it assumed control of the later phases of the project. While disappointing, there was potential for the Port Authority to urge the Army Corps to adopt the same commitment, especially as the Port Authority was spending \$42 million toward Project 11 for the fiscal year 2023.

Ms. Torres emphasized the integral role of the Port Authority for the creation of jobs in the community and beyond. However, the health implications of pollution caused by dredging and expansion projects were indisputable. Particulate matter was known to cause adverse cardiac events while ozone affected those with asthma. Members of the community were paying for the expansion project with their health.

The Houston Advanced Research Center concluded that the worst-case scenario of dredge work could increase regional health expenses by \$115 million. Air Alliance Houston wanted to work with the Port Authority, wanted transparency in what the \$42 million was funding, and wanted the Port Authority to follow through in its commitment to clean dredging for Project 11.

Chairman Campo noted that the Port Authority had arranged meetings with the Army Corps and various groups, and it would continue to work the issue.

(c) Chairman Campo asked if anyone else had registered to address the Port Commission; there were none.

(2022-1027-04) Chairman Campo recognized Erik Eriksson, Chief Legal Officer, to provide a report of selected Executive agenda items.

Mr. Eriksson highlighted Item F1, the contract with Thomson Reuters for online legal research services and printed publication updates. Its Westlaw affiliate has provided the series of books used by attorneys for 100-plus years, but the bulk of the cost was for online services.

Mr. Eriksson explained that Item F2 were three amendments, to the Bylaws, the Code of Ethics, and the Public Comment Policy. The Bylaws were last amended in November 2013 and the update was to conform to updated statutes, return delegation of external relation authority to staff, clarify that Port Commissioners could request deferral of an agenda item only one time, and update Port Commission committee descriptions.

The Code of Ethics were last amended in June 2015. The changes included updating the honorarium definition, tweaking the descriptions of various staff positions, clarifying the requirement regarding Port Commission/Executive Director disclosures pending contracts with a family member, and clarifying descriptions of some of the persons who could not provide "benefits," the definitions of benefits, and the nepotism provisions.

Finally, Mr. Eriksson noted that the Public Comment Policy was last amended in September 2015. Updates included adding language to conform to changes in the Open Meetings Act and "hybrid" meeting technical requirements, clarifying that the meeting order for comments may be adjusted, providing for a uniform speaking time of three minutes with the exception of one minute for speakers who commented on on-agenda items over the four previous meetings, and doubling the permitted time frame where translation was needed.

(2022-1027-05) RCA F1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F1 PASSED.

(2022-1027-06) RCA F2 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Corgey. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F2 PASSED.

Chairman Campo noted that there were no Business Equity agenda items.

(2022-1027-07) Chairman Campo recognized John Moseley, Chief Commercial Officer, to provide a report of selected agenda items.

Mr. Moseley noted that there had been a systemic shift over the past few years with new distribution centers opening in the region. The outlook was promising due to the cargo

base shifting in a fundamental manner. As the numbers continued to change, the outlook was positive for future container business.

Mr. Moseley highlighted Item H1, a request for a professional services contract for trade development services on behalf of the Port Authority in Central and South America. This area accounted for 20% of the Port Authority's business, a very important market. Item H3 was a request for approval of a 3% lease rate increase for ratified Port Authority month-to-month leases and new month-to-month leases.

Commissioner Fitzgerald wanted clarification on the proposed rate increase, and Mr. Moseley replied that the increase only applied to month-to-month leases.

Commissioner Mease asked about Item H2, inquiring about the benefits of membership in the Great Houston Partnership. Mr. Moseley explained that it was the largest chamber of commerce in the region, and promoted economic activities along with the Port Authority and the Port of Houston, while also attracting business.

(2022-1027-08) RCA H1 was presented, moved by Commissioner Creuzot, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H1 PASSED.

(2022-1027-09) RCA H2 was presented, moved by Commissioner Creuzot, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H2 PASSED.

(2022-1027-10) RCA H3 was presented, moved by Commissioner Creuzot, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H3 PASSED.

(2022-1027-11) RCA H4 was presented, moved by Commissioner Creuzot, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H4 PASSED.

(2022-1027-12) RCA H5 was presented, moved by Commissioner Creuzot, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA H5 PASSED.

(2022-1027-13) Chairman Campo recognized Tim Finley, Chief Financial Officer to provide a report of selected agenda items.

Mr. Finley explained that agenda Item I1 was reviewed and recommended by the Audit Committee. The contract and underlying reviews had been in place for a number of years and the vendor was compensated a percentage of recoveries obtained for the Port Authority. Historically, the amount retained had been below the \$50,000 threshold; however, the period of 2019 through 2021 netted a retention of \$65,600 – the amount requested for approval.

Item I2 represented the exercise of contract options for the Port Authority's auditor for fees incurred in the current and forthcoming fiscal years. Fees associated with audits of financial statements and Promotion and Development funds were paid from the General Fund. Fees associated with the audit of the Pension Plan and Other Post-Employment Benefits (OPEB) account were paid from the respective trust fund assets. The contract was exempt from Business Equity requirements; however, the vendor had exercised approximately 10% minority firm opportunity in the past, and approximately 50% of the fees for the forthcoming year would be with minority businesses.

Commissioner DonCarlos asked how the minority business opportunities worked for the audit contract. Mr. Finley responded that specific parts of the audit were carved out and assigned.

Mr. Finley continued: Item I3 represented the 2023 Internal Audit Plan. Item 4 pertained to the other post-employment benefits (OPEB) trust. As of September 2022, the trust had a pro-forma funded ratio of 151%, meaning assets in excess of the actuarially-determined liability. The request provided staff the ability to adjust or eliminate payments to the trust only if the funded ratio was equal to or greater than 125%. Because the first priority was to ensure adequate assets were in place to sustain benefits to the Port Authority's beneficiaries, the proposed floor was at an excess position of 125%.

Mr. Finley explained that the rationale was that since the contributions – approximately \$3 million annually – were irrevocable, it did not make sense to continue to fund if the Port Authority was in a clear excess position. However, staff would get counsel from the Port Authority's investment advisors and actuaries before reducing the payment.

Mr. Finley concluded with Item I5, the appointment and authorization of a designated officer, in accordance with Section 60.271 of the Texas Water Code, to advertise and receive proposals for depository and other banking services on behalf of the Port Authority. Staff would be going out in the next month with the solicitation for banking services and expected the process to be concluded in January 2023.



Commissioner DonCarlos asked for confirmation that the representative would be Mr. Finley, and Mr. Finley confirmed that it was.

(2022-1027-14) RCA I1 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I1 PASSED.

(2022-1027-15) RCA I2 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I2 PASSED.

(2022-1027-16) RCA I3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I3 PASSED.

(2022-1027-17) RCA I4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I4 PASSED.

(2022-1027-18) RCA I5 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA I5 PASSED.

(2022-1027-19) Chairman Campo recognized Rich Byrnes, Chief Infrastructure Officer, to provide a report of selected agenda items.

Mr. Byrnes gave an update on several events from the previous week: the National Waterways Conference, which the Port Authority was sponsoring, the Urban Land Institute Fall Meeting, the Southeast Texas Transportation Summit, and the Blue Sky Maritime Coalition Annual General Meeting. All were great efforts and conversations continued to drive prosperity for the region. Not every dollar in the Infrastructure Investment and Jobs Act (IIJA) needed to go to the Port Authority as it was supporting money going to other agencies such as the Hydrogen Hub and the Blue Sky Maritime Coalition.

Mr. Byrnes highlighted agenda Item J2, a construction contract for a twelve-acre expansion of the interim container storage facility at the west end of the Barbours Cut Container Terminal. A contract had previously been awarded for the first portion of the

property to repurpose it for rubber-tyred gantry (RTG) crane runs. The current request was for a continuous twelve acres to complete the property.

Items J10 through J13 were channel-related projects representing ongoing management of Project 11, in relation to a series of “whack-a-mole” challenges for interacting with dredging contractors and the Army Corps. There were change orders with dredging companies to apply equipment and skills in the most economical way, specifically, Item J10 changed the equipment used by the dredging company in Segment 1A of Project 11. It was a win-win as the dredge company used a more economical piece of equipment while the Port Authority saved one million dollars on its contract as a result.

Mr. Byrnes explained that Item 11 was an amendment to remove a dredge company from a Project 11 task for an amount of time to perform maintenance dredging at the Barbours Cut Container Terminal. Item 12 was the Port Authority’s \$42 million cost share for the work done by the Army Corps in Segment 3.

Mr. Byrnes recognized Charlie Jenkins, Senior Director, Asset Management and Strategic Coordination, and Lori Brownell, Director, Channel Improvement, for their attention to detail. The pair were able to negotiate a sizable reduction in costs related to Project 11.

Commissioner Fitzgerald asked if the dredges had been staying on task for Project 11 or if they had been rotated in and out, and Mr. Byrnes confirmed that they had been staying on the job. There were interaction issues with the Army Corps, which was why Item 11 was on the agenda – to keep the dredges busy where they would otherwise be idle.

Mr. Guenther added that by expediting the project, the Port Authority had assumed a large amount of risk. There were five dredges going simultaneously and it was being managed very well, but there would continue to be difficulties.

Commissioner Fitzgerald asked how many miles had been dredged to date. Mr. Jenkins stated that the work in Segment 1 would be done by December. Great progress had been made but the Army Corps had only accepted a small amount of the work as completed.

(2022-1027-20) RCA J1 was presented. Commissioner Fitzgerald moved for staff’s ranking of vendors - first, Terra Nova Consulting, Inc.; second, Edge Engineering & Science, LLC; and third, InControl Technologies, LLC, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corguey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2022-1027-21) RCA J2 was presented. Commissioner Fitzgerald moved for staff’s ranking of vendors - first, Rigid Constructors, LLC; second, McCarthy Building



Companies, Inc.; and third, Spawglass Civil Construction, Inc., seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J2 PASSED.

(2022-1027-22) RCA J3 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J3 PASSED.

(2022-1027-23) RCA J4 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J4 PASSED.

(2022-1027-24) RCA J5 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J5 PASSED.

(2022-1027-25) RCA J6 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J6 PASSED.

(2022-1027-26) RCA J7 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J7 PASSED.

(2022-1027-27) RCA J8 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J8 PASSED.

(2022-1027-28) RCA J9 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J9 PASSED.

(2022-1027-29) RCA J10 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J10 PASSED.

(2022-1027-30) RCA J11 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J11 PASSED.

(2022-1027-31) RCA J12 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J12 PASSED.

(2022-1027-32) RCA J13 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J13 PASSED.

(2022-1027-33) RCA J14 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Commissioner Cloonan recused herself. Nays none. RCA J14 PASSED.

(2022-1027-34) RCA J15 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J15 PASSED.

(2022-1027-35) RCA J16 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J16 PASSED.

(2022-1027-36) RCA J17 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J17 PASSED.

(2022-1027-37) Chairman Campo recognized Jeff Davis, Chief Port Operations Officer, to provide a report of selected agenda items.

Mr. Davis shared additional operational highlights:

- The container terminals had been very active with TEUs up 18% from 2021 (which was 17% up from 2020).
- The Port Authority had a ship at every dock at the Turning Basin Terminal nearly every day.
- The Port Authority managed to reduce the queue of ships waiting at the buoy to get to the container terminals from 25 ships over the past few months to 12. This was largely due to having larger cranes in operation at the Bayport Container Terminal and an improved supply of ILA labor.
- Extra loaders – that is, additional ships not part of the regular schedule – had been added and accommodated.
- Dwell times had also decreased from approximately seven days to five days. This indicated an increase in chassis availability and warehouse space.
- Staff was communicating the intended rate increases that would go into effect January 2023 for marine terminal services agreements in place at the container terminals. The increase was based on CPI and additional factors. Additional increases were planned for general cargo facilities.

Mr. Davis noted that there were eleven items on the agenda and began by highlighting Item K3 – a contract for repairs to warehouse doors at the Turning Basin Terminal. It was a regular challenge to keep aging facilities in good repair and Item K3 was another example of such maintenance required.

Commissioner DonCarlos asked whether alternative door systems had been explored that would be more reliable and longer lasting. Paulo Soares, Sr. Director, Maintenance, admitted that such alternatives had not been explored. Commissioner DonCarlos understood and suggested that all options be explored in the future.

Mr. Davis noted that any users who were responsible for damage to the doors were pursued for the repair costs; however, the agenda item strictly pertained to normal wear and tear on the decades-old warehouses.

Mr. Davis continued: Item K10 was an authorization of a fifteen-year lease with options for the Jacintoport Terminal. Rebecca Piller, Counsel, Legal department, had been instrumental in negotiating the lease. There was approximately \$2.8 million in abatements for improvements made to the terminal, and it was a very good deal for the Port Authority.

Item K11 was an adjustment to the Port Authority's tariffs to implement a sustained import dwell fee and authorize an excessive import dwell fee. Dwell times for loaded containers had been as high as ten days in the past year, whereas historical dwell times were three days. Extended dwell hampered the Port Authority's ability to create capacity and manage its throughput. Congested terminals full of containers that did not move were

not a good thing; this slowed the turn times and hampered the Port Authority's services to its customers.

Mr. Davis explained that many other ports in the nation had already implemented such fees to manage dwell. The excessive dwell fee would allow for a higher charge on containers when dwell times were at ten days or more. The sustained dwell fee was for containers that lingered longer. Currently, 12% of imports had been at the container terminal for 14 days or longer, which made the container terminals a cheaper alternative for storage. The sustained fee would be charged to the beneficial cargo owner (BCO), not the ocean carriers, and would only be implemented once the free time expired.

Mr. Davis concluded by noting that since staff was unsure how effective such charges would be, there might be future requests to alter the fee structure if dwell times are not reduced.

Commissioner Mease asked for the dollar amounts of the fees. Mr. Davis explained that the sustained fee would be an extra \$45, charged directly to the BCO once free time expired.

Commissioner Mease asked if the fee would accelerate after a certain period of time. Mr. Davis answered that it would not. It was explained that the fee would be applicable to containers that had been at the terminal for over two weeks.

Mr. Guenther emphasized that the intent was to encourage the containers to be picked up and taken off the terminal. It was difficult to tell if the fee would provide the incentive needed to remove long-dwelling containers, and if the fee did not prove effective, the staff may return at a later date and seek approval to increase the amount. Having 12% of the containers remain on the terminal in excess of 15 days presented a large challenge.

Mr. Eriksson clarified that the sustained fee was a permanent fee while the excessive fee could be implemented on an as-needed basis, and Mr. Davis added that the excessive fee could be toggled on and off with 30 days advance notice. The fee structure was the same as what other ports had already implemented but the amount was on the low side.

Commissioner Mease observed that the Port Authority wanted to encourage its customers to keep the cargo moving through the port.

Mr. Guenther added that the sustained fee would be effective December 1, 2022 with authority given to the Executive Director to implement the excessive fee when needed.

(2022-1027-38) RCA K1 was presented. Commissioner Corgrey moved for staff's ranking of vendors - first, Sapphire Hydraulics, Inc.; second, Coastal Associates,

LLC dba Coastal Hydraulics; and third, Womack Machine Supply Company of Houston. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2022-1027-39) RCA K2 was presented. Commissioner Corgey moved for staff's ranking of vendors - first, Texas Outhouse, Inc.; second, Port-A-San Ltd.; and third, United Site Services of Texas, Inc., seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K2 PASSED.

(2022-1027-40) RCA K3 was presented. Commissioner Corgey moved for staff's ranking of vendors - first, Generocity Services, Inc.; and second, ABC Steel Products, Inc. dba ABC Doors, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K3 PASSED.

(2022-1027-41) RCA K4 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K4 PASSED.

(2022-1027-42) RCA K5 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K5 PASSED.

(2022-1027-43) RCA K6 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K6 PASSED.

(2022-1027-44) RCA K7 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K7 PASSED.

(2022-1027-45) RCA K8 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K8 PASSED.

(2022-1027-46) RCA K9 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan,

Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K9 PASSED.

(2022-1027-47) RCA K10 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K10 PASSED.

(2022-1027-48) RCA K11 was presented, moved by Commissioner Corgey, seconded by Commissioner Mease. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K11 PASSED.

(2022-1027-49) Chairman Campo recognized Roger Walter, Director, Human Resources, to provide a report of selected agenda items.

Mr. Walter announced there were two items on the agenda. Item L1 was for the Port Authority's stop-loss insurance coverage which capped liability under the self-funded medical plan for individual claimants under the plan year. The stop-loss carried paid claims above said cap. The Port Authority had used Aetna since 2019 with a cap set at \$179,000. There were between six to nine claimants that hit the cap each year, so staff recommended increasing the cap in 2023 to \$200,000, thus reducing the premium cost. The savings on the premium would offset the potential increase in liability claims.

Mr. Walter noted that Aetna was also the third-party administrator (TPA) for the Port Authority's medical plan. Having one party serve as both the TPA and the stop-loss carrier made it easier and less likely to have to wait for reimbursements.

Mr. Walter concluded with Item L2, the authorization to continue with the current benefits enrollment software.

(2022-1027-50) RCA L1 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2022-1027-51) RCA L2 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L2 PASSED.

(2022-1027-52) Chairman Campo recognized Marcus Woodring, Chief Port Security and Emergency Operations Officer, to provide a report of selected agenda items.



Mr. Woodring explained that Item M1 was a contract for two mobile guard houses that would be used where perimeter security had been breached. Item M2 was a purchase order request for the annual land mobile radio equipment purchase. There was not enough money on the current purchase order to accommodate the needs of the increase in staffing and the addition of new cranes. The request was accelerated due to supply chain delays.

Item M3 pertained to the annual payment to the Houston Ship Channel Security District, while Item M4 was an amendment to increase the contract amount for hazardous materials cleanup. The Port Commission approved the initial contract the previous year and there was only \$40,000 remaining with \$60,000 in invoices due. The nature of the contract – when a spill might occur and how severe – made budgeting difficult, and there may be additional requests to increase the contract amount.

(2022-1027-53) RCA M1 was presented, moved by Commissioner Creuzot, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2022-1027-54) RCA M2 was presented, moved by Commissioner Creuzot, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M2 PASSED.

(2022-1027-55) RCA M3 was presented, moved by Commissioner Creuzot, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M3 PASSED.

(2022-1027-56) RCA M4 was presented, moved by Commissioner Creuzot, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgiey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M4 PASSED.

(2022-1027-57) Chairman Campo recognized Ron Farrow, Director, Information Technology, to provide a report of selected agenda items.

Mr. Farrow explained the single item on the agenda, the purchase of information technology implementation services for the Port Authority's next generation collaboration, which was moving into the cloud.

(2022-1027-58) RCA N1 was presented. Commissioner Fitzgerald moved for staff's ranking of vendors - Items #1-3: DocPoint Solutions and Item #4: BKJ Global

Management Consulting, LLC, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA N1 PASSED.

Chairman Campo called for an Executive Session and asked Mr. Eriksson to make the following announcement:

It is now 10:10 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*); deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*), including disposition of Bayport Terminal vicinity properties; (3) Economic Development Negotiations or Incentives (*Section 551.087, Texas Open Meetings Act*); (4) Employment and Evaluation of Public Employees (*Section 551.074, Texas Open Meetings Act*; and (5) Security-Related Matters (*Sections 418.175-418.183 of the Texas Government Code, and Section 551.076, Texas Open Meetings Act*). The Port Commission will reconvene in public session after the closed meeting is adjourned.

At 10:34 a.m., Chairman Campo reconvened the open meeting 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

(2022-1027-59) Commissioner Mease moved to authorize the Port Authority to acquire property owned by ODIA Fairmont, LLC in the vicinity of the Bayport Terminal, on the terms discussed in Executive Session, and authorize the Executive Director to do all things necessary to give effect to the foregoing, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.



Chairman Campo noted that the next meeting of the Port Commission would be the annual budget presentation.

At 10:36 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the October 27, 2022 meeting of the Port Commission of the Port of Houston Authority.

A handwritten signature in black ink, appearing to read 'Ric Campo', with a long horizontal line extending to the right.

Ric Campo, Chairman

A handwritten signature in black ink, appearing to read 'Erik A. Eriksson', with a long horizontal line extending to the right.

Erik A. Eriksson, Secretary

## F. EXECUTIVE

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**Subject**                    **1. Award a three-year contract to Thomson Reuters Corporation for online legal research services, and printed publications and updates, in an amount not to exceed \$192,222.72.**

Meeting                    Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access                    Public

Type                    Action

Recommended Action    The Port Commission, at its October 27, 2022 meeting, award a three-year contract to Thomson Reuters Corporation for online legal research services, and printed publications and updates, in an amount not to exceed \$192,222.72, 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:**

Legal

**Staff Contact:**

Erik Eriksson

**Background:**

The Legal Department has been using printed publications from the West Publishing Corporation since 1951, and its online research services, Westlaw, since 2001. West Publishing Corporation has been a subsidiary of Thomson Reuters Corporation since 1996.

**Staff Evaluation/Justification:**

These services allow the Legal Department access to the latest statutes, regulations, and cases affecting the operation of the Port Authority, and to other research materials as well, and are required for the Legal Department to provide legal services to the Port Authority.

Entering into three-year agreements allows discounts that reduce costs over the term of the agreements. The cost of the online services would total \$175,758.24 over the three-year term, and the print subscription would total \$16,464.48. Thomson Reuters is the only source for these particular services.

Accordingly, the Legal Department requests that the Port Commission approve this contract.

**F. EXECUTIVE**

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<b>Subject</b>	<b>2. Approve the Amended and Restated Bylaws of the Port Authority, the Third Amended and Restated Code of Ethics, and the Public Comment Policy.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, approve the Amended and Restated Bylaws of the Port Authority, the Third Amended and Restated Code of Ethics, and the Public Comment Policy, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**  
General

**Department:**  
Legal

**Staff Contact:**  
Erik Eriksson

**Background:**

The Port Commission first adopted the bylaws of the Port Authority in February 2012; these were subsequently amended in February, July, and November 2013.

The Port Authority has had an ethics code in place for many years; the Port Commission more recently amended it in November 2013 and June 2015.

Finally, the Port Commission adopted a Public Comment protocol in May 2007, and subsequently adopted a Public Comment Policy in September 2015.

Legal staff has proposed amendments to the Bylaws, Code of Ethics, and Public Comment Policy, and following its review of these drafts, the Governance Committee acted to recommend Port Commission approval of the revisions. The form of these documents are attached.

**Staff Evaluation/Justification:**

Staff recommends that the Port Commission approve these amended policies as attached hereto.



**Amended and Restated  
Bylaws of the  
Port of Houston Authority of Harris County, Texas  
Amended \_\_\_\_\_, 2022**

PREAMBLE

A. The Port of Houston Authority of Harris County, Texas (the “Port Authority”), a governmental subdivision of the State of Texas, was created by Harris County voters on January 10, 1911 as the Harris County Houston Ship Channel Navigation District (the “Navigation District”). Its establishment as a navigation district under Article III, Section 52 of the Texas Constitution, and issuance of bonds to help sponsor and fund dredging and maintenance of the Houston Ship Channel, were authorized pursuant to Chapter 15, Acts of the 31st Legislature, 1909 R.S. (the “1909 Act”).

B. In 1922, the Navigation District assumed responsibility for operations and maintenance of the City of Houston’s wharves and docks along the Houston Ship Channel, pursuant to Chapter 30, Acts of the 37th Legislature, 1921 2nd C.S. (the “1921 Act”), by which the Board of Navigation and Canal Commissioners, the governing body of the Navigation District, succeeded to the duties of the City of Houston Harbor Board.

C. Chapter 97, Acts of the 40th Legislature, 1927 R.S., set forth that the duty of the Navigation District is “the development of deep water navigation and the improvement of rivers, bays, creeks, streams, and canals.” It also mandated that the Navigation District “acquire, purchase, undertake, construct, maintain, operate, develop, and regulate wharves, docks, warehouses, grain elevators, bunkering facilities, belt railroads...and all other facilities or aids incident to or necessary to the operation of ports or waterways within said District and extending to the Gulf of Mexico.”

D. Pursuant to Chapter 117, Acts of the 55th Legislature, 1957 R.S., the Navigation District was converted to a district operating under Article XVI, Section 59 of the Texas Constitution.

E. By Chapter 42, Acts of the 62nd Legislature, 1971 R.S., the Navigation District was officially renamed the Port of Houston Authority of Harris County.

F. By Chapter 1042, Acts of the 70th Legislature, 1987 R.S., the seven member Port Commission was created as the governing body of the Port Authority (the “Port Commission”).

**Amended and Restated Bylaws of the Port of Houston Authority**  
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G. By Chapter 139, Acts of the 83rd Legislature, 2013 R.S. (as amended by Chapter 758, Acts of the 85th Legislature, 2017 R.S. and Chapters 1346 and 1347, Acts of the 86th Legislature, 2019 R.S.), Texas Special District Local Laws Code was amended by adding Chapter 5007 (the “2013 Act”), to transfer, redesignate, and amend certain of these extant authorities regarding the Port Authority and enacted certain additional provisions regarding its administration and planning obligations.

H. The Port Authority principally operates under the 2013 Act and Chapters 60, 61, and 62 of the Texas Water Code, and under the 1909 Act and the 1921 Act. Pursuant to these authorities, the bylaws of the Port Commission are as follows:

ARTICLE I  
Offices, Domicile, and Service

Section 1.     Offices. The principal executive offices of the Port Authority are located in Houston, Harris County, Texas. The Port Authority may have such other offices as the business of the Port Authority may require or otherwise establish, as determined by the Port Commission.

Section 2.     Domicile. The domicile of the Port Authority is Harris County, Texas.

Section 3.     Service of Process. The Port Authority may be served through its Executive Director or other senior-most staff manager of the Port Authority (“Executive Director”), or General Counsel or other senior-most staff attorney of the Port Authority (“General Counsel”).

ARTICLE II  
Port Commission

Section 1.     General Powers. The responsibility for the management, control, and operation of the Port Authority and its properties is vested in the Port Commission. The Port Commission has responsibilities that include:

a. Creation and adoption of matters of policy including but not limited to vision, goals, plans, and budgets;

b. Exclusive authority for expenditures out of the Promotion and Development Fund, which may be delegated as directed by the Port Commission;

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- c. The sole authority to select, retain, and remove an Executive Director;
- d. The authority to monitor the performance of the Executive Director for compliance with laws, the Port Authority's budget, and with the Port Commission's expectations of his or her performance, policies, vision, goals, and plans;
- e. Acting as ambassadors on behalf of the Port Authority, envoys who represent the Port Authority and articulate its vision, mission, and goals to the communities and stakeholders it works with and serves; and
- f. Exercising such powers and duties reserved to it under the laws of the State of Texas.

Section 2. Number and Tenure. The Port Commission consists of seven members (collectively "Port Commissioners," individually a "Port Commissioner"): two appointed by a majority of the City Council of the City of Houston, two appointed by a majority of the Harris County Commissioners Court, one appointed by the city council of the City of Pasadena, and one appointed by a majority of the Harris County Mayors' and Councils' Association; and the chairman, appointed by the City of Houston mayor and city council and the Harris County Commissioners Court ("Chairman"). The term of office of a Port Commissioner is two years.

Section 3. Qualifications.

- a. Each Port Commissioner shall be a qualified elector within the jurisdictional boundaries of the Port Authority.
- b. The Port Commissioner appointed by the city council of the City of Pasadena must reside in the City of Pasadena.
- c. The Port Commissioner appointed by the Harris County Mayors' and Councils' Association must be a resident of a municipality in Harris County that is located adjacent to the Houston Ship Channel and has a population of less than 100,000.

Section 4. Removal. Any Port Commissioner may be removed from office in the manner established by the laws of the State of Texas.

Section 5. Vacancies. Any vacancy in a position on the Port Commission, whether by death, resignation, disqualification, incapacity to serve, or removal from office, shall be filled in the manner established by the laws of the State of Texas. Vacancies on the Port Commission shall not impair the power of the Port Commission to conduct the business of the Port Authority.

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Section 6. Regular Meetings. The Port Commission shall hold regular meetings as necessary for the purpose of conducting the business of the Port Authority. Regular meetings shall be held at such times, places, and days as the Chairman of the Port Commission shall specify, subject to the provisions of the Texas Open Meetings Act (Texas Government Code §551.101 et seq.). No further notice of regular meetings is required in addition to notice as required by the Texas Open Meetings Act.

Section 7. Special Meetings. Special meetings of the Port Commission may be called as necessary by the Chairman or by any two Port Commissioners.

a. The Chairman shall fix the time, place, and day for conducting any special meetings of the Port Commission, subject to the provisions of the Texas Open Meetings Act, and provided further that a special meeting called by two Port Commissioners shall be conducted no later than twenty one (21) days following their call for the meeting. Such time, place, and day shall be set out in a written notice of the special meeting delivered to the Port Commission by the Secretary of the Port Commission as provided herein, in addition to notice as required by the Texas Open Meetings Act.

b. The written notice of any special meeting of the Port Commission shall state the purpose or purposes for which such meeting is called.

c. Such notice shall be delivered to each Port Commissioner by hand, with a copy by electronic mail. Such notice shall be deemed to have been delivered when delivered to each Port Commissioner's usual business or residence address at least seventy-two (72) hours prior to the scheduled special meeting.

d. A Port Commissioner may waive notice of any special meeting, whether before or after the time of the meeting, by a signed waiver thereof.

e. Attendance of a Port Commissioner at a special meeting shall also constitute a waiver of notice of such meeting, except when a Port Commissioner attends a special meeting for the express and announced purpose of objecting to the transaction of any business, on the grounds that the meeting was not lawfully called or convened, which objection shall be made at the beginning of the meeting with the request that such objection be entered into the minutes of the meeting.

Section 8. Meeting Agendas.

a. The Chairman shall establish the proposed agenda for each regular meeting of the Port Commission and special meetings, with the assistance of the Executive Director.

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b. The Chairman shall add any items requested by a Port Commissioner to the proposed agenda of a regular meeting, or special meeting called by the Chairman. The Port Commissioners calling a special meeting shall add any items requested by the Chairman or any other Port Commissioners to the proposed agenda of such special meeting.

c. Upon the request of any Port Commissioner, consideration of, or action on, an item placed on the agenda at a regular or special meeting shall be deferred until the next meeting of the Port Commission, provided such deferral will not cause undue hardship, increase the cost of a matter under consideration, or render the item moot. An item may only be deferred once by request of the Port Commissioners.

Section 9. Quorum. A majority of the Port Commissioners shall constitute a quorum of the Port Commission for the purpose of conducting its business and exercising its powers. If a quorum is not present at any meeting of the Port Commission, a majority of the Port Commissioners present may adjourn the meeting to another time and place. Notice of any such adjourned meeting shall be given to all Port Commissioners in accordance with Section 7 of this Article II.

Section 10. Procedure at Meetings.

a. The Chairman shall preside at and conduct the business of all meetings of the Port Commission. In the absence of the Chairman at any meeting, the Chairman Pro Tem (as defined below) shall preside.

b. The Secretary shall act as secretary at all meetings of the Port Commission. In the absence of the Secretary, the Chairman or Chairman Pro Tem of the meeting, as applicable, may designate any person to act as secretary of the meeting.

c. At meetings of the Port Commission, the business shall be conducted in such order as the Chairman may from time to time determine.

Section 11. Powers and Duties of Port Commission Officers.

a. Chairman.

i. The Chairman shall preside at all meetings of the Port Commission and shall determine and set the agendas of the regular meetings, and special meetings called by the Chairman.



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ii. The Chairman may undertake such inquiries as necessary to determine if actions of the Port Commission are being carried into effect, and may report his or her findings from time to time to the Port Commission.

iii. The Chairman may execute for and on behalf of the Port Authority instruments or documents of whatever nature which the Port Commission has authorized him or her to execute.

iv. The Chairman shall appoint all members of committees and task forces of the Port Commission, subject to each member's consent to his or her appointment and Port Commission approval, and as more particularly described in Section 13(c) of this Article II.

v. The Chairman shall perform, in general, all duties incident to the office of Chairman as may be provided by the laws of the State of Texas, and such other duties as may be prescribed by these bylaws or assigned to him or her by the Port Commission from time to time.

b. Chairman Pro Tem. When the Chairman is absent from a meeting of the Port Commission, the Port Commissioner appointed by the Chairman to serve, or if one has not been designated by the Chairman to serve, the senior-most Port Commissioner in attendance, shall preside at such meeting as Chairman Pro Tem.

c. Secretary. The Port Commission shall name a Secretary of the Port Commission, who may be a Port Commissioner, the General Counsel, or the Executive Director of the Port Authority.

i. The Secretary shall keep the permanent records of all proceedings of the Port Authority, shall keep the minutes of all official meetings of the Port Commission in one or more books provided for such purpose, and shall see that notices of Port Commission meetings are duly given in accordance with the provisions of these bylaws and as required by the laws of the State of Texas.

ii. The Secretary shall be custodian of the seal of the Port Authority and shall, as may be necessary or appropriate, execute or affix the seal of the Port Authority to any instruments or documents of whatever nature which the Port Commission has authorized to be executed or which a Port Commissioner, officer, or staff member of the Port Authority has authority to execute, and attest to same if such attestation is necessary or advisable.

iii. The Secretary shall perform, in general, all the duties incident to the office of Secretary as may be provided by the laws of the State of Texas, and such other

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duties as may be prescribed by these bylaws or assigned to him or her by the Port Commission from time to time.

iv. The Secretary of the Port Commission shall hold office until death, resignation, disqualification, incapacity to serve, or removal from office.

d. Assistant Secretaries.

i. The Port Commission may from time to time appoint one or more Assistant Secretaries.

ii. Any Assistant Secretary of the Port Authority may perform all the duties and exercise all the powers of the Secretary in case of the absence or disability of the Secretary, or otherwise upon request of the Chairman, the Port Commission, or the Secretary.

iii. Assistant Secretaries of the Port Commission shall hold office until death, resignation, disqualification, incapacity to serve, or removal from office.

e. Parliamentarian. The General Counsel or his or her designated representative shall serve as parliamentarian to the Port Commission.

Section 12. Powers and Duties of Executive Director and Port Authority Employees.

a. The Executive Director has the authority to manage the operations, work, activities and affairs, and properties and facilities of the Port Authority, as directed by the Port Commission, as required in connection with discharge of his or her duties, and within the limits prescribed by law. Such delegation of powers and duties shall not include those specifically reserved to the Port Commission under the laws of the State of Texas, these bylaws, and as the Port Commission may specify from time-to-time.

b. The Executive Director has the authority to undertake and discharge the following duties, subject to the provisions of Section 12(a) of this Article II:

i. Subject to the budgetary constraints and policy directives of the Port Commission, employ, supervise, and discharge employees, establish positions and salaries for employees, and authorize other persons to act on his or her behalf.

ii. Collect revenues and moneys due the Port Authority and deposit them to the accounts of the Port Authority;

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iii. Make purchases and enter into contracts in accordance with Port Commission policies and directives;

iv. Administer the Port Authority's relations with public and private bodies, agencies, and associations, and serve such entities in such capacity as may be directed by the Port Commission, or required in connection with discharge of his or her duties;

v. Make such reports to the Port Commission and other authorities as the Port Commission directs, or as required in connection with discharge of his or her duties;

vi. Keep and maintain all other records, accounts, books, files, and papers of the Port Authority, except those pertaining to the duties and functions of the Harris County Treasurer, Harris County Auditor, and Harris County Tax Assessor and Collector;

vii. Sign, attest, certify, or deliver, on behalf of the Port Authority, agreements, deeds, leases, month-to-month rental agreements, licenses, franchises, permits, minutes, notices, accounts, receipts, invoices, warrants, requisitions, vouchers, checks, records, and other instruments, as required in the lawful and proper discharge of his or her duties or otherwise pursuant to applicable law, or as may be approved or as directed by the Port Commission; and

viii. Perform all other duties of the executive director and general manager of the Port Authority as required by law.

c. The Executive Director may formally and in writing delegate his or her powers, duties, and related authority to one or more Port Authority employees.

d. The Executive Director may travel as deemed appropriate or necessary to execute the duties and responsibilities of the Executive Director, but any such travel is subject to the same rules, regulations, and oversight as those established for Port Commissioners.

e. The Executive Director shall perform such other duties and discharge such other authorities as the Port Commission may specify from time-to-time.

f. Any or all of the duties and authorities of the Executive Director as specified above or later prescribed by the Port Commission are subject to change or cancellation by the Port Commission at any time.

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Section 13. Port Commission Committees and Task Forces.

a. The six standing committees or task forces of the Port Commission are Audit, Business Equity, Community Relations, Compensation, Governance, and Pension and Benefits. The Chairman may create additional task forces or committees as he or she deems appropriate.

b. Any Port Commissioner may from time to time request that the Port Commission establish additional Port Commission committees or task forces, or abolish one or more of the standing committees or task forces.

c. The Chairman shall appoint the chairs and members of the standing committees of the Port Commission when a vacancy occurs in a standing committee and at such other times as the Chairman considers necessary or appropriate. Such appointments are subject to the provisions of Section 11(a)(iv) of this Article II.

d. The Chairman shall appoint the chairs and members of any other committees or task forces of the Port Commission when a vacancy occurs and at such other times as the Chairman considers necessary or appropriate. Such appointments are subject to the provisions of Section 11(a)(iv) of this Article II.

e. Members of the committees and task forces of the Port Commission shall be Port Commissioners.

f. Any Port Commissioner in attendance at a committee or task force meeting shall be *ex officio* a member thereof, with the power to act on matters brought before such committee or task force.

g. A Port Commissioner may refer any matter, excepting any matter that is the subject of an item placed on the agenda at a regular or special meeting of the Port Commission, to the appropriate established Port Commission committee or task force for consideration.

h. Meetings of each committee of the Port Commission shall be held at such times, places, and days as the chair of such committee shall specify, subject to the provisions of the Texas Open Meetings Act. Such time, place, and day shall be set out in a written notice of the meeting delivered to such committee members by the Secretary of the Port Commission as provided herein, in addition to notice as required by the Texas Open Meetings Act.

i. Meetings of each task force of the Port Commission shall be held at such times, places, and days as the chair of such task force shall specify. Such time, place, and

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day shall be set out in a written notice of the meeting delivered to such committee members by the Secretary of the Port Commission as provided herein.

j. Such notice may be delivered to each committee or task force member by hand or by electronic mail. Such notice shall be deemed to have been delivered when delivered to each Port Commissioner's usual business or residence address, or transmitted by facsimile or electronic mail, at least seventy-two (72) hours prior to the scheduled meeting.

k. A Port Commissioner may waive notice of any committee or task force meeting, whether before or after the time of the meeting, by a signed waiver thereof.

l. Committees of the Port Commission may have authority to supervise or control the public business of the Port Authority, if such authority is delegated by formal action of the Port Commission.

m. Task forces of the Port Commission shall be advisory bodies, and shall not have any authority to supervise or control the public business of the Port Authority.

Section 14. Expenses. Each Port Commissioner shall be reimbursed for his or her necessary and reasonable expenses incurred in the discharge of duties as Port Commissioner subject to the policy that may be in place for travel and expenditures.

Section 15. Parliamentary Rules.

a. The latest version of *Robert's Rules of Order*, as from time-to-time revised, shall govern the proceedings of the Port Commission and its committees and task forces, except where inconsistent with the laws of the State of Texas or these bylaws. The General Counsel shall maintain a copy of the latest version of *Robert's Rules of Order* in the offices of the Port Authority, and shall provide each Port Commissioner with *Robert's Rules of Order, Newly Revised, In Brief*, as from time-to-time revised, or its successor or an equivalent publication.

b. The Secretary shall record the attendance of those Port Commissioners present at each meeting of the Port Commission, and Port Commission committee and task force, in the minutes of the meeting.

c. Action may be taken by the Port Authority upon a vote of a majority of the Port Commissioners present, unless the act of a greater number shall be required by the laws of the State of Texas or by these bylaws.

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d. Any Port Commissioner, including any Port Commissioner serving as Chairman or as a member of a Port Commission committee or task force, who is present at a meeting of the Port Commission or committee or task force, as applicable, at which action on any matter is taken, is presumed to have assented to the action taken, unless:

i. His or her dissent, abstention, or recusal is entered in the minutes of the meeting;

ii. Such Port Commissioner files his or her written dissent, abstention, or recusal regarding such action with the Secretary or an Assistant Secretary before the adjournment of the meeting: or

iii. Such Port Commissioner forwards such dissent, abstention, or recusal by hand delivery to the Secretary or an Assistant Secretary promptly after the adjournment of the meeting. The right to subsequent dissent does not apply to a Port Commissioner who voted in favor of an action, in the event such subsequent dissent would alter the outcome of such action.

e. The votes, or the recusals or abstentions, by each Port Commissioner present at each meeting of the Port Commission, or Port Commission committee or task force, shall be recorded by the Secretary or one of the Assistant Secretaries in the minutes of the meeting.

**Section 16. Relinquishment of Duties.**

a. Any Port Commissioner or Port Commission officer may resign and relinquish his or her duties at any time, as provided hereafter. Such resignation shall be made in writing and delivered to the Secretary.

b. The resignation of a Port Commissioner shall take effect when his or her successor is duly appointed and qualified, provided the duties of a Port Commissioner shall be relinquished upon his or her earlier death, disqualification, incapacity to serve, or removal from office.

c. The resignation of a Secretary or Assistant Secretary of the Port Commission shall take effect at the time specified therein, or if no time is specified, at the time of its receipt by the Chairman or Secretary, respectively, provided the duties of a Secretary or Assistant Secretary shall be relinquished upon his or her earlier death, resignation, disqualification, incapacity to serve, or removal from office.

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d. The acceptance of a resignation of a Port Commissioner or Port Commission officer shall not be necessary to make it effective, unless expressly so provided in the resignation.

ARTICLE III  
Contracts and Indebtedness

Section 1. Contracts.

a. The Port Commission may through action at a regular or special meeting authorize the Chairman or the Executive Director, or his or her representative, to enter into any contract or execute and deliver any other instrument or document in the name of and on behalf of the Port Authority, and such authority may be general or confined to specific instances or categories of matters.

b. All such instruments and documents authorized by the Port Commission shall be executed by either the Chairman or the Executive Director, or their designated representatives.

c. Any instrument or document providing for monetary or non-monetary obligations of the Port Authority shall be approved as to its form by the General Counsel or one of his or her designated representatives, and unless so approved is void and of no effect as to the Port Authority.

Section 2. Indebtedness. The Port Authority shall not incur indebtedness, nor shall evidence of indebtedness be issued in its name, unless authorized by action of the Port Commission, executed by the Chairman or Executive Director, and attested by the Secretary or an Assistant Secretary.

Section 3. Ad Valorem Tax Supported Obligations. Harris County Commissioners Court and the Harris County Tax Assessor and Collector shall have such duties, with respect to ad valorem tax supported obligations of the Port Authority, as provided by the laws of the State of Texas.

ARTICLE IV  
Banking and Investments

Section 1. Checks, Drafts, etc. All checks, drafts, notes, or other orders for the payment of funds issued in the name of the Port Authority shall be signed by such officers

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or employees of the Port Authority as shall from time to time be authorized by action of the Port Commission or as otherwise provided by the laws of the State of Texas.

Section 2.     Depositories.

a.       All funds of the Port Authority, except petty cash, shall be deposited from time-to-time to the credit of the Port Authority in such banks as the Port Commission may from time-to-time designate, and upon such terms and conditions as shall be fixed by the Port Commission, and as otherwise provided by the laws of the State of Texas and required by orders or resolutions authorizing such action.

b.       The Port Commission may from time-to-time authorize the opening and maintaining of general and special accounts within any such depository as it may designate, and may make such special rules and regulations with respect thereto as it may deem necessary.

c.       To the extent that funds in any depository bank or banks are not insured by the Federal Deposit Insurance Corporation, they shall be secured in the manner provided for by the laws of the State of Texas.

Section 3.     Investments.

a.       The Port Commission, by action and as provided by the laws of the State of Texas, may authorize representatives of the Port Authority to invest and reinvest the funds of the Port Authority and withdraw funds from the appropriate accounts of the Port Authority for investment on terms the Port Commission considers advisable.

b.       Such investments must be made pursuant to the policies of the Port Authority as adopted by the Port Commission from time-to-time and as otherwise provided by the laws of the State of Texas.

Section 4.     Treasurer. The Harris County Treasurer shall have such duties with respect to Port Authority funds as provided by the laws of the State of Texas.

ARTICLE V  
Audit, Operating Budget, and Capital Plan

Section 1.     Audit.

a.       Each year the Port Commission shall have an audit of the affairs of the Port Authority conducted by an independent certified public accountant or a firm of independent



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certified public accountants, as provided by the laws of the State of Texas, which audit shall be open to public inspection.

b. Such auditors shall have no personal interest directly or indirectly in the fiscal affairs of the Port Authority and shall be experienced and qualified in the accounting and auditing of public bodies.

c. The Port Authority's auditors may undertake consulting services for the Port Authority in addition to their duties in connection with the annual audit.

Section 2.     Internal Audit.

a. The Port Commission shall establish an internal audit procedure consistent with the purposes, duties, and standards for state agency internal audit procedures under Chapter 2102 of the Texas Government Code.

b. The Port Commission only shall hire and may fire or suspend a Chief Audit Executive, who shall report to the Port Commission Audit committee or task force. The Chief Audit Executive shall coordinate all audit activity, including:

- i. Compliance reviews;
- ii. Reviews of internal controls;
- iii. Audits by the Harris County Auditor;
- iv. Contracted audits;
- v. Performance reviews; and
- vi. Investigations of alleged fraud, waste, abuse, or ethics violations.

c. The Chief Audit Executive shall monitor the Port Authority's compliance with statutory requirements governing use of the promotion and development fund, as defined by Texas Special District Local Laws Code Section 5007.219(a).

d. The Port Commission shall create and approve, and the Port Authority shall make available on its website, a risk-based annual audit plan.

e. The Port Authority shall make internal audits available on request to:

- i. The Harris County Auditor; and

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- ii. Any entity with the authority to appoint a Port Commissioner.

Section 3. Operating Budget and Capital Plan.

a. Prior to the commencement of a fiscal year, or as soon as possible thereafter, the Port Commission shall adopt an annual operating budget which specifies major expenditures by type and amount. Before the Port Commission adopts its annual operating budget, it shall conduct a public hearing and shall make the proposed annual operating budget available to the public at least seventy-two (72) hours prior to the hearing.

b. The Port Authority may not make operating expenditures in excess of the total budgeted operating expenditures for a fiscal year unless the Port Commission amends the operating budget by action after public notice and hearing.

c. Prior to commencement of a fiscal year, or as soon as possible thereafter, the Port Commission shall adopt a capital plan for the following year. Before the Port Commission adopts such capital plan, it shall conduct a public hearing and shall make the proposed annual capital plan available to the public at least seventy-two (72) hours prior to the hearing.

d. The Port Authority may not award capital expenditures in excess of the capital plan for a fiscal year unless the Port Commission amends the capital plan by action after public notice and hearing.

e. Port Commission approval of an annual operating budget and capital plan shall be in addition to, and not in lieu of, its approval of expenditures and contracts as required under the laws of the State of Texas.

ARTICLE VI  
Indemnification of Port Commissioners

Section 1. Indemnification.

a. It is the intent of the Port Authority to protect its Port Commissioners from defense expense and legal liability through the purchase of appropriate public officials liability insurance, and such other liability insurance as the Port Authority obtains and maintains in force and effect.

b. To the extent that the Port Authority's liability insurance does not afford coverage with respect to a matter involving a Port Commissioner, it is the express intent of

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the Port Authority to indemnify its Port Commissioners to the fullest extent allowed by Texas law for liabilities or legal expense arising from conduct (including acts or omissions) that reasonably appears to be within the scope of a Port Commissioner's authority as such.

c. Absent a conflict of interest, a Port Commissioner named as a defendant along with the Port Authority shall be defended by the Port Authority's counsel in such matter. Otherwise, in view of the importance of a capable defense, an individual Port Commissioner's legal expense related to a civil or criminal action, proceeding, subpoena, investigation, or demand is intended to be funded on a current basis. However, in the event a criminal conviction of a Port Commissioner, or a finding of breach of the duty of loyalty to the Port Authority or official misconduct, on the part of a Port Commissioner, results from any such matter, all legal expense paid by the Port Authority in connection therewith shall be reimbursed by such Port Commissioner.

d. Any Port Commissioner who receives notice of a suit, proceeding, subpoena, investigation, or demand related to his or her service as a Port Commissioner shall promptly inform the General Counsel, who shall determine the applicability of the Port Authority's insurance coverage, and oversee and review requests for funding of any legal expense in connection therewith.

e. Inasmuch as this Section 1 of Article VI is not intended to foreclose any future Port Commission's judgment as to the public interest, all payments under this section indemnifying for the liability of a Port Commissioner, or funding the legal expense of Port Commissioner, are subject to Port Commission approval. This Section 1 of Article VI is a non-binding statement of intent and does not create a property interest or a contract and does not waive any of the Port Authority's immunities under law.

Section 2. Other Indemnification Rights. Any right of indemnification granted by this Article VI is in addition to and not in lieu of any other such right to which any Port Commissioner of the Port Authority may at any time be entitled under the laws of the State of Texas or as otherwise provided for by the Port Authority. If any indemnification which would otherwise be granted by this Article VI is disallowed by any competent court or administrative body as illegal or against public policy, then any Port Commissioner with respect to whom such adjudication was made, and any other Port Commissioner, shall be indemnified to the fullest extent permitted by the laws of the State of Texas and public policy.

Section 3. Reporting. Any Port Commissioner requesting indemnification hereunder shall regularly report to the Port Commission regarding the matters that may be subject to such indemnification, as necessary to keep the Port Commission reasonably informed as to such matters.

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Section 4.     Insurance. The Port Authority may purchase and maintain insurance on behalf of any person who is or was a Port Commissioner of the Port Authority, against any liability asserted against such person and incurred by such person in any such capacity, or arising out of such person's status or former status as Port Commissioner.

Section 5.     Heirs, Executors, and Administrators. The indemnification provided herein shall inure to the benefit of the heirs, executors, and administrators of Port Commissioners.

ARTICLE VII  
Seal

The seal of the Port Authority shall be in such form as the Port Commission may adopt, and such seal, or a facsimile thereof, may be impressed on, affixed to, or in any manner reproduced upon, instruments of any nature required to be executed by officers of the Port Authority as may be provided by the laws of the State of Texas.

ARTICLE VIII  
Fiscal Year

The fiscal year of the Port Authority shall be the calendar year, or shall otherwise begin and end on such dates as the Port Commission at any time shall determine by formal action.

ARTICLE IX  
Amendments to Bylaws

These bylaws may be altered, amended or repealed, or new bylaws may be adopted, by a majority vote of the Port Commission at any regular meeting of the Port Commission or at any special meeting of the Port Commission for which notices have been provided to each Port Commissioner at least seventy-two (72) hours prior to such meeting, pursuant to Section 7 of Article II.

Certificate by Secretary

The undersigned, being Secretary of the Port Commission of the Port of Houston Authority, certifies that these bylaws, originally adopted by the Port Commission of the Port of Houston Authority by its action dated February 28, 2012, Minute No. 2012-0228-05, as amended by the Port Commission by its action dated February 26, 2013, Minute No. 2013-0226-05, its action dated July 23, 2013, Minute No. 2013-0723-06, and its action dated November 19, 2013, Minute No. 2013-1119-07 are hereby restated to include the amendments duly adopted this date by Minute No. 2022-\_\_\_\_-\_\_.

IN WITNESS WHEREOF, I have signed this certification as of \_\_\_\_\_, 2022.

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Erik Eriksson, Secretary



## **Port of Houston Authority**

### **Third Amended and Restated** **Code of Ethics** **\_\_\_\_\_ 2022**

#### **Article I** **Statement of Purpose**

The Port of Houston Authority is committed to lawful and ethical behavior in all of its activities.

Port Commissioners and Employees of the Port of Houston Authority hold positions of public trust, shall strive to place the public interest above any private interest, and shall strive to instill confidence in their integrity.

Port Commissioners and Employees shall act in accordance with all applicable laws, regulations, and policies, and observe high standards of ethics in the conduct of their duties and responsibilities.

The restrictions, requirements, and prohibitions of this Port of Houston Authority Code of Ethics shall be interpreted as a standard for conduct that promotes integrity and public trust, and avoids any appearance of private gain, conflict of interest, or efforts to influence the actions and Decisions of the Port of Houston Authority for personal gain or advantage.

#### **Article II** **Definitions**

Capitalized terms used herein shall have the meanings set forth below:

- A. “**Benefit**” means anything reasonably regarded as monetary or pecuniary gain or advantage, including benefit to any other Person in whose welfare the beneficiary has a direct and Substantial Interest.

*Source: Tex. Pen. Code Ann. § 36.01(3).*

- B. “**Business**” means a sole proprietorship, partnership, firm, corporation, limited liability company, holding company, joint-stock company, receivership, trust, or any other entity recognized by law.

*Source: Tex. Loc. Gov’t Code § 171.001(2).*

- C. “**Code**” means this Port of Houston Authority Third Amended and Restated Code of Ethics.

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- D. “**Commission**” means the Port Commission of the Port Authority.
- E. “**Commissioner**” means a member of the Commission.
- F. “**Confidential Information**” means any information to which a Commissioner or Employee has access by virtue of his or her position with the Port Authority and (i) to which the public does not generally have access, or (ii) that the Port Authority is required to keep confidential by law, including information that is prohibited from disclosure under Chapter 552, Government Code.

*Source: Tex. Pen. Code Ann. § 39.06(d).*

- G. “**Contract**” means any contract, agreement, binding memorandum of agreement or memorandum of understanding, purchase order, or lease with any Person, whether express or implied, executed or executory, verbal or in writing.
- H. “**Decision**” means the exercise of discretion of a Commissioner or Employee of the Port Authority.
- I. “**Employee**” means any employee of the Port Authority. The term “Employee” includes full-time, part-time, hourly, salaried, and temporary Port Authority employees. The term “Employee” does not include officers or employees of the Port Authority’s independent contractors.
- J. “**Employment**” means any rendering of services for pay.
- K. “**First Degree**” relation means the relationships of first degree by consanguinity and first degree by affinity as provided by law, i.e. an individual’s spouse, parent, child, father-in-law, mother-in-law, son-in-law, daughters-in-law, step-parent, and step-child. The First Degree relation shall also include spouses of the relatives described above. For the purposes of this Code, an adopted child is considered to be the child of the adoptive parent.

*Source: Tex. Gov’t Code § 573.022–573.025.*

- L. “**General Counsel**” means the person designated as such by the Port Authority.
- M. “**Honorarium**” means a payment for services rendered in a situation where custom, propriety, or practice prevents a price being set, including fees for speaking or teaching.

*Source: Op. Tex. Ethics Comm’n No. 401 (1998) at p.2, n.1. and Op. Tex. Ethics Comm’n Nos. 305 (1996) and 294 (1995).*

- N. “**Legal Department**” means the Legal Department of the Port Authority.
- O. “**Participate**” means to take part in official acts, actions, or proceedings as a Commissioner or Employee through approval, disapproval, Decision, recommendation, investigation, the rendering of advice, the act or performance of a duty, or the failure to act or perform a duty.

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- P. **“Person”** means an individual, Business, labor organization, representative, fiduciary, trust, or association.
- Q. **“Port Authority”** means the Port of Houston Authority of Harris County, Texas.
- R. **“Port Authority First Responders”** means (i) Employees who are certified as emergency medical services personnel by the Texas Department of State Health Services; (ii) peace officer Employees whose duties include responding rapidly to an emergency; (iii) permanent, full-time law enforcement officer Employees designated as fire and arson investigators by an appropriate local authority; and (iv) permanent, full-time fire department Employees who are not secretaries, stenographers, clerks, budget analysts, or similar support staff persons or other administrative Employees and who are assigned duties in one or more of the following categories: (a) fire suppression; (b) fire inspection; (c) fire and arson investigation; (d) marine firefighting; (e) aircraft rescue and firefighting; (f) fire training; (g) fire education; (h) fire administration; and (i) any other position necessarily or customarily related to fire prevention or suppression.

*Source: Tex. Pen. Code § 36.10(e).*

- S. **“Port Authority Gift”** means a gift, grant, donation, or bequest of money or property accepted under Texas Water Code Section 60.124 that has a value of Five Hundred Dollars (\$500) or more.

*Source: Tex. Spec. Dist. Code § 5007.228.*

- T. **“Second Degree”** means the relationships of second degree by consanguinity and second degree by affinity as provided by law, i.e. an individual’s grandparent, grandchild, sister, brother, sister-in-law, brother-in-law, spouse’s grandparent, spouse’s grandchild, grandparent’s spouse, or grandchild’s spouse. For the purposes of this Code, the Second Degree relation shall also include spouses of the relatives described above. For the purposes of this Code, an adopted child is considered to be the child of the adoptive parent.

*Source: Tex. Gov’t Code §§ 573.022–573.025.*

- U. **“Senior Manager”** means any of the following Port Authority Employees as designated by title:

Executive Director  
Chief Operating Officer  
Any Chief Division Officer  
Any Senior Director  
Chief Audit Executive  
Controller

The foregoing list of titles is current as of the date hereof. It shall be deemed to be updated from time-to-time to include equivalent titles based on then-current organizational charts and other



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records maintained by the Port Authority Human Resources Department.

V. “**Substantial Interest**” has the meaning set forth in Section IV(B).

*Source: Tex. Loc. Gov’t Code § 171.002.*

W. “**Texas Trade Association**” means a cooperative and voluntarily joined statewide association of business or professional competitors in this state designed to assist its members and its industry or profession in dealing with mutual business or professional problems and in promoting their common interest.

*Source: Tex. Spec. Dist. Code § 5007.207.*

X. “**Third Degree by Consanguinity**” means the relationships of third degree by consanguinity as provided by law, i.e. an individual’s great-grandparent, great-grandchild, aunt who is a sister of a parent of the individual, uncle who is a brother of a parent of the individual, nephew who is a child of a brother or sister of the individual, or niece who is a child of a brother or sister of the individual. For the purposes of this Code, an adopted child is considered to be the child of the adoptive parent.

*Source: Tex. Gov’t Code §§ 573.022–573.024.*

Y. “**Transaction**” means the conduct of any activity that results in or may result in an official act or action of the Port Authority.

Z. “**Whistleblower Policy**” means the Port Authority Misconduct Reporting Policy as promulgated and from time-to-time amended by the Commission.

AA. “**Withdraw**” means abstain or recuse oneself from participation.

Article III

Commissioners and Employees Shall Comply with All Laws

No Commissioner or Employee shall engage in any conduct or Transaction that is prohibited by any law or regulation which is applicable to the Commissioner or Employee by virtue of his or her association with the Port Authority, whether such law or regulation is now existing or hereafter enacted.

An illustrative listing of Texas statutes relevant to the topics addressed by the Code is included in Appendix A. However, this list is intended only as a reference aid and is not an exhaustive list of all laws and regulations that may apply to the actions of any Commissioner or Employee.

Article IV

Commissioners and Employees Shall Avoid Conflicts of Interest

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**A. Statement of Policy and Practice.**

1. It is the policy of the Port Authority that no Commissioner or Employee may Participate in any discussion, deliberation, vote, or other Decision regarding any matter in which he or she has a conflict of interest.
2. Prior to Participating in any Transaction, it is the responsibility of each Commissioner and Employee to:
  - a. Identify potential conflicts of interest;
  - b. Disclose such conflicts to (i) the General Counsel or the General Counsel's designee or, (ii) in the case of an Employee, the Employee's supervisor;
  - c. Withdraw from participating in any discussion, deliberation, vote, or other Decision regarding any matter in which he or she has a conflict of interest; and
  - d. In the case of an Employee with final decision-making authority on the matter or a Commissioner, file with the General Counsel or the General Counsel's designee an affidavit or other instrument stating the nature and extent of his or her conflicts of interest.
3. **Circumstances that give rise or may give rise to a Conflict of Interest.** While the *minimum* guidelines for identifying and managing conflicts of interest are set forth below, there are a number of circumstances that often give rise to conflicts of interest, and for which Commissioners and Employees should remain especially vigilant. These include:
  - a. Certain relationships with a Business that holds or is seeking to acquire a Contract with the Port Authority, including:
    - i. Being employed (whether on a full-time, part-time, contract, or consultant basis) by such Business,
    - ii. Receiving any type of income or Benefit from such Business, or
    - iii. Having a Substantial Interest in such Business.
  - b. Earning a fee or commission in connection with a Transaction in which the Port Authority may engage.
4. The *minimum* standards for identifying and managing conflicts of interest are set forth below. However, every Commissioner and Employee shall use his or her best judgment with respect to conflicts of interest. If a Commissioner or Employee is aware of any circumstance (even if it does not fit into the standards outlined below) that creates a conflict of interest or could give the appearance of a conflict of interest, he or she should disclose the circumstance to (a) the General Counsel or General Counsel's designee or,

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(b) in the case of an Employee, the Employee's supervisor so that it can be addressed appropriately.

**B. Conflict of Interest = a Substantial Interest + Special Economic Effect.**

1. A conflict of interest exists when it is reasonably foreseeable that a particular Port Authority action will have a special economic effect (distinguishable from its effect on the general public) on:
  - a. real property in which a Commissioner or Employee has a Substantial Interest; or
  - b. a Business in which a Commissioner or Employee has a Substantial Interest.

*Source: Tex. Loc. Gov't Code § 171.004(a).*

2. The following are Substantial Interests:

- a. **Substantial Interest in a Business.** A Commissioner or Employee has a Substantial Interest in a Business if:
  - i. The Commissioner or Employee owns 10 percent or more of the voting stock, or shares of the Business;
  - ii. The Commissioner or Employee owns either 10 percent or more, or \$15,000 or more, of the fair market value of the Business; or
  - iii. Funds received by the Commissioner or Employee from the Business exceed 10 percent of his or her gross income for the previous year.

*Source: Tex. Loc. Gov't Code § 171.002(a).*

- b. **Substantial Interest in Real Property.** A Commissioner or Employee has a Substantial Interest in real property if the interest is an equitable or legal ownership with a fair market value of \$2,500 or more.

*Source: Tex. Loc. Gov't Code § 171.002(b).*

- c. **Substantial Interest Through a Third-Party.** A Commissioner or Employee has a Substantial Interest in a real property or Business if a Person related in the First Degree to the Commissioner or Employee has a Substantial Interest (as defined in Sections IV(B)(1)(a) or (b) above) in such Contract, real property, or Business.

*Source: Tex. Loc. Gov't Code § 171.002(c).*

- C. **Non-Participation and Disclosure.** If it is reasonably foreseeable that a Port Authority action on a particular matter would confer a special economic effect (distinguishable from its effect

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on the public) on real property or a Business in which a Commissioner or Employee has a Substantial Interest:

1. The Commissioner or Employee shall not Participate in any discussion, deliberation, vote, or other Decision on the matter.

*Source: Tex. Loc. Gov't Code § 171.004(a).*

2. The Commissioner or Employee shall, before the discussion, deliberation, vote or other Decision occurs, disclose the nature and extent of his or her interest (a) to the General Counsel or General Counsel's designee or, (b) in the case of an Employee, to the Employee's supervisor.

*Source: Tex. Loc. Gov't Code § 171.004(a).*

3. A Commissioner or an Employee with final decision-making authority on a matter shall also file with the General Counsel or the General Counsel's designee an affidavit or other instrument stating the nature and extent of his or her interest.

*Source: Tex. Loc. Gov't Code § 171.004(a).*

4. If a Commissioner is required to file and does file an affidavit under Section IV(C)(3), the Commissioner is not required to abstain from further participation in the matter requiring the affidavit if a majority of the members of the Commission are likewise required to file and do file affidavits of similar interests on the same official action.

*Source: Tex. Loc. Gov't Code § 171.004(c).*

5. The Commission shall take a separate vote on any budget item specifically dedicated to a Contract with a Business entity in which a Commissioner has a substantial interest. Except as provided by Section IV(C)(4), the affected Commissioner may not Participate in that separate vote. The Commissioner may vote on a final budget if the Commissioner has complied with this Section IV(C), and the matter in which the Commissioner is concerned has been resolved.

*Source: Tex. Loc. Gov't Code § 171.005.*

**D. Commissioner and Executive Director Disclosure Statements.**

1. A Port Commissioner or Executive Director shall file a conflicts disclosure statement in accordance with Texas Local Government Code Chapter 176 if:
  - a. The Port Commissioner or Executive Director, or a First Degree relative of the Port Commissioner or Executive Director, has an Employment or other business relationship with a Person that results in the Port Commissioner or Executive Director, or the First Degree relative, receiving taxable income, other than investment income, that exceeds \$2,500 during the 12-month period

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preceding the date that the Port Commissioner or Executive Director becomes aware that:

- i. a Contract has been executed between the Port Authority and the Person; or
  - ii. the Port Authority is considering entering into a Contract with the Person; or
- b. The Port Commissioner or Executive Director, or First Degree relative of the Port Commissioner or Executive Director, receives one or more gifts from a Person that have an aggregate value of more than \$100 in the 12-month period preceding the date the Port Commissioner or Executive Director becomes aware that:
  - i. a Contract has been executed between the Port Authority and the Person; or
  - ii. the Port Authority is considering entering into a Contract with the Person.
- c. The Port Authority has entered a Contract or is considering entering a Contract with a person with whom the Port Commissioner or Executive Director is related within the First Degree or Second Degree, or within the Third Degree by Consanguinity.

*Source: Tex. Loc. Gov't Code § 176.003(a).*

- 2. The Port Commissioner or Executive Director is not required to file a conflicts disclosure statement in relation to a gift accepted by the Port Commissioner or Executive Director, or First Degree relative of the Port Commissioner or Executive Director if the gift is:
  - a. a political contribution as defined by Title 15, Election Code; or
  - b. food accepted as a guest.

*Source: Tex. Loc. Gov't Code § 176.003(a-1).*

- 3. The Port Commissioner or Executive Director shall file the conflicts disclosure statement with the General Counsel or the General Counsel's designee not later than 5 p.m. on the seventh business day after the date on which the officer becomes aware of the facts that require the filing of the statement under Section IV(D)(1).

*Source: Tex. Loc. Gov't Code § 176.003(b).*

**E. Disclosure of Property Interest.**

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1. A Commissioner or Employee who has a legal or equitable interest in property that is to be acquired with public funds shall file an affidavit within 10 days before the date on which the property is to be acquired by purchase or condemnation.

*Source: Tex. Gov't Code § 553.002(a).*

2. The affidavit must: (1) state the name of the public servant; (2) state the public servant's office, public title, or job designation; (3) fully describe the property; (4) fully describe the nature, type, and amount of interest in the property, including the percentage of ownership interest; (5) state the date when the Person acquired an interest in the property; (6) include a verification as follows: "I swear that the information in this affidavit is personally known by me to be correct and contains the information required by Section 553.002, Government Code"; and (7) contain an acknowledgement of the same type required for recording a deed in the deed records of the county.

*Source: Tex. Gov't Code § 553.002(b).*

3. The affidavit must be filed with: (1) the county clerk of the county in which the Commissioner or Employee resides; and (2) the county clerk of each county in which the property is located.

*Source: Tex. Gov't Code § 553.002(c).*

- F. **Investments.** No Commissioner or Employee shall make personal investments that could reasonably be expected to create a substantial conflict between the Commissioner's or Employee's private interest and the public interest.

*Source: Tex. Spec. Dist. Code § 5007.213(a)(4).*

- G. **Director or Officer of Another Business.** A Commissioner or Employee who serves as a director or officer of another Business, and regardless of whether he or she receives compensation for such service, (i) shall disclose such service to the General Counsel or General Counsel's designee or, in the case of an Employee, to the Employee's supervisor prior to any Port Authority Decision, including any deliberation or vote, to be taken with respect to such Business, (ii) shall not Participate in any Decision, including any deliberation or vote, concerning such Business, and, (iii) in the case of a Senior Manager or Commissioner, shall file with the General Counsel or the General Counsel's designee an affidavit or other instrument stating the nature and extent of his or her interest.

- H. **Acting as Surety.** No Commissioner or Employee shall act as Surety for a Business that has work, business, or a Contract with the Port Authority, or act as a surety on any official bond required of an officer of the Port Authority.

*Source: Tex. Loc. Gov't Code § 171.003(a)(2)–(3).*

- I. **Texas Trade Associations.** A Person may not be a member of the Commission or may not be

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an Employee employed in a “bona fide executive, administrative, or professional capacity,” as that phrase is used for purposes of establishing an exemption to the overtime provisions of the federal Fair Labor Standards Act of 1938 (29 U.S.C. Section 201 et seq.), if:

1. The Person is an officer, employee, or paid consultant of a Texas Trade Association in a field relating to maritime commerce, the members of which are regulated by the Port Authority; or
2. The Person’s spouse is an officer, manager, or paid consultant of a Texas Trade Association in a field relating to maritime commerce, the members of which are regulated by the Port Authority.

*Source: Tex. Spec. Dist. Code § 5007.207(a)–(b).*

- J. Lobbyists.** A Person may not be a Commissioner or act as the general counsel to the Commission or the Port Authority if the Person is required to register as a lobbyist under Chapter 305, Government Code, because of the Person’s activities for compensation on behalf of a profession related to the operation of the Port Authority.

*Source: Tex. Spec. Dist. Code § 5007.207(c).*

- K. Ineligible to Be a Commissioner.** A Person may not be a Commissioner if the Person or an individual related to the Person in the First Degree:

1. Is employed by or participates in the management of a Business or other organization regulated by or receiving money from the Port Authority; or
2. Uses or receives a substantial amount of tangible goods, services, or money from the Port Authority other than compensation or reimbursement authorized by law for Commission membership, attendance, or expenses.

*Source: Tex. Spec. Dist. Code § 5007.207(d).*

- L. Circumstances Not Specifically Described.** It is the responsibility of each Commissioner and Employee to strive to protect and preserve the public’s trust in the Port Authority. If a Commissioner or Employee becomes aware of any existing or potential circumstance which impairs or might appear to impair a Commissioner’s or Employee’s independence and objectivity in the discharge of his or her responsibilities, even if such circumstance is not specified in this Code, he or she should report it to (a) the General Counsel or General Counsel’s designee or, (b) in the case of an Employee, the Employee’s supervisor.

Article V  
Abuse of Public Office

Commissioners and Employees shall not: (i) use their status for monetary gain, or the granting or

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exchanging of favored treatment to Persons, Businesses, or others; (ii) conduct their activities to influence, or provide the opportunity to influence, government Decisions for personal gain or advantage; or (iii) otherwise bring discredit on or to the Port Authority.

- A. **Violation of Law.** No Commissioner or Employee shall violate a law relating to the Commissioner's or Employee's position in order to obtain a Benefit or harm or defraud another.

*Source: Tex. Pen. Code Ann. § 39.02(a)(1).*

- B. **Benefits.** Commissioners and Employees shall comply with all laws regarding the acceptance of gifts and Benefits, and shall additionally comply with the requirements set out below.

1. Prohibited Benefits.

- a. **Benefits that are Always Prohibited.** No Commissioner or Employee shall solicit, accept, or agree to accept any Benefit:

- i. That might reasonably tend to influence the Commissioner or Employee in the discharge of official duties;
- ii. That the Commissioner or Employee knows or should know is being offered with the intent to influence the Commissioner's or Employee's official conduct;
- iii. For having exercised the Commissioner's or Employee's official powers or performed the Commissioner's or Employee's official duties in favor of another;
- iv. As consideration for the Commissioner's or Employee's opinion, recommendation, vote, exercise of discretion, or other Decision as a public servant;
- v. As consideration for the Commissioner's or Employee's vote, recommendation, exercise of official discretion, or other Decision in a judicial or administrative proceeding;
- vi. As consideration for a violation of a duty imposed by law on the Commissioner or Employee; or
- vii. That is a political contribution as defined by Title 15, Election Code, or that is an expenditure made and reported in accordance with Chapter 305, Government Code (regarding the registration of lobbyists), if the Benefit was offered, conferred, solicited, accepted, or agreed to pursuant to an express agreement to take or withhold a specific exercise



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of official discretion if such exercise of official discretion would not have been taken or withheld but for the Benefit.

*Source: Tex. Spec. Dist. Code § 5007.213(a)(1)&(5); Tex. Pen. Code § 36.02(a)(1)-(4).*

- b. **People from Whom Benefits are Prohibited, Unless an Exception Listed in the “Permitted Benefits” Section Below Applies.** Except as allowed in Section V(B)(2) below, no Commissioner or Employee shall solicit, accept, or agree to accept any Benefit from the following people:
- i. **Someone Subject to Regulation, Inspection or Investigation.** Any Person the Commissioner or Employee knows to be subject to regulation, inspection, or investigation by such Commissioner or Employee or the Port Authority;
  - ii. **Someone in Custody.** Any Person the Commissioner or Employee knows to be in the custody of such Commissioner or Employee or the Port Authority Police Department;
  - iii. **Someone Who is or May Become Involved in Litigation.** Any Person against whom the Commissioner or Employee knows litigation is pending or contemplated by such Commissioner or Employee or the Port Authority;
  - iv. **Someone Interested in a Contract, Purchase, Payment, Claim, or Transaction.** Any Person the Commissioner or Employee knows is interested in or likely to become interested in any Contract, purchase, payment, claim, or Transaction involving the exercise of the Commissioner’s or Employee’s discretion (this prohibition applies only to a Commissioner or Employee who exercises discretion in connection with Contracts, purchases, payments, claims, or other monetary Transactions of the Port Authority); or
  - v. **Someone Interested in a Judicial or Administrative Proceeding.** Any Person the Commissioner or Employee knows is interested in or likely to become interested in any judicial or administrative proceeding before such Employee or Commissioner or the Port Authority.
  - vi. **Someone Appearing in a Contested Case, Doing Business with the Port Authority, or Who is Interested in Port Authority Business.** Any Person (i) who is appearing before the Port Authority in a contested case, (ii) who is doing business with the Port Authority, or (iii) who the Commissioner or Employee knows is interested in any matter before the Commissioner or Employee. *The prohibition described in this Section*

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*V(B)(1)(b)(vi) applies only to a Commissioner or Employee who is a hearing examiner who conducts hearings in contested cases. The exception provided by Section V(B)(2)(d) below does not apply to a benefit under this Section V(B)(1)(b)(vi). In other words, a hearing examiner may not rely on Section V(B)(2)(d) as a basis for accepting a benefit from any Person described in this Section V(B)(1)(b)(vi).*

*Source: Tex. Pen. Code § 36.08.*

- c. **Restrictions on Honoraria.** No Commissioner or Employee shall solicit, accept, or agree to accept an Honorarium in consideration for services that the Commissioner or Employee would not have been requested to perform but for the Commissioner's or Employee's official position or duties. This Section V(B)(1)(c) does not prohibit a Commissioner or Employee from accepting transportation and lodging expenses in connection with a conference or similar event in which the Commissioner or Employee renders services, such as addressing an audience or engaging in a seminar, to the extent that those services are more than merely perfunctory, or from accepting meals in connection with such an event.

*Source: Tex. Pen. Code § 36.07.*

- 2. **Permitted Benefits.** Employees should closely review the Standards for Employee Interaction with Interested Parties before accepting a Benefit based upon any of the following exceptions, as those Standards include further restrictions on the types of Benefits an Employee may accept from certain parties. Unless otherwise prohibited by another policy or standard, a Commissioner or Employee may accept the following Benefits:
  - a. A fee prescribed by law to be received by the Commissioner or Employee, or any other Benefit to which the Commissioner or Employee is lawfully entitled or for which he or she gives legitimate consideration (i.e., something for which the Commissioner or Employee pays a fair price), in a capacity other than as a Commissioner or Employee.
  - b. A gift or other Benefit conferred on account of kinship or on account of a personal, professional, or business relationship independent of the Commissioner's or Employee's relationship with the Port Authority.
  - c. An item with a value of less than the amount permitted from time-to-time under state law (which as of the date this Code was last updated was fifty dollars (\$50)), as long as the item is not cash, a cash equivalent (such as a gift card or gift certificate), or a negotiable instrument. This exception may not be relied upon to accept cash, a cash equivalent, or a negotiable instrument, no matter how small the value of such Benefit.

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- d. A Benefit consisting of food, lodging, transportation, or entertainment accepted as a guest; provided that the receipt of such Benefit is otherwise disclosed by the recipient in accordance with any applicable laws, including Texas Government Code Chapter 572. *The exception provided by this Section V(B)(2)(d) does not apply to a Benefit to a hearing officer described in Section V(B)(1)(b)(vi) above. In other words, a hearing examiner may not rely on this Section V(B)(2)(d) as a basis for accepting a benefit from any Person described in Section V(B)(1)(b)(vi).*
- e. A Benefit consisting of transportation, lodging, or meals accepted in accordance with Section V(B)(1)(c) above in connection with an Honorarium.
- f. A Benefit issued by another governmental entity that allows the use of property or facilities owned, leased, or operated by the governmental entity.
- g. A Benefit provided to Port Authority First Responders in the form of complimentary legal advice or legal services relating to a will, power of attorney, advance directive, or other estate planning document provided through a program or clinic that is operated by a local bar association or the State Bar of Texas, if the program or clinic is approved by the Executive Director of the Port Authority.
- h. A Benefit to a Commissioner required to file a statement under Chapter 572, Government Code, or a Commissioner or Employee required to file a report under Title 15, Election Code, that is derived from a function in honor or appreciation of the recipient if:
  - i. the Benefit and the source of any benefit in excess of \$50 is reported in the statement; and
  - ii. the Benefit is used solely to defray the expenses that accrue in the performance of duties or activities in connection with the Commissioner's or Employee's office which are non-reimbursable by Port Authority.
- i. A political contribution as defined by Title 15, Election Code.

*Source: Tex. Pen. Code § 36.10, 36.08(g).*

- C. **Gifts to the Port Authority.** The Port Authority may accept a Port Authority Gift only if, not later than the ninetieth (90th) day after the date the Port Authority receives the Port Authority Gift, the Commission acknowledges the acceptance of the Port Authority Gift in an open meeting. The minutes of the Commission shall record (i) the name of the donor of any Port Authority Gift accepted by the Commission, (ii) a description of the Port Authority Gift, and (iii) a statement of the purpose of the Port Authority Gift.

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*Source: Tex. Spec. Dist. Code § 5007.228.*

**D. Nepotism.**

**1. Nepotism Restrictions on Commissioners and Employees.**

- a. **No Hiring of the Relatives of Any Commissioner.** No Commissioner or Employee shall Participate in the hiring, appointment, or confirmation of an individual who is related to any Commissioner within the First Degree or Second Degree, or within the Third Degree by Consanguinity.

*Source: Tex. Gov't Code § 573.041.*

- b. **No Hiring of Employee's Own Relatives.** No Employee shall Participate in the hiring, appointment, or confirmation of Port Authority personnel who is related to the Employee within the First Degree or Second Degree, or within the Third Degree by Consanguinity.

*Source: Tex. Gov't Code § 573.041.*

- c. **No Participation in Decisions Relating to Own Relatives.** No Commissioner or Employee shall Participate in the appointment, reappointment, confirmation of the appointment or reappointment, Employment, reemployment, change in status, compensation, or dismissal of an individual employed by the Port Authority and related to the Commissioner or Employee within the First Degree or Second Degree, or within the Third Degree by Consanguinity, if that action applies only to such individual and is not taken regarding a bona fide class or category of Employees.

*Source: Tex. Gov't Code § 573.062(b).*

- d. **No Trading.** No Commissioner or Employee shall Participate in the hiring, appointment, or confirmation of an individual who is related to another Commissioner or Employee within the First Degree or Second Degree, or within the Third Degree by Consanguinity, in whole or partial exchange for the other Commissioner or Employee Participating in the hiring, appointing, or confirming of an individual related to the Commissioner or Employee within the First Degree or Second Degree, or within the Third Degree by Consanguinity.

*Source: Tex. Gov't Code § 573.044.*

2. **Continuous Employment Exception.** This Section V(D) shall not prevent the retention or advancement of an individual who has been continuously employed in his or her position with the Port Authority for a period of at least thirty (30) days immediately prior to (a) the appointment of a Commissioner related to such individual

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within the First Degree or Second Degree, or within the Third Degree by Consanguinity, or (b) the hiring or promotion of an Employee related to such individual within the First Degree or Second Degree; provided, however, that the Commissioner or Employee so related to that individual shall not Participate in any deliberation or voting on the appointment, reappointment, confirmation of the appointment or reappointment, Employment, reemployment, change in status, compensation, or dismissal relating to that individual if that action applies only to such individual and is not taken regarding a bona fide class or category of Employees.

*Source: Tex. Gov't Code § 573.062.*

3. **Exception for Personal Attendant.** This Section V(D) shall not prevent the appointment or Employment of a personal attendant by and for a Commissioner or Employee who, because of physical infirmities, is required to have a personal attendant.

*Source: Tex. Gov't Code § 573.061(5).*

4. **Removal from Position for Nepotism Violation.** A Commissioner or Employee who violates this Section V(D) may be subject to mandatory removal from the Commissioner's or Employee's position in accordance with Texas Government Code Section 573.081.

**E. Employment.**

1. No Commissioner or Employee shall accept Employment or compensation that could reasonably be expected to impair the Commissioner's or Employee's independence of judgment in the performance of the Commissioner's or Employee's official duties.

*Source: Tex. Spec. Dist. Code § 5007.213(a)(3).*

2. No Senior Manager shall engage in any outside Employment without first securing approval by the Executive Director or his designee in writing.
3. The Executive Director shall not engage in any outside Employment without first securing the approval, in writing, of the Commission.

**F. Former Commissioners and Employees.**

1. No former Commissioner or Executive Director shall make any communication to or appearance before any Commissioner or Employee before the second anniversary of the date the former Commissioner or Executive Director ceased to be a Commissioner or Executive Director if the communication or appearance is made: (1) with the intent to influence; and (2) on behalf of any Person in connection with any matter on which the Person seeks official action.

*Source: Tex. Gov't Code § 572.054(a).*

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2. No former Commissioner or Employee shall represent any Person or receive any Benefit or compensation for services rendered on behalf of any Person regarding a particular matter in which the former Commissioner or Employee Participated during the period of Port Authority service or Employment, either through personal involvement or because the case or proceeding was a matter within the former Commissioner's or Employee's official responsibility, without the specific approval of the Commission.

*Source: Tex. Gov't Code § 572.0054(b).*

3. The Port Authority shall not enter into any Contract (other than a Contract subject to competitive bids) with any Person employing or represented by a former Employee, who has been, within the preceding 12-month period, an Employee of the Port Authority, if the Contract relates to a matter for which the former Employee had responsibility while representing the Port Authority, without the specific approval of the Commission.

**G. Misuse of Public Property.**

1. No Commissioner or Employee shall intentionally or knowingly use property, services, personnel, or any other thing of value belonging to the Port Authority in a manner contrary to:
  - a. Any agreement by which the Commissioner or Employee holds the property;
  - b. The Commissioner's or Employee's oath of office or Contract of Employment;
  - c. Any law, including provisions of the General Appropriations Act specifically relating to government property, that prescribes the manner of custody or disposition of such property; and
  - d. The limited purpose for which the property was delivered to or received by the Commissioner or Employee.

*Source: Tex. Pen. Code §§ 39.01, 39.02(a)(2).*

2. Discounts or awards given for travel, such as frequent flyer miles, rental car or hotel discounts, or food coupons, shall not be considered property or things of value belonging to the Port Authority, i.e., Commissioners and Employees who earn such travel awards on Port Authority business are not required to account for such awards and may use such awards for personal travel.

*Source: Tex. Pen. Code § 39.02(d)*

**H. Misuse or Disclosure of Official Information.** No Commissioner or Employee shall:

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1. Rely upon Confidential Information to acquire or aid another to acquire a pecuniary interest in any property, Business, Transaction, or other enterprise that may be affected by the Confidential Information;
2. Speculate or aid another to speculate on the basis of the Confidential Information;
3. Rely upon Confidential Information to coerce another into suppressing or failing to report such Confidential Information to a law enforcement agency;
4. Otherwise use or disclose Confidential Information for a nongovernmental purpose with the intent to obtain a Benefit or with the intent to harm or defraud another;
5. Solicit or receive Confidential Information from another Commissioner or Employee with the intent to obtain a Benefit or with the intent to harm or defraud another; or
6. Accept Employment or engage in a Business or professional activity that the Commissioner or Employee might reasonably expect would require or induce the Commissioner or Employee to disclose Confidential Information.

*Source: Tex. Pen. Code § 39.06; Tex. Spec. Dist. Code § 5007.213(a)(2).*

Article VI

Discrimination, Harassment, Reporting, and Retaliation

- A. It is the policy of the Port Authority to promote an atmosphere of respect, equality, and safety, and to provide a workplace free of discrimination and harassment. Any instance of discrimination, harassment, or misconduct shall be reported promptly, investigated fully, and addressed appropriately.
- B. All Commissioners and Employees shall adhere strictly to the laws of equal employment opportunity and unlawful harassment, and the Whistleblower Policy.
- C. A violation of any of these laws or policy is a violation of this Code and is subject to any additional penalties and sanctions provided herein.
- D. Any act of retaliation against a Commissioner or Employee for reporting discrimination, harassment, and misconduct is a violation of this Code, and is subject to any additional penalties and sanctions provided herein.

Article VII

Penalties for Violation of the Code

The following penalties for conduct in violation of this Code may be imposed in addition to any penalties that may be imposed by law, regulation, or other applicable Port Authority policy. The applicability of this Code shall in no way limit the penalties available under any other Port

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Authority policy or standards, or any applicable law or regulation.

**A. Commissioners.**

1. A Commissioner who is found by the Commission to have violated this Code may be subject to official reprimand by vote of a majority of the Commission.
2. In the event that the Commission determines that the violation of this Code by the Commissioner constitutes grounds for removal from office pursuant to state law, including Texas Government Code Chapter 573, Texas Special District Local Laws Code Chapter 5007, and Texas Water Code Chapters 61 and 62, such Commissioner may be subject to recommendation by a majority of the Commission that the Commissioner be removed from office by the authority that appointed him or her.

**B. Executive Director.** The Executive Director, if found by the Commission to have violated this Code, may be subject to official reprimand, suspension, or dismissal from Employment (subject to the terms of any Contract of Employment) by vote of a majority of the Commission.

**C. Employees.** The Executive Director or other authorized Port Authority official may impose such sanctions and penalties against an Employee who is found to have violated this Code as may be appropriate, including official reprimand, suspension, or dismissal from Employment.

**D. Contractors and Other Interested Persons.** Any Person or Business that offers, confers, or agrees to confer any Benefit:

1. As consideration for a Commissioner's or Employee's opinion, recommendation, vote, other exercise of discretion, or other Decision as a public servant, or
2. In exchange for the Commissioner's or Employee's exercise of his or her official powers or performance of his or her official duties,

or that otherwise takes part in the violation of any provision of this Code, may have its existing Port Authority Contracts terminated, may be excluded from future business with Port Authority for a period of time determined by the Port Authority, and may be subject to other action by the Port Authority.

**E. No Waiver.** The failure of the Commission or Port Authority to enforce this Code, or exercise any other rights or remedies hereunder, with respect to the conduct of any Commissioner, Employee, or third party, shall not constitute a waiver of the right to enforce its provisions or exercise its rights or remedies with respect to any other conduct of any Persons.

Article VIII  
Reporting under the Whistleblower Policy

A violation of this Code constitutes Misconduct as defined in the Whistleblower Policy and is



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of the Port of Houston Authority**  
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subject to the reporting requirements, investigation processes, and penalties set forth in the Whistleblower Policy.

Article IX  
Acknowledgement and Training

**A. Initial Responsibilities of Commissioners and Employees.**

1. Each new Commissioner shall be provided a copy of this Code within three (3) business days after the date the Commissioner begins a term as a Port Commissioner. The new Commissioner shall read the Code thoroughly, and sign the attached Acknowledgement of Receipt, Understanding, and Compliance prior to voting, deliberating, or being counted as a Commissioner in attendance at a meeting of the Commission.

*Source: Tex. Spec. Dist. Code § 5007.211(c).*

2. Each new Employee, within three (3) business days following the commencement of Employment, shall receive a copy of this Code, read it thoroughly, and sign the attached Acknowledgement of Receipt, Understanding, and Compliance.

*Source: Tex. Spec. Dist. Code § 5007.211(c).*

3. Prior to voting, deliberating, or being counted as a Commissioner in attendance at a meeting of the Commission, each Commissioner shall complete a training program that complies with Texas Special District Local Laws Code Section 5007.209.

**B. Annual Responsibilities of Commissioners and Employees.**

1. Each Commissioner and each Employee shall on an annual basis thoroughly review this Code, and sign the attached Acknowledgement of Receipt, Understanding, and Compliance, thereby affirming his or her adherence to this Code.

*Source: Tex. Spec. Dist. Code § 5007.214.*

2. The Executive Director of the Port Authority, each Commissioner, and each Senior Manager shall on an annual basis attend an ethics training and review seminar prepared by the Legal Department of the Port Authority or qualified outside counsel.
3. Not later than April 30 each year, each Commissioner shall file the financial statement required of state officers under Subchapter B, Chapter 572, Texas Government Code, with the General Counsel or the General Counsel's designee and the Texas Ethics Commission.

*Source: Tex. Spec. Dist. Code § 5007.208; Tex. Gov't Code § 572.026(a).*

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Article X

Construction, Application, and Severability

- A. The restrictions, requirements, and prohibitions of this Code shall be interpreted broadly to promote the best interests of the Port Authority.
- B. The propriety of any official act of action taken by, or Transaction involving, a Commissioner or Employee prior to the effective date of this Code as amended shall not be affected by the amendment of this Code.
- C. The invalidity of any provision of this Code shall not be deemed to affect the validity of any other provision. In the event that any provision of this Code is held to be invalid, the remaining provisions shall be deemed to be in full force and effect.

Code Owner: Chief Legal Officer

Code Version: 3.0

Approved by: Minute No.

Replaces: Second Amended and Restated Code of Ethics, adopted June 23, 2015, as evidenced by Minute No. 2015-0623-06

Effective Date:

Appendix A  
Illustrative Texas Statutes

- Texas Government Code Ch. 553 Disclosure by Public Servant of Interest in Property to Be Acquired with Public Funds
- Texas Government Code Ch. 572 Personal Financial Disclosure, Standards of Conduct, and Conflict of Interest
- Texas Government Code Ch. 573 Degrees of Relationship; Nepotism Prohibitions
- Texas Local Government Code Ch. 171 Regulation of Conflicts of Interest of Officers of Municipalities, Counties, and Certain Other Local Governments
- Texas Local Government Code Ch. 176 Disclosure of Certain Relationships with Local Government Officers; Providing Public Access to Certain Information
- Texas Penal Code Sec. 36.02 Bribery
- Texas Penal Code Sec. 36.07 Acceptance of Honorarium
- Texas Penal Code Sec. 36.08 Gift to Public Servant by Person Subject to His Jurisdiction
- Texas Penal Code Sec. 39.02 Abuse of Official Capacity
- Texas Penal Code Sec. 39.06 Misuse of Official Information
- Texas Special District Local Laws Code Section 5007.207 Conflict of Interest
- Texas Special District Local Laws Code Section 5007.209 Port Commissioner Training
- Texas Special District Local Laws Code Section 5007.210 Removal From Office
- Texas Special District Local Laws Code Section 5007.213 Standards of Conduct; Ethics Policy
- Texas Special District Local Laws Code Section 5007.214 Ethics Affirmation and Hotline
- Texas Special District Local Laws Code Section 5007.228 Acceptance of Gifts
- Texas Water Code Sec. 60.413 Criminal Penalty

**Port of Houston Authority  
CODE OF ETHICS**



Acknowledgement of Receipt, Understanding, and Compliance

1. I hereby acknowledge receipt of a copy of the Port of Houston Authority's Code of Ethics.
2. I have read and understand the Code of Ethics and shall comply with its provisions.

Signature:

\_\_\_\_\_

Name: \_\_\_\_\_  
(please print)

Date: \_\_\_\_\_

## Port of Houston Authority PUBLIC COMMENT POLICY



### A. Policy Statement.

1. It is the policy of the Port Commission of the Port of Houston Authority of Harris County, Texas (the “Port Authority”) to encourage public comment at public meetings of the Port Commission and of its committees and task forces (“Public Meetings”), with regard to matters that relate to Port Authority affairs or within the authority of the Port Commission.

2. This Public Comment Policy (the “Policy”) is intended to provide interested parties the opportunity to present their views, while permitting the Port Commission to conduct Public Meetings in an efficient and effective manner.

3. This Policy shall not prohibit public criticism of the Port Authority or Port Commission, including criticism of any of its acts, omissions, policies, procedures, programs, or services, provided that such public criticism is not otherwise prohibited by law.

4. The Port Authority urges interested parties to address Port Authority administrative, business, or related matters with Port Authority staff prior to requesting an appearance or speaking at a Public Meeting.

### B. Advance Requests to Appear at a Public Meeting.

1. Interested parties may request in advance to appear on the agenda and speak at Public Meetings. Requests should be made to the office of the Executive Director of the Port Authority or Secretary of the Port Commission by telephone, mail, email, or facsimile.

2. Such requests must be received no later than seven (7) days before the scheduled date of the Public Meeting for which the appearance is requested.

3. Requestors should provide their name, organizational affiliation, contact information, and a brief description of the subject matter of their comments.

4. The Port Authority reserves the right to determine whether the appearance of an interested party is placed on the agenda of a Public Meeting.

5. Prior to the Public Meeting the Port Authority will notify requestors whether their appearance has been added to the agenda.

### C. Requests to Comment Made Immediately Prior to a Public Meeting.

1. Interested parties may also request to speak at a Public Meeting on the day of the meeting by (a) completing the sign-in sheet provided for the Public Meeting, or (b) notifying the

Public Comment Policy

\_\_\_\_\_, 2022

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office of the Executive Director or Secretary by telephone or email at least one (1) hour prior to commencement of the Public Meeting.

2. Requestors should provide their name, organizational affiliation, and a brief description of the subject matter of the appearance.

3. Prior to commencement of the Public Meeting, Port Authority staff shall notify the Chairman or other Port Commissioner presiding at the meeting of such requests.

D. Public Meeting Conduct.

1. Copies of the posted Port Commission meeting agenda are available near the entrance to the Public Meeting prior to its scheduled start, or the agenda will be electronically displayed on a meeting room screen.

2. The presiding Port Commissioner may announce the Port Authority's guidelines for conduct during the Public Meeting. Public Meetings are also subject to the requirements of the Texas Open Meetings Act (Texas Government Code Chapter 551).

3. The presiding Port Commissioner will generally conduct the Public Meeting in the order shown on the agenda, and generally call speakers first in the order shown on the agenda and then in the order shown on the sign-up sheet.

4. Notwithstanding the foregoing:

a. The Port Authority reserves the right to move any public comment to a place on the agenda of the Public Meeting to better assure the efficient conduct of Port Commission business, provided that the opportunity to address the Port Commission regarding an item on the agenda of the Public Meeting shall occur before or during the Port Commission's consideration of the item; and

b. The Port Authority reserves the right to call speakers at a Public Meeting in such order as may be necessary or convenient for the conduct of Port Commission business.

5. Persons commenting at the Public Meeting may speak when the presiding Port Commissioner calls on them.

a. Speakers must appear in person and step up to the podium (or appear remotely as provided by law), and state their name and affiliation.

b. Unless the meeting is conducted remotely, all statements and responses to comments by the Port Commissioners, or committee or task force members, must be made at the

Public Comment Policy

\_\_\_\_\_, 2022

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podium and spoken into the microphone.

c. Additional information presented by the speaker should be in paper format, or if the meeting is conducted remotely, in .pdf format and provided prior to the Public Meeting to the office of the Executive Director or Secretary, for distribution to the Port Commission, committee, or task force, and Port Authority staff. Ten (10) copies of such information should be provided if in paper format.

6. Permitted Speaking Time.

a. A speaker whose subject matter relates to an item of business on the agenda is limited to three (3) minutes speaking time.

b. A speaker whose subject matter does not relate to an item of business on the agenda is limited to three (3) minutes speaking time.

c. If more than one member of a group has requested to speak, the group must select one representative to present its comments. The group's representative is limited to three (3) minutes speaking time, regardless of whether or not the comments relate to an item of business on the agenda.

d. A speaker or group addressing a subject matter which does not relate to an item of business on the agenda, and that has spoken at any of the four previous Port Commission meetings, shall be limited to one (1) minute speaking time.

7. Unless the meeting is conducted remotely, a Port Authority staff member will time each speaker with a timer that clearly informs the presiding Port Commissioner and speakers of their elapsed or remaining speaking time. A Port Authority staff member may escort the speaker from the podium when the permitted time has elapsed, or silence the speaker in remote attendance.

8. Comments should be addressed to the Port Commission as a whole, and no inquiries, requests, etc. may be asked of Port Commissioners or staff except through the presiding Port Commissioner. The presiding Port Commissioner may refer inquiries, requests, etc., to the Executive Director for handling and later response as appropriate.

9. The presiding Port Commissioner will close the public comment session after any speakers who are on the agenda and any speakers who have signed up have been given the opportunity to speak, subject to the following.

a. Persons attending a Public Meeting shall not delay, interrupt, or disrupt the proceedings, or refuse to obey the orders of the presiding Port Commissioner.

Public Comment Policy

\_\_\_\_\_, 2022

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b. The presiding Port Commissioner may order persons who do not conduct themselves in an orderly and appropriate manner to leave the Public Meeting, and except as provided by law, deny them the opportunity to speak at that Public Meeting.

E. Policy Waivers. Except as provided by law, the Port Authority reserves the right to waive this Policy:

1. To accommodate the comments of persons and organizations invited by the Port Authority to speak at a Public Meeting; and

2. When necessary to conduct a Public Meeting efficiently and effectively.

F. Reasonable Accommodations; Translation.

1. Persons with disabilities may contact the office of the Executive Director if needing reasonable accommodations to participate in a Public Meeting. Such requests should be received at least seven (7) days prior to the Public Meeting. If a request for an accommodation has been submitted but due to circumstances is no longer needed, the office of the Executive Director should be promptly informed.

2. A member of the public who addresses the Port Commission through a translator shall be given at least twice the amount of time as a member of the public who does not require the assistance of a translator, in order to ensure that non-English speakers receive the same opportunity to address the Port Commission.

G. Adoption. This Policy was adopted by the Port Commission on \_\_\_\_\_, 2022, as evidenced by Minute No. 2022-\_\_\_\_-\_\_.



## H. COMMERCIAL

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<b>Subject</b>	<b>1. Enter a two-year professional services contract with a one-year mutual extension option with Sergio Ojeda Ossa for trade development services on behalf of the Port Authority in Central and South America, in an amount not to exceed \$243,600 for the two-year contract period and in an amount not to exceed \$127,308 for the one-year option period, plus Port Authority-related travel and business expense reimbursement not to exceed \$28,875 per year, including the one-year option period.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, award a two-year professional services contract with a one-year mutual extension option to Sergio Ojeda Ossa for trade development services on behalf of the Port Authority in Central and South America, in an amount not to exceed \$243,600 for the two-year contract period and in an amount not to exceed \$127,308 for the one-year option period, plus Port Authority-related travel and business expense reimbursement not to exceed \$28,875 per year, including the one-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:**

Trade Development

**Staff Contact:**

Dominic Sun

**Background:**

Sergio Ojeda Ossa has demonstrated to Port Authority staff solid transportation and trade-related experience in Central and South America and proposes to provide trade development services with the objective of building trade between Central and South America and the Port of Houston. Mr. Ojeda Ossa experience, coupled with his educational background and references, qualify him for the position.

In 2021, the combined markets of Central America and South America supported the following for the Port Authority:

- 20% of the Port Authority's container volumes, at 516,086 loaded twenty-foot equivalent units (TEUS) (data derived from PIERS);
- Established as the No. 1 U.S. container port for import and export trade with these markets, followed by Port Everglades and New York respectively;
- Significant and ongoing expansion of Houston's regional petrochemical complexes;
- With the Port Authority's strong link with South America petrochemical, consumer products, and automotive sectors, perishable markets, and increasing vessels sizes, these North/South volumes are poised to continue their exponential growth.

**Staff Evaluation/Justification:**

Based on these merits, staff recommends the Port Commission advance the strategic positioning of the Port Authority in Central and South America trade through the award of a two-year contract with Sergio Ojeda Ossa, in his individual capacity as an independent contractor, as the Port Authority's regional representative based in Panama City, Panama, in the amounts described above, plus the Port Authority-related travel and business expense reimbursements.

## H. COMMERCIAL

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<b>Subject</b>	<b>2. Approve the 2023 membership with the Greater Houston Partnership at the Managing Partner level with associated membership fees in an amount not to exceed \$60,000.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, approve the 2023 membership with the Greater Houston Partnership at the Managing Partner level with associated membership fees in an amount not to exceed \$60,000, and further authorize the Executive Director to do any and all the things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships) STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

**Category:**

Awards, Amendments, & Change Orders

**Department:**

Economic Development

**Staff Contact:**

Rina Lawrence

**Background:**

By Minute No. 2021-1026-06, the Port Commission approved the Port Authority's 2022 membership in the Greater Houston Partnership (GHP) at the Managing Partner level with associated membership fees in an amount not to exceed \$60,000.

**Staff Evaluation/Justification:**

The GHP is the leading advocacy group for Houston's regional business community and the City of Houston chamber of commerce and its World Trade Center. The Port Authority is committed to developing the region's economy and is in support of GHP's economic development efforts. To maintain the Port Authority's leadership position and working relationship with GHP, staff recommends that the Port Authority continue its membership investment at the Managing Partner level.

Benefits of the Managing Partner level membership include nomination to the GHP Board of Directors, eligibility to participate in ten GHP Committees, the Steering Committee, up to four Advisory Committees, and premier table placement at sponsored events.

Staff recommends that the Port Commission approve the Port Authority's 2023 membership in the GHP.

## H. COMMERCIAL

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<b>Subject</b>	<b>3. Approve a 3% lease rate increase for twenty-four ratified Port Authority month-to-month leases and new month-to-month leases, effective no earlier than January 1, 2023.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, approve a 3% lease rate increase for twenty-four ratified Port Authority month-to-month leases and new month-to-month leases, effective no earlier than January 1, 2023, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	<p>STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)</p> <p>Strategic Objective 3a. - Cultivate key relationships to accomplish common goals</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:**  
Leases

**Department:**  
Real Estate

**Staff Contact:**  
Jim Vo

**Background:**

The lease rates for the Port Authority's month-to-month leases are based on rates adopted by the Port Commission from time-to-time. There are currently twenty-seven month-to-month leases in effect, of which twenty-four have been in effect for more than one year and have been ratified by the Port Commission. Of the twenty-seven month-to-month leases, three will not be affected by this requested lease rate increase because they have been in effect for less than one year.

The Port Commission approved a 3% lease rate increase together with a 10% premium increase for thirty-five month-to-month leases and new month-to-month leases, effective January 1, 2020. With this proposed 3% lease rate increase, the existing twenty-four month-to-month leases and new month-to-month leases will still be subject to the 10% premium.

New month-to-month leases would be subject to the proposed 3% increase and a new lease rate structure based on property attributes which include the following lease rate categories: undeveloped surface rate (new category), unimproved surface rate, semi-stabilized surface rate (new category), stabilized surface rate, asphalt surface rate (new category), and concrete surface rate.

**Staff Evaluation/Justification:**

Gary Brown and Associates has prepared an appraisal of Port Authority properties, dated September 21, 2021, on behalf of the Port Authority, which has been reviewed by Real Estate staff and used to assist with establishing these lease rates.

Based on valuations provided in the appraisal, Real Estate staff recommends the Port Commission approve a lease rate increase of 3% for the existing twenty-four month-to-month leases and new month-to-month leases, effective no earlier than January 1, 2023.

## H. COMMERCIAL

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<b>Subject</b>	<b>4. Ratify the extended term of a month-to-month lease with R. Warehousing &amp; Port Services, Inc., commencing November 11, 2022, for approximately 5.24 acres out of Block 22B at Industrial Park East, at an annual base rent of approximately \$228,960.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, ratify the extended term of a month-to-month lease with R. Warehousing & Port Services, Inc., commencing November 11, 2022, for approximately 5.24 acres out of Block 22B at Industrial Park East, at an annual base rent of approximately \$228,960, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	<p>STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)</p> <p>Strategic Objective 3a. - Cultivate key relationships to accomplish common goals</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:**  
Leases

**Department:**  
Real Estate

**Staff Contact:**  
RD Tanner

**Background:**

The Port Authority currently has a month-to-month lease with R. Warehousing & Port Services, Inc. (R. Warehousing) for 5.24 acres, which includes 11,000 square feet of transit shed space out of Block 22B at Industrial Park East, that will have been in effect for more than one year after November 11, 2022. R. Warehousing's current annual base rent is approximately \$228,960 and is based upon the current premium rate for a month-to-month lease agreement. R. Warehousing uses the leased premises for storing and handling of steel products and general cargo.

An amendment to the Texas Water Code adopted in the 2011 State of Texas legislative session requires that the Port Commission authorize month-to-month lease agreements in effect for more than one year.

**Staff Evaluation/Justification:**

Staff recommends the Port Commission ratify the extended term of a month-to-month lease with R. Warehousing under the terms described above.

## H. COMMERCIAL

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**Subject**                      **5. Approve an amendment to the lease with CMA CGM (America) LLC for approximately 1,500 square feet of office space in the Bayport Container Terminal Administration Building to extend the term for three years, effective no earlier than December 1, 2022, at an annual base rent of approximately \$30,883, subject to annual base rent escalation of 3%.**

Meeting                      Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access                      Public

Type                      Action

Recommended Action      The Port Commission, at its October 27, 2022 meeting, approve an amendment to the lease with CMA CGM (America) LLC for approximately 1,500 square feet of office space in the Bayport Container Terminal Administration Building to extend the term for three years, effective no earlier than December 1, 2022, at an annual base rent of approximately \$30,883 subject to annual base rent escalation of 3%, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals                      STRATEGIC GOAL #3 - PARTNERSHIPS (Develop and Strengthen External Partnerships)  
Strategic Objective 3a. - Cultivate key relationships to accomplish common goals  
STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)  
Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port

**Category:**  
Leases

**Department:**  
Real Estate

**Staff Contact:**  
Jim Vo

**Background:**  
By Minute No. 2017-1023-15, the Port Commission approved a five-year lease with CMA CGM (America) LLC (CMA CGM) for approximately 1,500 square feet of office space in the Bayport Container Terminal Administration Building. The property is used for professional office purposes.

CMA CGM has requested that the Port Authority extend the lease term for an additional three years and intends to continue to use the property for the purpose described above.

**Staff Evaluation/Justification:**  
Staff recommends the Port Commission approve the proposed lease amendment under the terms described above.

## I. FINANCE

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<b>Subject</b>	<b>1. Authorize payment to Renew International LLC for Accounts Payable Recovery Audit Services in an amount not to exceed \$65,600.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, authorize payment to Renew International LLC for professional services performed during an Accounts Payable Recovery Audit in an amount not to exceed \$65,600, 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:**

Internal Audit

**Staff Contact:**

Shannon Williams

**Background:**

The Port Authority entered into a contract with Renew International LLC (Renew) in December 2021 (File No. 2021-0344) to recover its duplicate/erroneous payments, identify and recover its unrecorded credits, and identify procedural weaknesses in Port Authority processes. This contract was performed on a gain-share basis, granting Renew a percentage of the successful recoveries.

This recovery audit had also been performed twice previously by Renew for the Port Authority, with previous net recoveries paid in 2016 and 2018 to Renew totaling \$20,000 and \$40,000, respectively. The December 2021 contract engagement yielded higher recoveries than originally anticipated as a result of growth in the volume of expenditures, new systems implementation, and a better-than-expected inquiry response rate. Current recoveries resulted in a gross recovery of \$149,120. This amount breaks down as a total gain-share of \$65,600 for Renew and recoveries of \$83,520 for the Port Authority. A partial payment of \$3,932 was made earlier in 2022 before the full extent of recoveries was known, bringing the total expenditure on this engagement to \$65,600 as gain-share for Renew.

**Staff Evaluation/Justification:**

Renew was engaged by the Port Authority for services anticipated to be below \$50,000 in net recoveries paid based on past audit engagements of the same scope. The unanticipated uptick in the recoveries resulted in a gain-share payment exceeding the original \$50,000 estimate.

Staff recommends that the Port Commission authorize payment to Renew for services due in accordance with the December 2021 contract for the amount of \$65,600.

## I. FINANCE

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<b>Subject</b>	<b>2. Approve and ratify a one-year extension for the second year of the professional audit services agreement with Forvis, LLP (f/k/a BKD, LLP), in an amount not to exceed \$350,000, and approve a one-year extension for the third year of the professional audit services agreement with Forvis, LLP, in an amount not to exceed \$370,000.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, approve and ratify a one-year extension for the second year of the professional audit services agreement with Forvis, LLP (f/k/a BKD, LLP), in an amount not to exceed \$350,000, and approve a one-year extension for the third year of the professional audit services agreement with Forvis, LLP, in an amount not to exceed \$370,000, 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 #4 - STEWARDSHIP \(Create Greater Value for the Region\)](#)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Controller

**Staff Contact:**

Curtis Duncan

**Background:**

By Minute No. 2020-0730-12, the Port Commission awarded a professional audit services agreement to BKD, LLP (BKD), beginning on August 1, 2020 and ending on July 31, 2021, with options to renew for two additional one-year terms. During the first year of the term, BKD provided audit services for the fiscal year ended December 31, 2020.

Effective on August 1, 2021, the Port Authority and BKD entered into an amendment to the professional audit services agreement to, among other things, exercise the option to extend the term by one year to provide audit services for the fiscal year ended December 31, 2021.

Effective on June 1, 2022, the public accounting firm Dixon Hughes Goodman (DHG) LLP merged with and into BKD, with BKD as the surviving entity. Subsequently, BKD merged with and into Forvis, LLP, a Delaware limited liability partnership (Forvis), with Forvis as the surviving entity. Forvis was formed for the purpose of having the surviving entity, which is Forvis, domiciled in Delaware. The merger transactions described above did not result in an assignment of the professional audit services agreement and instead resulted in such agreement being transferred from BKD to Forvis by operation of law. Therefore, as of June 1, 2022, Forvis is the new service provider under the professional audit services agreement. Its team includes the professionals who were previously associated with BKD and provided services under such agreement.

The Port Authority now desires to exercise the option to extend the term by one year to provide audit services for the fiscal year ended December 31, 2022.

**Staff Evaluation/Justification:**

Following staff review, staff recommends that the Port Commission approve and ratify a one-year extension for the second year of the professional audit services agreement with Forvis and approve a one-year extension for the third year of the same agreement in the amounts described above.

## I. FINANCE

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<b>Subject</b>	<b>3. Approve and adopt the proposed Internal Audit 2023 Annual Audit Plan.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, approve and adopt the proposed 2023 Annual Audit Plan, 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:**

Internal Audit

**Staff Contact:**

Shannon Williams

**Background:**

Section 5007.226(e) of the Texas Special District Local Laws Code requires that the Port Commission "create, approve, and make available on the Port Authority's website a risk-based annual audit plan."

During the third quarter of 2022, the Port Authority's Internal Audit group updated the Annual Risk Assessment (ARA) in accordance with applicable professional auditing standards. Based on the ARA results and input from the Audit Committee and Port Authority staff, Internal Audit drafted a proposed Annual Audit Plan to serve as the primary guide to carry out its audit responsibilities in an efficient manner for the 2023 fiscal year.

**Staff Evaluation/Justification:**

The proposed Annual Audit Plan was presented to the Audit Committee at its meeting on October 20, 2022.

The plan focuses on the following key areas:

- Infrastructure (e.g., project and construction management);
- Administration and governance (e.g., information security);
- Information Technology (e.g., cybersecurity governance and inventory management);
- Finance and Accounting (e.g., OPEB, contract compliance, and investments);
- Procurement (e.g., policies and procedures, and interlocal co-op agreements); and
- Entity compliance (e.g., federal regulations, statutes, tariffs, and internal policies).

The plan is a flexible commitment and may be revised during the year with guidance and input from the Audit Committee, input from Port Authority staff based on audit results and findings, and consideration of internal control procedures and assessment of high-risk areas.

Following review of and discussion regarding the draft plan with the Audit Committee, staff recommends the Port Commission approve and adopt the proposed Internal Audit 2023 Annual Audit Plan.



## I. FINANCE

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**Subject**                      **4. Authorize staff to elect a funding holiday for the Port of Houston Authority Other Post-Employment Benefit Plan (OPEB), by the end of each calendar year, if the OPEB plan reflects a funded status of 125% or greater.**

Meeting                      Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access                      Public

Type                      Action

Recommended Action      The Port Commission, at its October 27, 2022 meeting, authorize staff to elect a funding holiday for the Port of Houston Authority Other Post-Employment Benefit Plan (OPEB), by the end of each calendar year, if the OPEB plan reflects a funded status of 125% or greater, 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:**

Treasury

**Staff Contact:**

Roland Gonzalez

**Background:**

By Minute No. 2011-1025-11, the Port Commission adopted resolutions relating to the Port Authority's participation in the multi-employer trust established for other post-employment benefits obligations Trust of Texas (PEB). By Minute No. 2014-1028-34, the Port Commission established a new irrevocable trust to fund the Port Authority's other post-employment benefits (OPEB) and transitioned the assets to it from the PEB. By Minute No. 2011-1213-14, 2012-1023-21, 2013-1022-21, 2014-1028-33, 2015-0728-19, and 2015-0728-20, the Port Authority contributed \$67.9 million to the PEB and OPEB through December 31, 2021.

Since 2015, the Port Authority has also made quarterly contributions to the OPEB plan, while the Port Authority's actuary (Milliman) reports a full year of interest on the calculated Actuary Determined Contribution, which assumes annual contributions are made at the end of the calendar year.

Since August 2020, the OPEB plan has paid health care related expenses for eligible retirees and pre-Medicare eligible retirees (prior to August 2020, these expenses were paid from the Port Authority's general funds). For the full year in 2021, total OPEB expenses paid from the OPEB plan amounted to \$2.4 million.

The December 31, 2021, market value in the OPEB Plan was \$105.7 million and the total OPEB liability was \$55.2 million, reflecting a funded status of 191%. The August 31, 2022, market value of the OPEB plan was \$89.7 million or 161% funded, a decline from the beginning of the year due to financial market volatility.

**Staff Evaluation/Justification:**

Although the Port Authority is not required to make contributions to the OPEB plan, staff endeavors to continue to provide for a fully-funded OPEB plan for the Port Authority's retirees benefit, and is aware that contributions from employers to the OPEB plan and earnings on those contributions are irrevocable under GASB Statement No. 75.

Given the current funding status of the OPEB plan, in the interest of transparency, staff recommends authorizing to elect a funding holiday if the OPEB plan has a funded status of 125% or greater and staff believes foregoing an annual contribution is in the best interest of the Port Authority's cash position, and the annual contribution would otherwise be between 105% of the Actuarial Determined Contribution and \$0.00.

Accordingly, staff recommends the Port Commission, authorize staff to elect a funding holiday for the OPEB plan, by the end of each calendar year, if the OPEB plan reflects a funded status of 125% or greater.

## I. FINANCE

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<b>Subject</b>	<b>5. Appoint and authorize a designated officer in accordance with Section 60.271, Texas Water Code, and Chapter 105, Texas Local Government Code, to advertise and receive proposals for depository and other banking services on behalf of the Port Authority.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, (i) appoint Robert Timothy Finley, Chief Financial Officer, to act as the Port Authority's designated officer under Section 60.271, Texas Water Code, and Chapter 105, Texas Local Government Code, (ii) authorize the designated officer to advertise and receive proposals for depository and other banking services on behalf of the Port Authority, and (iii) 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:**  
Treasury

**Staff Contact:**  
Roland Gonzalez

**Background:**

By Minute No. 2018-1030-13, the Port Commission appointed Ramon Yi as the designated officer under Section 60.271, Texas Water Code, and Chapter 105, Texas Local Government Code, to assist with seeking depository banking services on behalf of the Port Authority. The request for these proposals was issued on November 20, 2018, and by Minute No. 2019-0226-12, the Port Commission awarded a contract to Branch Banking and Trust Company for depository banking services for a four-year period, commencing on March 1, 2019. The existing depository banking services contract with Truist Bank (as successor Branch Banking and Trust Company) expires on March 1, 2023.

**Staff Evaluation/Justification:**

In order to provide sufficient time for possible transition to a new provider, staff would like to begin the process of advertising a new request for proposals for these services (e.g., maintenance of operating bank accounts, direct deposit of payroll, lockbox receipts, check payments, electronic funds transfers, etc.). Following evaluation of proposals, staff would submit its recommendations to the Port Commission.

In selecting a depository, the Port Authority must adhere to the requirements specified in Section 60.271, Texas Water Code, as well as Chapter 105, Texas Local Government Code, which include the following:

- The governing body must designate a designated officer to request, receive, and review applications for the performance of depository services;
- The designated officer presents the specifications of each application to the governing body for its selection of one or more depositories; and
- The term of a depository contract cannot exceed five years.

Staff recommends the Port Commission appoint Robert Timothy Finley, Chief Financial Officer, as the Port Authority's designated officer under Section 60.271, Texas Water Code, and Chapter 105, Texas Local Government Code, and authorize the designated officer to advertise and receive proposals for depository and other banking services on behalf of the Port Authority.

## J. INFRASTRUCTURE

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<b>Subject</b>	<b>1. Approve staff's ranking of vendors and award a two-year environmental consulting agreement in an amount not to exceed \$250,000 for general environmental consulting services to the top-ranked proposer: staff ranking- first, Terra Nova Consulting, Inc.; second, Edge Engineering &amp; Science, LLC; and third, InControl Technologies, LLC.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order - first, Terra Nova Consulting, Inc.; second, Edge Engineering & Science, LLC; and third, InControl Technologies, LLC; (b) award a two-year environmental consulting agreement to Terra Nova Consulting, Inc. for general environmental consulting services in an amount not to exceed \$250,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region) Strategic Objective 4a. - Implement an innovative environmental leadership strategy

**Category:**

Awards, Amendments & Change Orders

**Department:**

Environmental Affairs

**Staff Contact:**

Trae Camble

**Background:**

The Port Authority is seeking to obtain an environmental consultant to assist the Port Authority's Environmental Affairs Department (EAD) staff with general environmental consulting services, which include conducting field studies and inspections, assisting with regulatory review and permitting, conducting environmental site assessments, assisting with asbestos and mold consulting, and assisting with other activities related to the environmental management system, as directed by EAD staff.

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

**Staff Evaluation/Justification:**

On September 7, 2022, eleven RFP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFP. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required services:

- Terra Nova Consulting, Inc.
- Edge Engineering & Science, LLC
- InControl Technologies, LLC

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

## J. INFRASTRUCTURE

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<b>Subject</b>	<b>2. Approve staff's ranking of vendors and award a construction contract in an amount not to exceed \$7,175,400 to construct a 12-acre expansion of the interim container storage facility for redevelopment of the west end of Barbours Cut Terminal, to the top-ranked proposer: staff ranking - first, Rigid Constructors, LLC; second, McCarthy Building Companies, Inc.; and third, Spawglass Civil Construction, Inc.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order – first, Rigid Constructors, LLC; second, McCarthy Building Companies, Inc.; and third, Spawglass Civil Construction, Inc.; (b) award a contract to Rigid Constructors, LLC to construct a 12-acre expansion of the interim container storage facility for redevelopment of the west end of Barbours Cut Terminal, in an amount not to exceed \$7,175,400; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #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:**

This project would consist of the demolition of existing asphalt and concrete pavement, site grading, stabilization of existing soil, cement-treated base placement, and asphalt paving, within a 12-acre footprint. The project would also include waterline and lighting system installation within the 12-acre footprint and the 14.5-acre property located south of it.

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

**Staff Evaluation/Justification:**

On September 28, 2022, four CSP responses were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as providing the best value for the required services:

- Rigid Constructors, LLC
- McCarthy Building Companies, Inc.
- Spawglass Civil Construction, Inc.

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

## J. INFRASTRUCTURE

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<b>Subject</b>	<b>3. Award a professional services contract to Hatch Associates Consultants, Inc. to prepare training materials and perform other services for the facility inspection and condition assessment program (FICAP), in an amount not to exceed \$92,000, and rescind the award of a FICAP contract amendment to the same firm.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, authorize (i) award of a professional services contract with Hatch Associates Consultants, Inc. to prepare training materials and perform other services for the facility inspection and condition assessment program (FICAP), in an amount not to exceed \$92,000, and (ii) rescission of the award of an amendment to the firm's contract for 2021 electrical and communications FICAP Portwide, 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:**

Staff seeks to provide training opportunities for the local community of consulting firms, including small businesses and minority- and women-owned business enterprises not yet working on Port Authority matters, to qualify them to perform the specialized scope of work required for FICAP electrical and communications inspections of Port Authority facilities.

Accordingly, staff proposes to enter into a contract with Hatch Associates Consultants, Inc. (Hatch) for the creation of training, examination, and certification materials based on the Port Authority's unique FICAP Electrical and Communications manual. These materials would be made available online at PortHouston.com.

Separately, at its February 2022 meeting the Port Commission authorized an amendment to Hatch's previous contract to perform services for the 2021 electrical and communications FICAP. However, the parties did not enter into the amendment, and that contract has ended.

Staff now also seeks authority to rescind that award; and a portion of the work contemplated by that amendment would be included in Hatch's new contract.

**Staff Evaluation/Justification:**

Staff has determined that Hatch is the most highly qualified provider for these professional services, and requests that the Port Commission (i) approve this contract to prepare training materials and perform other services, and (ii) authorize the Port Authority to rescind the previous award to that firm of an amendment to its contract for 2021 electrical and communications FICAP Portwide.

**J. INFRASTRUCTURE**

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<b>Subject</b>	<b>4. Amend the professional services contract with Burrer Engineering, Inc. to perform additional on-call electrical engineering services in an amount not to exceed \$43,708.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, approve an amendment to the professional services contract with Burrer Engineering, Inc. to perform additional on-call electrical engineering services in an amount not to exceed \$43,708, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

Awards, Amendments &amp; Change Orders

**Department:**

Project and Construction Management

**Staff Contact:**

Roger H. Hoh, P.E.

**Background:**

On June 10, 2021 a professional services contract was issued to Burrer Engineering, Inc. to perform services for on-call electrical engineering services.

This proposed amendment would consist of on-call electrical engineering services to supplement Port Authority staff resources with a licensed Texas electrical professional engineer (PE) to provide consulting work on unplanned electrical issues.

**Staff Evaluation/Justification:**

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

## J. INFRASTRUCTURE

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<b>Subject</b>	<b>5. Amend the professional services contract with AECOM Technical Services, Inc. to perform additional work associated with planning and design for reconstruction of 87 acres of container yard at Barbours Cut Terminal in an amount not to exceed \$153,197.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, approve an amendment to the professional services contract with AECOM Technical Services, Inc. to perform additional work associated with planning and design for reconstruction of 87 acres of container yard at Barbours Cut Terminal in an amount not to exceed \$153,157, 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. 2021-0525-16, the Port Commission awarded a professional services contract (PSC) to AECOM Technical Services, Inc. for the planning and design for reconstruction of 87 acres of container yard at Barbours Cut Terminal, in an amount not to exceed \$1,095,381.

This contract has been amended twice, for a total amendment value of \$ 4,953,831 which is an increase of 452.25%.

1. By Minute No 2021-0928-25, the Port Commission amended the PSC for \$1,612,584 to provide for the following:

- Container Yard 4 North and Container Yard 5 North site investigation
- Environmental and other permitting support
- Grant support
- Complete 60%, 90%, 100%, and a complete issued for the construction package for Container Yard 4 North and Container Yard 5 North to be advertised for constructions start in Quarter 2 - Quarter 3 of 2022
- Bid Phase construction support services

2. By Minute No 2022-0224-18, the Port Commission amended the PSC for \$3,188,050 to provide for the following:

- Project Management for Container Yard 6 and Container Yard 7
- Environmental and other permitting support
- Grant support
- **Complete** 60%, 90%, and 100% design packages for Container Yard 6 and Container Yard 7, to be advertised for construction start in Quarter 3 - Quarter 4 of 2023
- Container Yard 6 and Container Yard 7 site investigation

This proposed amendment would provide \$153,197 for:

- Circuit Isolation/ Alternate Route design work, which:
  - Segregates circuits "A" for circuits "B" in separate ductbanks
  - Allows for manhole isolation for safe work
  - Repurposes (50%) of an abandoned conductor for new reefer rack circuit
- Provides redundant circuit to mitigate the safety concerns of contractors working in an energized manhole
- Reduces the need to shut down the entire terminal for a day verses a few hours, to do power switchover during construction
- Provide temporary power for four 50-gauge cranes to work Wharves 5/6 once Wharves 4/5 are taken out of service

A portion of this work is outside the construction scope of the grant for this project, and is needed to expediate the construction and power needs in Container Yard 6 and Container Yard 7 and Wharves 5/6, and therefore needs to be a separate project.

**Staff Evaluation/Justification:**

Staff has reviewed AECOM Technical Services, Inc.'s proposals for the above-mentioned tasks and found them to be fair and reasonable and recommends that the Port Commission approve the proposed amendment.



## J. INFRASTRUCTURE

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**Subject**                      **6. Amend the professional services contract with Jacobs Engineering Group, Inc. to perform additional work associated with design and construction phase services for the construction of Wharf No. 6 at Bayport Container Terminal in an additional amount not to exceed \$185,896.**

Meeting                      Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access                      Public

Type                      Action

Recommended Action      The Port Commission, at its October 27, 2022 meeting, approve an amendment to the professional services contract with Jacobs Engineering Group, Inc. to perform additional work associated with design and construction phase services for the construction of Wharf No. 6 at Bayport Container Terminal in an amount not to exceed \$185,896, 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. 2020-0128-25, the Port Commission awarded a professional services contract to Jacobs Engineering Group, Inc. to perform additional work associated with the design and construction phase services for the construction of Wharf No. 6 at Bayport Container Terminal.

This proposed amendment would consist of the following:

- Additional funding to extend construction phase services to provide technical support and engineering services on the project.

**Staff Evaluation/Justification:**

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

## J. INFRASTRUCTURE

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<b>Subject</b>	<b>7. Approve a change order with Jerdon Enterprise, Inc. to perform additional work associated with the Ramp Road 8 modification and guardhouse at Turning Basin Terminal in an amount not to exceed \$92,271.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, approve a change order with Jerdon Enterprise, Inc. to perform additional work associated with the Ramp Road 8 modification and guardhouse at Turning Basin Terminal in an amount not to exceed \$92,271, 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. 2021-0622-15, the Port Commission awarded a construction contract for Ramp Road 8 modification and guardhouse at Turning Basin Terminal.

This proposed change order addresses:

- Additional demolition of pavement and curb;
- Additional excavation and bedding for sanitary sewer;
- Additional excavation and bedding for water service;
- Directional boring to extend fiber optic conduit to building stub-up location; and
- Installation of 16" pavement, in lieu of the proposed 7" pavement, in the traffic lane, to match the existing pavement.

This is the second change order to this contract, for a total change order value to date of \$98,175, which is 20.8% of the total contract value.

**Staff Evaluation/Justification:**

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

## J. INFRASTRUCTURE

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<b>Subject</b>	<b>8. Approve a change order with Harper Brothers Construction, LLC to perform additional work associated with the Port Road expansion and drainage project at Bayport Container Terminal in an amount not to exceed \$152,606.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, approve a change order with Harper Brothers Construction, LLC to perform additional work associated with the Port Road expansion and drainage project at Bayport Container Terminal in an amount not to exceed \$152,606, 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. 2020-0623-21, the Port Commission awarded a construction contract to Harper Brothers Construction, LLC for the Port Road expansion and drainage project at Bayport Container Terminal.

This proposed change order addresses:

- Installation of temporary delineators, per a Port Authority request;
- Modification of the guardrail at Port Road bridge overpass;
- Additional pavement at the existing truck exit gate, per a Port Authority request;
- Encasement of Air Product pipeline in south ditch; and
- Additional riprap at the outfall's inlet.

This is the second change order to this contract, for a total change order value to date of \$320,546, which is 1.69% of the total contract value.

**Staff Evaluation/Justification:**

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

## J. INFRASTRUCTURE

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Subject	<b>9. Approve a change order with Rigid Constructors, LLC to perform additional work associated with the construction of the 14.5 acre interim container storage facility for redevelopment of the west end of Barbours Cut Terminal in an amount not to exceed \$110,281.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, approve a change order with Rigid Constructors, LLC to perform additional work associated with the construction of the 14.5 acre interim container storage facility for redevelopment of the west end of Barbours Cut Terminal in an amount not to exceed \$110,281, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

Awards, Amendments &amp; Change Orders

**Department:**

Project and Construction Management

**Staff Contact:**

Roger H. Hoh, P.E.

**Background:**

By Minute No. 2022-0802-24, the Port Commission awarded a construction contract to Rigid Constructors, LLC for construction of the 14.5 acre interim container storage facility for redevelopment of the west end of Barbours Cut Terminal.

This proposed change order addresses:

- Additional cement stabilization at three areas onsite, totaling 15,778 square yards.

This is the first change order to this contract, for a total change order value to date of \$110,281, which is 2.21% of the total contract value.

**Staff Evaluation/Justification:**

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

## J. INFRASTRUCTURE

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**Subject**                    **10. Amend the contract with Great Lakes Dredge & Dock Company for dredging of the Houston Ship Channel between Station 73+467 and 138+369 to alter the methodology of dredging between Stations 132+000 and 138+369 from hydraulic to mechanical, reducing the contract amount from from \$92,518,835 to a not-to-exceed amount of \$91,356,632.**

Meeting                    Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access                    Public

Type                    Action

Recommended Action    The Port Commission, at its October 27, 2022 meeting, authorize the Port Authority to amend the contract with Great Lakes Dredge & Dock Company for dredging of the Houston Ship Channel between Station 73+467 and 138+369 to alter the methodology of dredging between Stations 132+000 and 138+369 from hydraulic to mechanical, reducing the contract amount from \$92,518,835 to a not-to-exceed amount of \$91,356,632, as amended, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

Awards, Amendments & Change Orders

**Department:**

Channel Improvement

**Staff Contact:**

Lori Brownell

**Background:**

The Port Commission awarded Great Lakes Dredge & Dock Company a contract to dredge the Houston Ship Channel between Station 73+467 and 138+369 (Port Commission Minute No. 2021-1012-05) which in part was to be completed hydraulically with the material to be beneficially used to create Long Bird Island.

The outbound 8,000-foot reach of channel (also known as Acceptance Section No. 1) to be dredged has material that is lighter and less likely to be retained once pumped to the island. This area is also within close proximity to the Gulf Intercoastal Waterway where the dredging activity of a hydraulic dredge will have a greater impact to vessel traffic than a mechanical dredge with more mobility. With a reduction in available dredge material over the area of work, hydraulic dredge production would also be better utilized in other areas, potentially reducing the overall project schedule by seventeen days.

Because of these reasons staff has explored alternative methods of dredging the material to complete the scope of work within this portion of the channel.

**Staff Evaluation/Justification:**

Staff has concluded that at this time it would be more efficient and cost effective for Great Lakes Dredge & Dock Company to conduct the identified work utilizing mechanical dredging, and so recommends that the Port Commission approve the proposed amendment as described above.

## J. INFRASTRUCTURE

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<b>Subject</b>	<b>11. Amend the contract with Curtin Maritime Corp. for dredging of the Houston Ship Channel between Station 78+844 and 16+000 &amp; Bayport Ship Channel to add additional Barbours Cut Container Terminal maintenance dredging in an amount not to exceed \$1,670,400.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, authorize the Port Authority to amend the contract with Curtin Maritime Corp. for dredging of the Houston Ship Channel between Station 78+844 and 16+000 & Bayport Ship Channel to add additional Barbours Cut Container Terminal (Docks 5 to 8) maintenance dredging in an amount not to exceed \$1,670,400, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

Awards, Amendments & Change Orders

**Department:**

Channel Improvement

**Staff Contact:**

Lori Brownell

**Background:**

The Port Authority leases Barbours Cut premises adjoining Wharf 7, and Wharf 8, to Enterprise Products Operating LLC (EP) on a long-term basis. The lease provides that EP may request that the Port Authority cause the berths to be dredged at its cost.

Because the Port Authority continues to experience draft restrictions at Barbours Cut, staff has explored alternatives to maintenance dredging under the current Memorandum of Agreement with the USACE. The Port Commission, by Minute No. 2022-0927-45, modified its contract with Curtin Maritime Corp. to dredge Wharfs 1 through 3, the majority of Wharf 4, and the LASH dock and terminate the agreement with the USACE.

In addition, to further address these draft restrictions, in conjunction with the request by EP, Port Authority staff now recommends dredging its remaining Wharf 5, Wharf 6, and portion of Wharf 4 not previously dredged. EP would reimburse the Port Authority for dredging at the EP berths subject to its lease.

**Staff Evaluation/Justification:**

Staff has concluded that at this time it would be more efficient and cost effective for Curtin Maritime Corp. to conduct the maintenance dredging at Barbours Cut, and so recommends that the Port Commission approve the proposed amendment as described above.

## J. INFRASTRUCTURE

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Subject	<b>12. Provide the U.S. Army Corps of Engineers up to \$42,030,000 to support the Fiscal Year 2023 request dated September 2022, for the Design and Construction of the Houston Ship Channel Expansion Channel Improvement Project.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, authorize the Port Authority to provide the U.S. Army Corps of Engineers up to \$42,030,000 to support the Fiscal Year 2023 request dated September 2022, for the Design and Construction of the Houston Ship Channel Expansion Channel Improvement 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.

**Category:**

Awards, Amendments &amp; Change Orders

**Department:**

Channel Improvement

**Staff Contact:**

Lori Brownell

**Background:**

In accord with Article II, Section E.1. of the July 2021 Houston Ship Channel Expansion Channel Improvement Project (HSC ECIP) Project Partnership Agreement (PPA), between the Port Authority and the Department of the Army, the government has supplied the Port Authority with a written estimate of funds required for fiscal year (FY) 2023 to maintain the cost share balance of 75% federal and 25% non-federal funding. This capability was indicated to be \$168,000,000 indicating a Port Authority contribution of up to \$42,030,000 for FY23.

**Staff Evaluation/Justification:**

To provide the Port Authority's cost share for Fiscal Year 2023 for the HSC ECIP, staff recommends that the Port Commission authorize the payment as described above.

## J. INFRASTRUCTURE

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<b>Subject</b>	<b>13. Amend a professional services contract with HDR Engineering, Inc. for construction support services for the Houston Ship Channel Expansion Channel Improvement Project in an amount not to exceed \$96,000.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, authorize the Port Authority to amend a professional services contract with HDR Engineering, Inc. in an amount not to exceed \$96,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

Awards, Amendments & Change Orders

**Department:**

Channel Improvement

**Staff Contact:**

Lori Brownell

**Background:**

By Minute No. 2019-1111-06, the Port Commission authorized HDR Engineering, Inc. (HDR) to perform professional services for engineering, design, project coordination, and other general assistance for the Houston Ship Channel Expansion Channel Improvement Project (HSC ECIP). HDR serves as the lead designer and Engineer of Record for HSC ECIP Segment 3 (Barbours Cut) and Segment 4 (Houston Ship Channel, Boggy to Sims Bayou) and is currently in the process of converting the referenced packages from Port Authority-to USACE-led construction.

In September 2022, the U.S. Army Corps of Engineers (USACE) requested that the Port Authority continue the HDR contract to provide a contract mechanism to allow for the Engineer of Record to support the USACE during its procurement process expected to run between December 2022 and May 2023. Accordingly, this proposed amendment would provide for professional services by HDR to support proper implementation of procurement and partial construction activities of the project.

Separately, the Port Authority-led construction for Segment 1A is expected to be completed by January 2023, and the next set of contracts — to construct the widening of the Houston Ship Channel (HSC) from Redfish to Bayport (Segments 1B, 2, and a portion of 1C) is expected to be completed by the end of 2024.

As the designer of record and one of two main engineers for the HSC ECIP, HDR is qualified to provide the professional services required to support the USACE and the Port Authority for construction implementation for these segments as well. The Port Authority will submit design and construction supported effort to USACE for consideration of work-in-kind credit.

**Staff Evaluation/Justification:**

Staff has reviewed the amendment and found it to be fair and reasonable. To accommodate the size, timeframe, and resources needed for these proposals, Port Authority staff recommends the Port Commission extend this contract to support staff during all phases of project implementation for Segments 1-4.



## J. INFRASTRUCTURE

<b>Subject</b>	<b>14. (i) Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: CenterPoint Energy Houston Electric, LLC, (ii) approve the renewal of the following expiring Port Authority licenses for new thirty-year terms: CenterPoint Energy Intrastate Pipeline, LLC and CenterPoint Energy Resources Corporation dba CenterPoint Energy Texas Gas Operations.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, authorize the Port Authority to (i) approve the renewal of the following expiring Port Authority licenses for new ten-year terms: CenterPoint Energy Houston Electric, LLC, (ii) approve the renewal of the following expiring Port Authority licenses for new thirty-year terms: CenterPoint Energy Intrastate Pipeline, LLC and CenterPoint Energy Resources Corporation dba CenterPoint Energy Texas Gas Operations, (iii) 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:**

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

**10 Year Term**

Company	File No.	License Fee
CenterPoint Energy Houston Electric, LLC	1990-0063	\$1,794
CenterPoint Energy Houston Electric, LLC	1990-0103	\$1,794
CenterPoint Energy Houston Electric, LLC	1999-0282	\$2,334
<b>Total</b>		<b>\$5,922</b>

**30 Year Term**

Company	File No.	License Fee*
CenterPoint Energy Intrastate Pipeline, LLC	1999-0109	\$20,321
CenterPoint Energy Intrastate Pipeline, LLC	2000-0013	\$5,727
CenterPoint Energy Resources Corporation, dba CenterPoint Energy Texas Gas Operations	2000-0006	\$4,772
CenterPoint Energy Resources Corporation, dba CenterPoint Energy Texas Gas Operations	2000-0103	\$4,772
CenterPoint Energy Resources Corporation, dba CenterPoint Energy Texas Gas Operations	2008-0172	\$37,374
<b>Total</b>		<b>\$72,966</b>

\*License fee is calculated for the first 10 years of the agreement for the 30-year term licenses.

**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.

**AFFIDAVIT OF SUBSTANTIAL INTEREST**

STATE OF TEXAS           §  
                                     §  
COUNTY OF HARRIS       §

**Filed with the Port of Houston Authority  
In Compliance with Section 171.004 of the Texas Local Government Code**

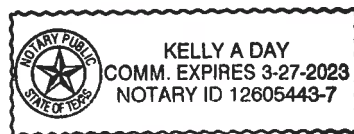
On this day appeared Wendy Montoya Cloonan, who after being duly sworn, stated as follows:

1. I am twenty-one (21) years of age or over and competent to make this Affidavit of Substantial Interest, based upon facts within my personal knowledge.
2. I am a member of the Port Commission (the "Port Commission") of the Port of Houston Authority (the "Port Authority").
3. I am filing this Affidavit with the official record keeper of the Port Authority, pursuant to §171.004 of the Texas Local Government Code, to comply with the provisions of Chapter 171 of the Texas Local Government Code.
4. I have, or may have, a substantial interest in the matters of Item J-14 as set forth in the agenda for the meeting of the Port Commission scheduled for October 27, 2022:
  - (i) Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: CenterPoint Energy Houston Electric, LLC, (ii) approve the renewal of the following expiring Port Authority licenses for new thirty-year terms: CenterPoint Energy Intrastate Pipeline, LLC and CenterPoint Energy Resources Corporation dba CenterPoint Energy Texas Gas Operations.
5. The nature and extent of the substantial interest described above is as follows: my service as a director of CenterPoint Energy Inc., a company affiliated with CenterPoint Energy Houston Electric, LLC, CenterPoint Energy Intrastate Pipeline, Inc, and CenterPoint Energy Resources Corp. d/b/a CenterPoint Energy Texas Gas Operations. Funds received by me in connection with such employment may exceed 10 percent of my gross income for the previous year.
6. This substantial interest also derives from an interest in CenterPoint Energy Inc., on which the action requested in the above matter will have a special economic effect, distinguished from the effect on the public. This substantial interest derives from possible ownership of \$15,000 or more of the fair market value of such entity.

7. Action on the matter will have a special economic effect on the entities described in the forgoing paragraph that is distinguishable from the effect on the public.
8. By virtue of the foregoing described interest, I have not and will not participate in any consideration, vote, or decision by the Port Commission regarding such matter.

  
Wendy Montoya Cloonan

SWORN TO AND SUBSCRIBED before me this October 27, 2022.



  
Notary Public, State of Texas

## J. INFRASTRUCTURE

**Subject** 15. (i) Approve the renewal of the following expiring Port Authority licenses for new ten-year terms: Arkema, Inc., Enterprise Products Operating LLC, Shell Pipeline Company LP, and Valero Refining-Texas LP, (ii) approve the renewal of the following expiring Port Authority licenses for new thirty-year terms: BWC Terminals LLC, Concha Chemical Pipeline LLC, Chevron Phillips Chemical LP, DCP Southern Hills Pipeline LLC, Energy Transfer Mont Belvieu NGLs LP, Enterprise Houston Ship Channel, L.P., Enterprise Intrastate LLC, Enterprise Products Operating LLC, Enterprise TE Products Pipeline Company LLC, Enterprise Texas Pipeline LLC, Equistar Chemicals, LP, Explorer Pipeline Company, Houston Pipe Line Company LP, HSC Pipeline Partnership, LLC, INV Propylene, LLC, Kinder Morgan Tejas Pipeline LLC, Linde, Inc., Marathon Pipe Line LLC, Seminole Pipeline Company, LLC, Shell Chemical LP, Shell Pipeline Company LP, Targa Downstream LLC, TPC Group, LLC, and Valero Refining-Texas LP.

**Meeting** Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

**Access** Public

**Type** Action

**Recommended Action** The Port Commission, at its October 27, 2022 meeting, authorize the Port Authority to (i) approve the renewal of the following expiring Port Authority licenses for new ten-year terms: Arkema, Inc., Enterprise Products Operating LLC, Shell Pipeline Company LP, and Valero Refining-Texas LP, (ii) approve the renewal of the following expiring Port Authority licenses for new thirty-year terms: BWC Terminals LLC, Concha Chemical Pipeline LLC, Chevron Phillips Chemical LP, DCP Southern Hills Pipeline LLC, Energy Transfer Mont Belvieu NGLs LP, Enterprise Houston Ship Channel, L.P., Enterprise Intrastate LLC, Enterprise Products Operating LLC, Enterprise TE Products Pipeline Company LLC, Enterprise Texas Pipeline LLC, Equistar Chemicals, LP, Explorer Pipeline Company, Houston Pipe Line Company LP, HSC Pipeline Partnership, LLC, INV Propylene, LLC, Kinder Morgan Tejas Pipeline LLC, Linde, Inc., Marathon Pipe Line LLC, Seminole Pipeline Company, LLC, Shell Chemical LP, Shell Pipeline Company LP, Targa Downstream LLC, TPC Group, LLC, and Valero Refining-Texas LP, (iii) 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:**

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

**10 Year Term**

Company	File No.	License Fee
Arkema, Inc.	2016-0330	\$14,316
Enterprise Products Operating LLC	1992-0117	\$2,044
Shell Pipeline Company LP	1999-0147	\$3,418
Valero Refining-Texas LP	2002-0109	\$7,953
Valero Refining-Texas LP	1992-0159	\$35,399
<b>Total</b>		<b>\$63,130</b>

**30 Year Term**

Company	File No.	License Fee*
BWC Terminals LLC	1996-0119	\$104,984
BWC Terminals LLC	2001-0153	\$20,244
BWC Terminals LLC	2001-0370	\$19,338
BWC Terminals LLC	2002-0053	\$10,671
BWC Terminals LLC	2012-0125	\$54,822

Concha Chemical Pipeline LLC	2000-0009	\$4,772
Concha Chemical Pipeline LLC	2000-0134	\$4,772
Chevron Phillips Chemical LP	2002-0005	\$8,016
Chevron Phillips Chemical LP	2002-0006	\$8,016
Chevron Phillips Chemical LP	2002-0007	\$8,016
Chevron Phillips Chemical LP	2002-0051	\$4,772
Chevron Phillips Chemical LP	2002-0052	\$4,772
Chevron Phillips Chemical LP	2002-0121	\$8,016
DCP Southern Hills Pipeline LLC	2012-0190	\$32,154
DCP Southern Hills Pipeline LLC	2012-0305	\$7,953
Energy Transfer Mont Belvieu NGLs LP	2002-0260	\$81,891
Enterprise Houston Ship Channel, L.P.	2012-0146	\$39,765
Enterprise Houston Ship Channel, L.P.	2012-0172	\$24,052
Enterprise Intrastate LLC	1992-0063	\$240,077
Enterprise Intrastate LLC	2002-0176	\$7,953
Enterprise Products Operating LLC	1992-0025	\$4,772
Enterprise Products Operating LLC	1992-0046	\$4,772
Enterprise Products Operating LLC	2016-0166	\$4,772
Enterprise TE Products Pipeline Company LLC	2002-0332	\$54,562
Enterprise Texas Pipeline LLC	2002-0261	\$5,727
Enterprise Texas Pipeline LLC	2002-0262	\$20,290
Enterprise Texas Pipeline LLC	2002-0333	\$5,854
Enterprise Texas Pipeline LLC	2002-0334	\$5,727
Equistar Chemicals, LP	1992-0006	\$16,224
Explorer Pipeline Company	1992-0177	\$9,799
Houston Pipe Line Company LP	1992-0034	\$4,772
HSC Pipeline Partnership, LLC	1992-0022	\$17,181
HSC Pipeline Partnership, LLC	1992-0027	\$40,526
HSC Pipeline Partnership, LLC	1992-0029	\$9,544
HSC Pipeline Partnership, LLC	1992-0043	\$4,772
HSC Pipeline Partnership, LLC	2002-0212	\$4,772
HSC Pipeline Partnership, LLC	2011-0463	\$48,595
HSC Pipeline Partnership, LLC	2012-0135	\$225,461
HSC Pipeline Partnership, LLC	2012-0182	\$4,772
INV Propylene, LLC	2020-0084	\$79,772
INV Propylene, LLC	1992-0072	\$398,653
Kinder Morgan Tejas Pipeline LLC	2003-0001	\$4,772
Linde, Inc.	1992-0058	\$14,402
Linde, Inc.	2003-0036	\$28,428
Linde, Inc.	2012-0438	\$9,544
Marathon Pipe Line LLC	2001-0220	\$11,454
Seminole Pipeline Company, LLC	1992-0074	\$43,259
Shell Chemical LP	2009-0145	\$56,366
Shell Pipeline Company LP	2000-0007	\$61,585
Shell Pipeline Company LP	1999-0107	\$5,727
Shell Pipeline Company LP	1990-0134	\$4,772
Shell Pipeline Company LP	1999-0062	\$19,088
Shell Pipeline Company LP	1991-0199	\$15,886
Shell Pipeline Company LP	2000-0104	\$5,727
Shell Pipeline Company LP	2001-0108	\$11,454
Targa Downstream LLC	1992-0165	\$8,965
Targa Downstream LLC	2002-0120	\$26,458
TPC Group, LLC	2015-0296	\$11,500
Valero Refining-Texas LP	1991-0121	\$61,466
Total		\$2,067,228

\*License fee is calculated for the first 10 years of the agreement for the 30-year term licenses.

**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.

**J. INFRASTRUCTURE**

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**Subject**                      **16. Issue a pipeline license to Enterprise Houston Ship Channel, L.P. for two 30-inch crude oil pipelines along the east side of the Beltway 8 property.**

Meeting                      Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access                      Public

Type                      Action

Recommended Action      The Port Commission, at its October 27, 2022 meeting, authorize the Port Authority to issue a pipeline license to Enterprise Houston Ship Channel, L.P. for two 30-inch crude oil pipelines along the east side of the Beltway 8 property, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

Permits/Licenses/Pipeline Easements

**Department:**

Channel Operations

**Staff Contact:**

Garry McMahan

**Background:**

Enterprise Houston Ship Channel, L.P., Port Authority File No. 2022-0194, has applied for a pipeline license for two 30-inch crude oil pipelines along the east side of the Beltway 8 property in the Richard and Robert Vince Survey, A-76.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Port Authority's Channel Operations department and the Real Estate department. The license is subject to the Port Authority's usual terms and conditions and at a fee of \$151,609. The \$675 application fee and the \$2,500 as-built deposit have been paid.

Staff recommends approval.

## J. INFRASTRUCTURE

<b>Subject</b>	<b>17. Reconcile thirteen pipeline licenses assigned to Easton Energy Pipelines, LLC including renewals, transfers, and amendments as needed.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, authorize the Port Authority to reconcile thirteen pipeline licenses assigned to Easton Energy Pipelines, LLC including renewals, transfers, and amendments as needed, 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:**

Transfer, renew, amend, and combine pipeline licenses from Williams Olefins Feedstock Pipelines LLC and Williams Purity Pipelines, LLC to Easton Energy Pipelines, LLC

Assignor	Assignee	Company	File No.	License Fee
Williams Olefins Feedstock Pipelines LLC	Easton Energy Pipelines, LLC	Transfer, renew, amend	2021-0393	\$9,544
Williams Olefins Feedstock Pipelines LLC	Easton Energy Pipelines, LLC	Transfer	2004-0065	\$0
Williams Olefins Feedstock Pipelines LLC	Easton Energy Pipelines, LLC	Transfer, renew, and amend	2012-0363	\$59,306
Williams Olefins Feedstock Pipelines LLC	Easton Energy Pipelines, LLC	Transfer, renew, and amend	2001-0149	\$73,342
Williams Purity Pipelines, LLC	Easton Energy Pipelines, LLC	Transfer and renew	1999-0269	\$12,474
Williams Purity Pipelines, LLC	Easton Energy Pipelines, LLC	Transfer	1997-0178	\$0
Williams Purity Pipelines, LLC	Easton Energy Pipelines, LLC	Transfer	2013-0335	\$0
Williams Purity Pipelines, LLC	Easton Energy Pipelines, LLC	Transfer, renew, and amend	2013-0044	\$99,667
Williams Purity Pipelines, LLC	Easton Energy Pipelines, LLC	Transfer, combine, and amend		
Williams Purity Pipelines, LLC and Mobil Pipe Line Company	Easton Energy Pipelines, LLC	Transfer, renew, amend, combine	2015-0061	\$41,284
Williams Purity Pipelines, LLC	Easton Energy Pipelines, LLC	Transfer	2004-0117	\$0
Easton Energy Pipelines, LLC	Easton Energy Pipelines, LLC	Amend and renew	2019-0129	\$99,667
Williams Purity Pipelines, LLC	Easton Energy Pipelines, LLC	Transfer, renew, and amend	2002-0290	\$21,536
Williams Purity Pipelines, LLC	Easton Energy Pipelines, LLC	Transfer, renew, and amend	2022-0303	\$153,006
Total				\$569,826



1. Transfer, renew, and amend pipeline license (2021-0393) to Easton Energy Pipelines, LLC from Williams Olefins Feedstock Pipelines LLC.
2. Transfer pipeline license (2004-0065) to Easton Energy Pipelines, LLC from Williams Olefins Feedstock Pipelines LLC.
3. Transfer, renew, and amend a pipeline license (2012-0363) to Easton Energy Pipelines, LLC from Williams Olefins Feedstock Pipelines LLC.
4. Transfer, renew, and amend a pipeline license (2001-0149) to Easton Energy Pipelines, LLC from Williams Olefins Feedstock Pipelines LLC.
5. Transfer and renew pipeline license (1999-0269) to Easton Energy Pipelines, LLC from Williams Purity Pipelines, LLC.
6. Transfer pipeline license (1997-0178) to Easton Energy Pipelines, LLC from Williams Purity Pipelines, LLC.
7. Transfer pipeline license (2013-0335) to Easton Energy Pipelines, LLC from Williams Purity Pipelines, LLC.
8. Transfer, renew, and amend a pipeline license (2013-0044) to Easton Energy Pipelines, LLC from Williams Purity Pipelines, LLC.
9. Transfer, renew, amend, and combine a pipeline license (2015-0061, previously 2002-0291) to Easton Energy Pipelines, LLC from Williams Purity Pipelines, LLC and Mobil Pipe Line Company.
10. Transfer a pipeline license (2004-0117) to Easton Energy Pipelines, LLC from Williams Purity Pipelines, LLC.
11. Amend and renew a pipeline license (2019-0129) to Easton Energy Pipelines, LLC.
12. Transfer, renew, and amend pipeline license (2002-0290) to Easton Energy Pipelines, LLC from Williams Purity Pipelines, LLC.
13. Transfer, renew, and amend pipeline license (2022-0303) to Easton Energy Pipelines, LLC from Williams Purity Pipelines, LLC.

**Staff Evaluation/Justification:**

The application was reviewed and approved by the Port Authority's Channel Operations department and the Port Terminal Railroad Association. The licenses are subject to the Port Authority's usual terms and conditions and at a fee of \$569,826. The \$675 application fees and the \$2,500 as-built deposits have been paid.

Staff recommends approval.

## K. OPERATIONS

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<b>Subject</b>	<b>1. Approve staff's ranking of vendors and award a three-year contract in an amount not to exceed \$200,000 for the purchase of hydraulic components and repair services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal to the top-ranked proposer: staff ranking - first, Sapphire Hydraulics, Inc.; second, Coastal Associates, LLC dba Coastal Hydraulics; and third, Womack Machine Supply Company of Houston.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Sapphire Hydraulics, Inc.; second, Coastal Associates, LLC dba Coastal Hydraulics; and third, Womack Machine Supply Company of Houston; (b) award a three-year contract to the top-ranked proposer for the purchase of hydraulic components and repair services for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$200,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor, and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #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 twenty-eight wharf cranes, one-hundred and sixteen rubber-tired gantry (RTG) cranes, sixty-eight yard tractors, and numerous other vehicles and industrial equipment. Hydraulic components including pumps, hoses, fittings, clamps, manifolds, valves and other items are needed to perform routine maintenance on this terminal equipment. An additional six wharf and twenty-six RTG cranes are scheduled to be delivered during the term of this proposed three-year contract, hence the proposed increase in contract amount.

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

**Staff Evaluation/Justification:**

On September 14, 2022, six CSP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the CSP. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required services:

- Sapphire Hydraulics, Inc.
- Coastal Associates, LLC dba Coastal Hydraulics
- Womack Machine Supply Company of Houston

Following staff Executive Committee review, staff recommends that the Port Commission award a three-year contract to Sapphire Hydraulics, Inc. and act as otherwise described above.

## K. OPERATIONS

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<b>Subject</b>	<b>2. Approve staff's ranking of vendors and award a two-year contract in an amount not to exceed \$400,000 to rent portable toilets for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal to the top-ranked proposer: staff ranking - first, Texas Outhouse, Inc.; second, Port-A-San Ltd.; and third, United Site Services of Texas, Inc.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Texas Outhouse, Inc.; second, Port-A-San Ltd.; and third, United Site Services of Texas, Inc.; (b) award a two-year contract to the top-ranked proposer to rent portable toilets for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$400,000; (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	<a href="#">STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)</a>

**Category:**

Awards, Amendments & Change Orders

**Department:**

Maintenance

**Staff Contact:**

Paulo Soares

**Background:**

The increase in cargo throughput at all three terminals and some construction projects have resulted in higher-than-expected demand for portable toilets at Port Authority facilities. Historically, smaller purchase orders were issued to rent portable toilets as needed. However, by combining smaller purchase orders into a larger one, staff believes the Port Authority would benefit from reduced administrative costs.

The Port Authority notified vendors regarding its competitive seal proposals (CSP) using the Port Authority's BuySpeed Eprocurement system and the project was advertised on the Port Authority's website and in a local newspaper. Five vendors downloaded the project materials from BuySpeed.

**Staff Evaluation/Justification:**

On September 28, 2022, five CSP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as providing best value for the required services:

- Texas Outhouse, Inc.
- Port-A-San Ltd.
- United Site Services of Texas, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award a two-year contract to Texas Outhouse, Inc. and act as otherwise described above.

## K. OPERATIONS

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<b>Subject</b>	<b>3. Approve staff's ranking of vendors and award a two-year contract in an amount not to exceed \$400,000, for repairs to warehouse doors at Turning Basin Terminal, to the top-ranked proposer: staff ranking - first, Generocity Services, Inc.; and second, ABC Steel Products, Inc. dba ABC Doors.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting: (a) approve staff's ranking of vendors, based on the selection criteria, in the following order – first, Generocity Services, Inc.; and second, ABC Steel Products, Inc. dba ABC Doors; (b) award a two-year contract to the top-ranked proposer for repairs to warehouse doors at Turning Basin Terminal in the amount not to exceed \$400,000; (c) grant authority, if a contract cannot be negotiated with the first-ranked vendor, to formally, and in writing, end negotiations with that vendor, and proceed to the next vendor in the order of ranking until a contract is reached or all proposals are rejected; and (d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Maintenance

**Staff Contact:**

Paulo Soares

**Background:**

Central Maintenance maintains eighteen warehouses. Doors are in constant need of repair and/or replacement due to damage and inability to close or open properly. Current U.S. Department of Agriculture and U.S. Coast Guard regulations require doors for warehouses containing food products to open and close completely.

By Minute No. 2021-0323-31, the Port Commission awarded a contract to Generosity Services, Inc. in the amount not to exceed \$300,000 for repairs to warehouse doors at Turning Basin Terminal. Funds have been depleted due to the larger-than-expected volume of repairs from damage, and wear and tear. The proposed two-year contract would cover material, parts and labor as needed.

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

**Staff Evaluation/Justification:**

On September 21, 2022, two CSP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the published selection criteria. Staff identified the following vendors, listed in order of ranking, as providing best value for the required services:

- Generocity Services, Inc.
- ABC Steel Products, Inc. dba ABC Doors

Following staff Executive Committee review, staff recommends that the Port Commission award a two-year contract to Generocity Services, Inc. and act as otherwise described above.

## K. OPERATIONS

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<b>Subject</b>	<b>4. Award a three-year contract to Applied Industrial Technologies, Inc. for the purchase of machinery components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$500,000.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, award a three-year contract to Applied Industrial Technologies, Inc. for the purchase of machinery components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$500,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #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 twenty-eight wharf cranes, one-hundred and sixteen rubber-tired gantry (RTG) cranes, and numerous other vehicles and industrial equipment. Machinery components including bearings, gearing, belts, chains, sheaves and bushings, couplings and u-joints, pneumatic, rubber products, and other items are needed to perform routine maintenance on terminal equipment at these facilities. An additional six wharf and twenty-six RTG cranes are scheduled to be delivered during the term of this proposed three-year contract, hence the proposed increase in contract amount.

By Minute No. 2019-0226-30, the Port Commission awarded a three-year contract to Applied Industrial Technologies, Inc. in an amount of not to exceed \$300,000 for the purchase of machinery components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal; a successor contract is now sought by staff.

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

**Staff Evaluation/Justification:**

On September 21, 2022, two CSB responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Following staff Executive Committee review, staff recommends that the Port Commission award a three-year contract to Applied Industrial Technologies, Inc., the responsible bidder submitting the lowest and best bid, for purchase of machinery components for Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal.

## K. OPERATIONS

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**Subject**                      **5. Issue a purchase order to Mohawk Lifts, LLC for the purchase of one vehicle lift for Turning Basin Terminal, using the Houston-Galveston Area Council Cooperative Purchase Program, in an amount not to exceed \$95,000.**

Meeting                      Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access                      Public

Type                      Action

Recommended Action      The Port Commission, at its October 27, 2022 meeting, authorize issue of a purchase order to Mohawk Lifts, LLC for the purchase of one vehicle lift for Turning Basin Terminal, using the Houston-Galveston Area Council Cooperative Purchase Program, in an amount not to exceed \$95,000, 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 twenty-year old lift in operation at Central Maintenance for maintenance and repair of vehicles and equipment. It no longer meets the shop's demands, is currently out of service, and replacement parts are scarce; accordingly, unit has reached the end of its useful life.

Staff proposes that a 35,000-lb capacity, 4-post lift be purchased to replace it with increased capacity to ensure staff safety while handling heavier and wider equipment.

**Staff Evaluation/Justification:**

The Director of Procurement Services has determined that procuring this lifting equipment through the Houston-Galveston Area Council (H-GAC) cooperative purchase program is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

Staff has compared prices for lifting equipment obtained from non-H-GAC local dealers, other interlocal cooperative purchase program providers, and H-GAC providers. The H-GAC website lists several pre-approved vendors. Staff has reviewed the lifting equipment specifications from H-GAC providers, and determined that Mohawk Lifts, LLC is the vendor with the best price for this unit that meets the Port Authority's requirements. Mohawk Lifts, LLC pricing for the selected model was reviewed and approved by H-GAC.

Staff recommends that the Port Commission approve this best value determination and issuance of a purchase order to Mohawk Lifts, LLC in a total amount not to exceed \$95,000.

## K. OPERATIONS

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<b>Subject</b>	<b>6. Award a three-year contract to ESL Power Services, Inc., the sole source provider, for the purchase and repair of reefer receptacles at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$300,000.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, award a three-year contract to ESL Power Services, Inc., the sole source provider, for the purchase and repair of reefer receptacles at Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$300,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #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 1,787 reefer receptacles manufactured by ESL Power Services, Inc. at its Barbours Cut Terminal and Bayport Container Terminal, which are used daily to power refrigerated cargo containers handled at these facilities. Therefore, the ability to expedite procurement of parts and repair services for reefer receptacles is critical for efficient terminal operation.

**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 ESL Power Services, Inc. is the sole authorized source of replacement parts and repair services for Port Authority reefer receptacles in the Houston area.

Staff recommends that the Port Authority award a three-year contract to ESL Power Services, Inc. for the purchase and repair of reefer receptacles at Barbours Cut Terminal and Bayport Container Terminal. Replacement and spare parts as well as repair services would be purchased through this contract as needed to properly maintain these units and minimize operational downtime.

## K. OPERATIONS

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<b>Subject</b>	<b>7. Award a one-year contract to Kalmar USA Inc, the sole source provider, for maintenance services for the Marine Terminal Position Detection Software System for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$215,377.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, award a one-year contract to Kalmar USA Inc, the sole source provider, for maintenance services for the Marine Terminal Position Detection Software System for Barbours Cut Terminal and Bayport Container Terminal in an amount not to exceed \$215,377, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

**Category:**

Awards, Amendments & Change Orders

**Department:**

Operations

**Staff Contact:**

Mike Shaffner

**Background:**

By Minute No. 2019-0924-45, the Port Commission awarded a contract to Kalmar USA Inc to provide for the implementation and maintenance of a marine terminal position detection software system for use at Port Authority container terminals. The Position Detection Software System improves operator efficiency by automating the container location position updates, eliminating the need to stop operating the crane and manually input container position updates. Ongoing maintenance and support of the Kalmar position detection system can only be provided by Kalmar USA Inc and therefore the procurement method is sole source.

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 Kalmar USA Inc is the sole authorized source of the position detection software system in the United States.

**Staff Evaluation/Justification:**

The contract describes the year-to-year maintenance services that are required to be performed and sets forth the maintenance fee for each one-year maintenance term. The maintenance fee for each one-year term is based upon the total amount of cranes using the position detection system.

Staff recommends the Port Commission approve the one-year contract with Kalmar USA Inc.



## K. OPERATIONS

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<b>Subject</b>	<b>8. Amend the professional services agreement with Liftech Consultants, Inc. to perform additional inspection services for construction of three dockside electric container cranes for Wharf No. 6 at Bayport Container Terminal in an amount not to exceed \$220,769.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, authorize amendment of the professional services agreement with Liftech Consultants, Inc. to perform additional inspection services for construction of three dockside electric container cranes for Wharf No. 6 at Bayport Container Terminal in an amount not to exceed \$220,769, 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:**

By Minute No. 2021-0622-28, the Port Commission awarded a contract to Shanghai Zhenhua Heavy Industries Co., Ltd. (ZPMC) for the purchase of three dockside electric container cranes for Wharf No. 6 at Bayport Container Terminal in an amount not to exceed \$36,585,000. These cranes require manufacturing inspection on a full-time basis. Inspection of overseas fabrication is beyond current manpower capabilities of Port Authority staff, and therefore an inspection services consultant was required for this contract.

By Minute No. 2021-0928-43, the Port Commission awarded a professional services contract to Liftech Consultants, Inc. to perform inspection services for these cranes in an amount not to exceed \$599,507. According to the first project schedule received from the manufacturer on August 27, 2021, these cranes were expected to depart from the erection site in Shanghai, China on November 28, 2022, and Liftech Consultants, Inc.'s obligation with the Port Authority was to end on November 28, 2022; however, delays due to supply chain disruption globally and wharf construction have affected the shipment date, which is now April 20, 2023.

**Staff Evaluation/Justification:**

Staff recommends that the Port Commission authorize the Port Authority to amend the contract with Liftech Consultants, Inc. to continue inspection activities until shipment in April 2023 as described above. Liftech Consultants, Inc. has submitted a proposal for the additional work in the amount not to exceed \$220,769, which is acceptable to staff.

**K. OPERATIONS**

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<b>Subject</b>	<b>9. Authorize an amendment to Tariff 14 Subrule 093 and Tariff 15 Subrule 095 regarding commencement of free time for export storage, import storage, and rail storage.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, authorize an amendment to Tariff 14 Subrule 093 and Tariff 15 Subrule 095 regarding commencement of free time for export storage, import storage, and rail storage, 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:**  
Tariff 14 Subrule 093 and Tariff 15 Subrule 095 currently provides that free time with respect to loaded import containers, export storage, and rail storage will begin the first 7:00 a.m. after container receipt. Staff recommends updating the rules in light of changes in gate opening times.

Staff proposes changing the start of free time from the first 7:00 a.m. after container receipt to the first 6:00 a.m. after receipt, with respect to free time for loaded import containers, export storage, and rail storage. This tariff change would take effect on or after November 1, 2022.

**Staff Evaluation/Justification:**  
Staff recommends that the Port Commission authorize the action as described above.

## K. OPERATIONS

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**Subject**                    **10. Authorize a (i) a fifteen year lease with (with four five years options) of 61.58 acres of land at the Jacintoport Terminal, with an additional 648,009 sq. ft. of warehouse space to Jacintoport International LLC, with an initial base rent of \$381,523.11 per month and providing for a rent abatement (in consideration for certain work performed by Tenant) in an amount not to exceed \$2,852,262, (ii) a Freight Handling Assignment Agreement to Jacintoport International LLC for the public wharf at the Jacintoport terminal for a term of fifteen years (with four options to extend for a term of five years each), and (iii) the demolition of the spiralveyors at the Jacintoport Terminal as the disposal of surplus property under the Texas Water Code.**

Meeting                    Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access                    Public

Type                    Action

Recommended Action    The Port Commission, at its October 27, 2022 meeting, authorize (i) a fifteen year lease with (with four five years each) of 61.58 acres of land at the Jacintoport Terminal with an additional 648,009 sq. ft. of warehouse space at an initial base rent of \$381,523.11 and to Jacintoport International LLC, an initial base rent of \$381,523.11 per month and providing for a rent abatement (in consideration for certain work performed by Tenant) in an amount not to exceed \$2,852,262, (ii) a Freight Handling Assignment Agreement to Jacintoport International LLC for the public wharf at the Jacintoport terminal for a term of fifteen years (with four options to extend for a term of five years each), (iii) the demolition of the spiralveyors at the Jacintoport Terminal as the disposal of surplus property under the Texas Water Code, 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:**

The initial Base Rent of this Lease shall be \$381,523.11 per month.

This Lease contemplates certain Tenant Work including work on the public wharf and demolition of the spiralveyors located at Jacintoport, and Rent Abatement to compensate the Tenant for approved invoices for such Tenant Work in an amount not to exceed \$2,852,262.

The demolition of the spiralveyors at the Jacintoport Terminal constitutes the disposal of surplus property, which the Port Commission may authorize pursuant to Texas Water Code Sec. 62.122. The Port Commission may authorize the destruction or disposition of salvage or surplus property as worthless if the property is so worn, damaged, or obsolete that it has no value for the purpose for which it was originally intended, and the expense to the district to attempt to sell the property would be more than the proceeds from the sale.

The Tenant anticipates entering into a sublease for the cold storage facility on the Leased Premises in the future, subject to PHA's prior approval. Such sublease is not expected to exceed a footprint of 11.96 acres plus two additional acres to the west of the cold storage warehouse for expansion plus 168,00 square feet north of the cold storage warehouse for parking, and would require approval of Port Commission in the future.

The Tenant has already occupied a portion of the Leased Premises on a month-to-month basis pursuant to the Lease Agreement described below. Tenant is also party to a month-to-month Freight Handling Assignment Agreement, described below as the "Cargo Assignment".

By Minute No. 98-1221-15, the Port Commission authorized the "Jacintoport Ground Lease" with Cargo Terminal Venture, for the leasing of the 49.7 acres of land and equipment effective January 1, 1999 (the "Ground Lease").

By Minute No. 2000-0522-15, the Port Commission authorized a Ground Lease Assumption Agreement transferring the Ground Lease, including the Cargo Assignment associated therewith, to Jacintoport Acquisition Partnership, LP (now known as Jacintoport International LLC) and Seaboard Corporation, effective May 24, 2000.

By Minute No. 2008-1125-32 , the Port Commission authorized an amendment to said Ground Lease and Cargo Assignment to extend the term by six months.

By a Third Amendment to the Ground Lease dated October 14, 2010, the Leased Premises was amended to 39.55 acres, and the Ground Lease and Cargo Assignment were thereafter extended on a month-to-month basis.

**Staff Evaluation/Justification:**

Staff recommends that the Port Commission authorize the action described above.

## K. OPERATIONS

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<b>Subject</b>	<b>11. Amend Port Authority Tariffs Nos. 14 and 15 covering Barbours Cut Terminal and Bayport Container Terminal, effective December 1, 2022 to implement a sustained import dwell fee and authorize an excessive import dwell fee.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, authorize an amendment to Port Authority Tariffs Nos. 14 and 15 covering Barbours Cut Terminal and Bayport Container Terminal, effective December 1, 2022, to implement a sustained import dwell fee and authorize an excessive import dwell fee, 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:**

To best serve the interests of efficient operations and benefit all supply chain stakeholders from cargo owners to consumers, the Port Authority manages its terminals to minimize container dwell time, i.e. the period that containers spend within its container yards. In particular, this is because extended import dwell, and concomitant yard density, can have drastic effects on the productivity of terminal operations, by limiting locations for accepting discharged containers, by making yard activities for pre-staging exports and proper cargo segregation extremely challenging, and by increasing truck turn times due to more dense container stacks.

Prior to 2021, loaded import container dwell time at Port Authority terminals averaged 3.5 to 4 days. However, primarily as a result of pandemic-related macroeconomic factors, loaded import container dwell at Barbours Cut and Bayport Container Terminals has since increased during some time periods to over 10 days.

In response to these circumstances, staff has evaluated a number of options to improve the movement of cargo at the container terminals, and in particular has reviewed other recently implemented practices across the country to improve cargo fluidity.

**Staff Evaluation/Justification:**

Staff recommends a new fee structure to help mitigate the issue of long-dwelling loaded import containers by incentivizing the movement of cargo. These fees would be in addition to demurrage charges currently assessed against carriers after the expiration of free time. The new fees could be paid by any interested party, and the Port Authority would require that the assessed amount of these new fees be paid prior to release of the container from the terminal.

The structure would include two separate components: the Sustained Import Dwell Fee would address "chronic" long-term dwell, and the Excessive Import Dwell Fee would be implemented only in more "acute" circumstances.

1. The Sustained Import Dwell Fee:

- a. Implemented on December 1, 2022
- b. Applies to all loaded import containers on site on that date and thereafter.
- c. \$45 per unit per day charge would be assessed beginning on the eighth day after the expiration of free time, as defined in Tariff No. 15 Subrule 095 and Tariff No. 14 Subrule 093 (Free Time).
- d. This fee is in addition to the demurrage charges for loaded import containers also provided for in those subrules, and does not replace those charges.
- e. Additional Sustained Import Dwell Fees would not be charged during the period that the Excessive Import Dwell Fee was in effect. However, once the Excessive Import Dwell Fee was no longer in effect, Sustained Import Dwell Fee would again be charged beginning the first day thereafter.

2. The Excessive Import Dwell Fee:

- a. Implemented by the Executive Director, to take effect following thirty days public notice and thereafter remain in effect for at least sixty days.
- b. Applies to all loaded import containers on site on the effective date and thereafter.
- c. The following charges would be assessed beginning on the applicable period after the expiration of Free Time:

- i. 1-3 days after expiration of Free Time: \$50 per unit per day
  - ii. 4-7 days after expiration of Free Time: \$75 per unit per day
  - iii. 8-13 days after expiration of Free Time: \$100 per unit per day
  - iv. 14 or more days after expiration of Free Time: \$150 per unit per day
- d. This fee is in addition to the demurrage charges for loaded import containers as provided for in Tariff No. 15 Subrule 095 and Tariff No. 14 Subrule 093, and does not replace those charges.

Staff recommends that the Port Authority authorize these tariff amendments as described above.

## L. PEOPLE

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**Subject**                    **1. Award a contract to Aetna Life Insurance Company for stop-loss insurance coverage for the calendar year 2023 for the Port Authority's self-funded group medical benefits program for active employees, retirees who are not Medicare-eligible, and dependents in an amount not to exceed \$1,766,591.**

Meeting                    Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access                    Public

Type                    Action

Recommended Action    The Port Commission, at its October 27, 2022 meeting:  
                                  (a) award a contract to Aetna Insurance Company for stop-loss insurance coverage for the calendar year 2023 for the Port Authority's self-funded group medical benefits program for active employees, retirees who are not Medicare-eligible, and dependents in an amount not to exceed \$1,766,591;  
                                  (b) authorize renewal negotiations with Aetna Life Insurance Company prior to contract expiration; and  
                                  (c) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals                    [STRATEGIC GOAL #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 five-year contract to Lockton Companies LLC (Lockton) to serve as the Port Authority's broker of record for health and welfare benefits and provide employee benefits consulting services, including assisting in development of requests for proposals for group insurance coverages; evaluation of proposals; negotiation of renewal rates; and recommendations on provider selections.

In September 2018, after having reviewed proposals and analyzed the costs of a self-funded program compared to a fully-insured program, the Port Authority proceeded with the implementation of a self-funded group medical benefit program.

By Minute Nos. 2018-1030-44, 2019-1022-39, 2020-1208-44, and 2021-1026-34, the Port Commission approved the purchase of insurance from Aetna Life Insurance Company (Aetna) to provide stop-loss coverage for calendar years 2019, 2020, 2021, and 2022 for the self-funded medical plan, and also authorized contract renewal negotiations with Aetna prior to contract expiration.

On August 12, 2022, the Port Authority through Lockton issued a request for proposals (RFP) for stop-loss insurance coverage for 2023. The Port Authority notified vendors regarding its RFP using the Port Authority's BuySpeed Eprocurement System, and the project was advertised on the Port Authority's website and in a local newspaper. Four vendors downloaded the project materials from BuySpeed.

**Staff Evaluation/Justification:**

On August 26, 2022 four RFP responses were received and opened. The responses were reviewed and evaluated by Lockton and Port Authority staff in accordance with the selection criteria published in the RFP. Lockton and staff identified Aetna as providing the best value for the requested coverage.

Accordingly, staff recommends that the Port Commission award a one-year contract to Aetna for stop-loss insurance for the self-funded group medical plan for 2023. The stop-loss insurance would (i) cover eligible claims in excess of \$200,000 per individual claimant and (ii) cover eligible claims in excess of an aggregate amount of 120% of projected claims.

Staff additionally recommends that the Port Commission authorize renewal negotiations with Aetna prior to contract expiration to better ascertain the need to solicit proposals for the following contract year.

## L. PEOPLE

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**Subject**                      **2. Authorize amendment of the agreement with PlanSource Benefits Administration, Inc. for employee and retiree benefits and payroll integration services for an additional one-year period in an amount not to exceed \$82,000.**

Meeting                      Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access                      Public

Type                      Action

Recommended Action      The Port Commission, at its October 27, 2022 meeting, authorize amendment of the agreement with PlanSource Benefits Administration, Inc., for employee and retiree benefits and payroll integration services for an additional one-year period in an amount not to exceed \$82,000, and renewal negotiations with PlanSource Benefits Administration, Inc. prior to contract expiration, 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:**

Awards, Amendments & Change Orders

**Department:**

Human Resources

**Staff Contact:**

Roger Walter

**Background:**

By Minute No. 2019-07-29-55, the Port Commission authorized an agreement with PlanSource Benefits Administration, Inc. (PlanSource) for employee and retiree benefits and payroll integration services. The technology and services provided under this contract assist the Port Authority with benefits enrollment, administration, and reporting (including federal reporting requirements under the Affordable Care Act (ACA), including the Form 1095-C employee documents and electronic Internal Revenue Service reporting).

The initial term of the contract with PlanSource was from August 6, 2019 until December 31, 2020, in an amount not to exceed \$87,460. By Minute Nos. 2020-1028-49 and 2021-1207-54, the Port Commission authorized two one-year renewals, through December 31, 2022, in an amount not to exceed \$75,000 per year. The most recent approval also authorized contract renewal negotiations with PlanSource prior to contract expiration.

**Staff Evaluation/Justification:**

PlanSource has continually met its obligations under the agreement and exceeded expectations since inception of the contract and Port Authority staff has now negotiated an agreement with PlanSource for employee and retiree benefits and payroll integration services for calendar year 2023 and find the negotiated terms to be fair and reasonable. The annual expenditure is based on projected headcount for 2023.

Staff recommends that the Port Commission approve an amendment renewing the existing agreement with PlanSource for an additional one-year term. Staff additionally recommends that the Port Commission authorize renewal negotiations with PlanSource prior to contract expiration, to better ascertain in advance the need to solicit proposals for the next contract year.



## M. SECURITY AND EMERGENCY OPERATIONS

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<b>Subject</b>	<b>1. Award a contract to Ready2Go Restroom Trailer Sales, LLC for the purchase of two trailer-mounted portable guard booths with generators in an amount not to exceed \$70,000.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, award a contract to Ready2Go Restroom Trailer Sales, LLC for the purchase of two trailer-mounted portable guard booths with generators in an amount not to exceed \$70,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact

**Category:**

Awards, Amendments & Change Orders

**Department:**

Security

**Staff Contact:**

Jessica Thomas

**Background:**

Security is seeking to obtain two portable guard booths for temporary manning of access points that do not have a fixed guard house. These are utilized to meet U.S. Coast Guard requirements for access in situations like temporary construction entrances or when a section of fence is damaged.

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

**Staff Evaluation/Justification:**

On September 29, 2022, five CSB responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the published selection criteria.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Ready2Go Restroom Trailer Sales, LLC, the responsible bidder submitting the lowest and best bid, for the purchase of two trailer-mounted portable guard booths with generators.

## M. SECURITY AND EMERGENCY OPERATIONS

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<b>Subject</b>	<b>2. Issue a purchase order to Motorola Solutions for the purchase of land mobile radio equipment including radios, batteries, chargers, related hardware, and accessories for the Operations and Port Security and Emergency Operations Divisions, using the Houston-Galveston Area Council's cooperative purchase program, in an amount not to exceed \$400,000.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, authorize issue of a purchase order to Motorola Solutions for the purchase of land mobile radio equipment including radios, batteries, chargers, related hardware, and accessories for the Operations and Port Security and Emergency Operations Divisions, using the Houston-Galveston Area Council's cooperative purchase program, in an amount not to exceed \$400,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact Strategic Objective 2c. - Enhance efficiency and resilience through innovative technology and other means

**Category:**

Awards, Amendments & Change Orders

**Department:**

Emergency Management

**Staff Contact:**

Colin Rizzo

**Background:**

Motorola Land Mobile Radio (LMR) equipment, including handheld, mobile, and base stations, are used daily by Operations Division maintenance and operations personnel, crane operators, and clerks to help accomplish their tasks in a safe and efficient manner. The Port Security and Emergency Operations Division, including the Police Department, Fire Department, Emergency Management, and contract security personnel, also use Motorola LMR equipment to help maintain security at all terminals and respond to incidents and other emergencies. Authentic Motorola parts and accessories are required to service the LMR equipment and comprise the vast majority of the approximately 1,800 radios in use.

**Staff Evaluation/Justification:**

The Director of Procurement Services has determined that procuring land mobile radio equipment through the Houston-Galveston Area Council (H-GAC) cooperative purchase program is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority and staff has determined that the best price for this equipment can be offered in this fashion.

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

## M. SECURITY AND EMERGENCY OPERATIONS

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<b>Subject</b>	<b>3. Authorize an agreement with the Houston Ship Channel Security District for payment of the current year (2022-2023) contribution in an amount not to exceed \$61,675.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, authorize an agreement with the Houston Ship Channel Security District for payment of the current year (2022-2023) contribution in an amount not to exceed \$61,675, and authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	Strategic Objective 3a. - Cultivate key relationships to accomplish common goals Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact

**Category:**

Awards, Amendments & Change Orders

**Department:**

Security

**Staff Contact:**

Jessica Thomas

**Background:**

In 2008, the Port Commission first authorized payments to the Houston Ship Channel Security District (HSCSD). These annual payments, along with the funds collected each year in assessments from the Security District's private industry members, allow the HSCSD to partner with many law enforcement entities in providing security enhancements in and around the Houston Ship Channel and the Port Authority's facilities. These water, land, and air enhancements include: (i) a security camera network monitored by the Harris County Sheriff's Office and linked to the U.S. Coast Guard and the Port Authority, (ii) additional boat patrols on the ship channel, (iii) additional landside law enforcement, and (iv) air patrols over the Houston Ship Channel.

By Sections 68.151-68.155 of the Water Code, the HSCSD is governed by eleven directors, eight from private industry and three from government agencies, including the Port Authority who is currently represented by Jessica Thomas, Security Director.

At this time, the HSCSD has preliminarily approved its budget for fiscal year 2023 and has determined that the assessment of its members would remain unchanged from 2022. Accordingly, in line with its budget requirements and consistent with the assessment of its private industry members, the HSCSD requests a contribution from the Port Authority of \$61,675 for fiscal year 2023 (payable in 2022). The 2023 assessments from the district's private industry members and the Port Authority would enable the continued operation and maintenance of the mutually beneficial security assets for the Houston Ship Channel.

Pursuant to Section 68.315 of the Water Code, the HSCSD and the Port Authority may enter into a contract for payment of assessments under terms mutually agreeable.

**Staff Evaluation/Justification:**

Staff recommends the Port Commission approve an execution of such an agreement and payment to the HSCSD.

## M. SECURITY AND EMERGENCY OPERATIONS

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<b>Subject</b>	<b>4. Amend the existing contract with Oil Mop LLC dba OMI Environmental Solutions for hazardous materials incident response services in an amount not to exceed \$100,000.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its October 27, 2022 meeting, approve an amendment to the contract with Oil Mop LLC dba OMI Environmental Solutions for hazardous materials incident response services, 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.
Goals	Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact Strategic Objective 4a. - Implement an innovative environmental leadership strategy STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)

**Category:**

Awards, Amendments & Change Orders

**Department:**

Emergency Management

**Staff Contact:**

Colin Rizzo

**Background:**

In October 2021, the Port Commission awarded a two-year contract to Oil Mop LLC dba OMI Environmental Solutions, with an option for an additional two years, for hazardous materials incident response services in the amount of \$100,000. The contract is used on an "as needed" basis and was initially funded at \$100,000 based on historical usage. Approximately \$41,000 is remaining on the current purchase order with approximately \$60,000 in invoices pending.

Since the contract was put in place, the vendor has responded to multiple incidents and has performed satisfactorily.

Due to the uncertain nature of emergency management, it is in the best interest of the Port Authority to have a "stand-by" hazardous materials incident response services contract in place for the safety of personnel and the environment. By competitively bidding and putting in place this contract in advance of a crisis, the procurement process is streamlined, and the services are potentially reimbursable under federal disaster declaration relief programs via the Federal Emergency Management Agency (FEMA).

**Staff Evaluation/Justification:**

This \$100,000 amendment to the contract amount is requested to cover pending invoices and potential future events. The nature of emergency management and forecasting of incidents is difficult and unpredictable, hence future requests for additional funding may be required.

Accordingly, staff recommends that the Port Commission approve the proposed \$100,000 amendment to the existing contract with Oil Mop LLC dba OMI Environmental Solutions.

## N. TECHNOLOGY

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<b>Subject</b>	<b>1. Approve staff's ranking of vendors and award contracts in a total amount not to exceed \$560,000 for purchase of information technology implementation services in support of the migration into SharePoint Online and Microsoft Teams (Next Generation Collaboration) to the top-ranked proposer: Items #1-3: DocPoint Solutions and Item #4: BKJ Global Management Consulting, LLC.</b>
Meeting	Oct 27, 2022 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	<p>The Port Commission, at its October 27, 2022 meeting:</p> <p>(a) approve staff's ranking, based on the selection criteria, of the service providers offering best value to the Port Authority for their services in two divisible groups of tasks, as follows – for migration tasks and creation of intranet in SharePoint Online, Records Management migration and implementation, and custom solutions for InfoPath forms and License Permit System - first, DocPoint Solutions; second, AgreeYa Solutions; third, ECS Federal, LLC; and for Item #4, project management – first BKJ Global Management Consulting, LLC; second, DocPoint Solutions; and third, AgreeYa Solutions;</p> <p>(b) award a contract to DocPoint Solutions for Items #1-3, migration tasks and creation of intranet in SharePoint Online, Records Management migration and implementation, and custom solutions for InfoPath forms and License Permit System in an amount not to exceed \$390,000;</p> <p>(c) award a contract to BKJ Global Management Consulting, LLC for Item #4, project management in an amount not to exceed \$170,000; and</p> <p>(d) further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.</p>

**Category:**

Awards, Amendments & Change Orders

**Department:**

Information Technology

**Staff Contact:**

Charles Thompson

**Background:**

The Port Authority is seeking to obtain information technology implementation services in support of the migration from Microsoft SharePoint Server 2016 and supporting functionality into the cloud-based SaaS solutions of SharePoint Online and Microsoft Teams (Next Generation Collaboration).

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. Fifteen vendors downloaded the project materials from the BuySpeed.

**Staff Evaluation/Justification:**

On September 14, 2022, six RFP responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFP. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required services:

Items #1-3:

- DocPoint Solutions
- AgreeYa Solutions
- ECS Federal, LLC

Item #4:

- BKJ Global Management Consulting, LLC
- DocPoint Solutions
- AgreeYa Solutions

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