

I N D E X

PORT COMMISSION
OF THE
PORT OF HOUSTON AUTHORITY
OF THE PORTS OF HARRIS COUNTY, TEXAS
February 21, 2023

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

2023-0221-01 Approve the minutes of the January 26, 2023 Port Commission meeting

Staff Reports

2023-0221-02 Roger Guenther, Executive Director, presented a summary of selected financial and operational matters

Appearances

2023-0221-03(a) Chairman Campo introduced Erandi Trevino, Public Citizen, who addressed the Port Commission

2023-0221-03(b) Chairman Campo introduced Capt. Jason E. Smith, U.S. Coast Guard, who addressed the Port Commission

F. Executive

2023-0221-04 Staff Report – Selected agenda items – Erik Eriksson, Chief Legal Officer

2023-0221-05 Enter into an Agreement Extending the Industrial District Agreement between the City of Seabrook and the Port of Houston Authority

2023-0221-06 Discontinue imposition of early collection penalties pursuant to Texas Tax Code §33.11, in connection with 2022 property taxes that become delinquent before July 1, 2023

G. Business Equity (no items)

H. Commercial

<u>Minute No.</u>	<u>Event/Action</u>
2023-0221-07	Staff Report – Selected agenda items – John Moseley, Chief Commercial Officer
2023-0221-08	Approve a lease for a one-year term with R. Warehousing & Port Services, Inc. for approximately 2.07 acres out of Block 29 at Industrial Park East, effective no earlier than March 1, 2023, at an annual base rent of approximately \$81,226
2023-0221-09	Approve a lease for a three-year term with AllTrans Port Services LLC for approximately 1.04 acres out of Block 23D at Industrial Park East, effective no earlier than March 1, 2023, at an annual base rent of approximately \$40,809, subject to the annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index

I. Finance

2023-0221-10	Staff Report – Selected agenda items – Norma Essary, Director Risk Management
2023-0221-11	Authorize payments for workers' compensation and liability claims for insurance year 2023-2024 in accordance with the Amended Insurance Program and Indemnification Policy dated February 2018
2023-0221-12	Approve the purchase of insurance from various carriers effective March 1, 2023, for the Port Authority's primary and excess property and casualty insurance coverage needs

Appearances

2023-0221-13	Chairman Campo introduced Leticia Gutierrez, Air Alliance Houston, who addressed the Port Commission
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J. Infrastructure

2023-0221-14	Staff Report – Selected agenda items – Rich Byrnes, Chief Infrastructure Officer
2023-0221-15	Approve staff's ranking of vendors and award a professional services contract for the design of Container Yard 8 at Bayport Container Terminal to the top-ranked proposers: staff ranking – first, Lockwood, Andrews, & Newnam, Inc.; second, AECOM Technical Services, Inc.; and third, Hatch Associates Consultants, Inc. Port Commission adopted the staff-recommended ranking and authorized award

<u>Minute No.</u>	<u>Event/Action</u>
2023-0221-16	Approve an amendment for an environmental consulting services agreement with InControl Technologies, LLC to conduct a Non-Aqueous Phase Liquid (NAPL) recovery at the 4.52-acre Port Authority property at Turning Basin Terminal
2023-0221-17	Approve a change order with Rigid Constructors, LLC to perform additional work associated with construction of the 12- acre expansion of an interim container storage facility at the west end of Barbours Cut Terminal
2023-0221-18	Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation and repair of Wharf No. 8 at Turning Basin Terminal
2023-0221-19	Authorize an agreement with Gin City Mitigation Bank to acquire wetland mitigation credits for E2 Clinton Placement Area located in Harris County
2023-0221-20	Approve the renewal of the following expiring Port Authority licenses for new thirty-year terms: Chevron Phillips Chemical Company LP, Energy Transfer Mont Belvieu NGLs LP, Houston Pipe Line Company LP, and Kinder Morgan Crude & Condensate LLC
2023-0221-21	Issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one 138kV electrical line over and across Sims Bayou near Highway 225
2023-0221-22	Transfer and renew a pipeline and communications line license from Musket Corporation to Watco Transloading, LLC for two twelve-inch ethanol pipelines, two communications lines, and one conduit, crossing the Northside Mainline Railroad near Federal Road
2023-0221-23	Issue a private adjacency barge fleeting lease agreement and a marine construction permit to Gates Fuel Service, LLC for approximately 3.99 acres of submerged land in Carpenters Bayou at an initial monthly rental amount of \$1,137 for a ten- year term

K. Operations

2023-0221-24	Staff Report – Selected agenda items – Jeff Davis, Chief Port Operations Officer and Paulo Soares, Sr. Director Maintenance
2023-0221-25	Approve staff's ranking of vendors and award a contract in an amount not to exceed \$420,00 for the purchase of seven 10,000-lb. forklifts for Barbours Cut Terminal and Bayport Container Terminal to the top-ranked proposers: staff ranking - first, American Lift & Equipment, Inc.; and second, Associated Supply Company, Inc.; and approve staff's ranking of vendors and award a contract in an amount not to exceed \$240,000 for the purchase of one 36,000-lb. forklift for Bayport Container Terminal to the

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Event/Action

top-ranked proposers: staff ranking - first, Associated Supply Company, Inc.; second, Toplift North America; and third, Lonestar Forklift 2017 USA, Inc.

Port Commission adopted the staff-recommended ranking and authorized award

2023-0221-26 Issue a purchase order to R.B. Everett & Company for the purchase of BROCE Street Broom Sweeper for Turning Basin Terminal, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program

2023-0221-27 Issue a three-year purchase order to Cintas Corporation for cleaning, rental, and purchase of uniforms for maintenance personnel at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using the Local Government Purchasing Cooperative's BuyBoard, a cooperative purchasing program

2023-0221-28 Approve a ten-year lease of the 188,105 square foot building known as Building 50 in Industrial Park East with Cooper/Ports America, LLC, to commence on March 1, 2023, with a rent abatement amount not to exceed \$1,500,000, and an initial base rent amount of \$28,215.75 per month

2023-0221-29 Amend Port Authority Tariff No. 8 covering the Port of Houston effective March 1, 2023, to update a subrule regarding hazardous commodities, and amend Port Authority Tariffs Nos. 14 and 15 covering Barbours Cut Terminal and Bayport Container Terminal effective March 1, 2023, to revise certain subrules relating to chassis

2023-0221-30 (i) Issue a stevedore license and (ii) approve assignment by Richardson Stevedoring and Logistics Services, Inc. of a freight handling assignment agreement and assignments by R Warehousing & Port Services, Inc. and Richardson Steel Yard, Inc. of various leases, to subsidiaries of Enstructure LLC

L. People

2023-0221-31 Staff Report – Selected agenda items – Jessica Shaver, Chief People Officer

2023-0221-32 Approve an amendment to the professional services contract with Nursify, LLC d/b/a IMC Culture for human resources services

M. Security and Emergency Operations

2023-0221-33 Staff Report – Selected agenda items – Marcus Woodring, Chief Port Security and Emergency Operations Officer

<u>Minute No.</u>	<u>Event/Action</u>
2023-0221-34	Approve the authorized two-year extension to the unarmed, uniformed Security Gate Officer services contract with Allied Universal Security Service, LLC for continuing services effective August 1, 2023, and approve a new purchase order to fund the two-year extension

N. Technology

2023-0221-35	Staff Report – Selected agenda items – Charles Thompson, Chief Information Officer
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2023-0221-36	Issue a purchase order to Smart-Tecs, the sole source provider, for the purchase of spare parts for Gate Operating System (GOS) environment
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2023-0221-37	Issue a purchase order to CDWG for purchase of VMWare annual software licensing and software support to the Port Authority’s existing Information Technology infrastructure, using Texas Department of Information Resources’ cooperative purchase program
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Recess Open Meeting and Convene Executive Session

Reconvene Open Meeting

2023-0221-38	Motion to authorize the Port Authority to amend the agreement for legal services with Andrews Myers PC on the terms discussed in Executive Session, and to authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing
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Infrastructure

2023-0221-39	Approve a change order with George Hedge Contractors, Inc. to perform additional work associated with the construction of the rail spur at Bayport Container Terminal Phase 2
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Closing Remarks by Chairman and Commissioners

Adjourn Meeting

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

**Houston, Texas
February 21, 2023**

A public meeting of the Port Commission of the Port of Houston Authority of Harris County, Texas was convened on February 21, 2023, 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 observing that Segment 1A of the deepening and widening of the Houston Ship Channel (Project 11) had been completed on February 1, 2023. This has opened the way for relieving daylight restrictions in the lower eleven miles of Galveston Bay.

It was anticipated that the Army Corps of Engineers would issue its assumption of maintenance memo in the forthcoming month and once accepted, would place its markers. The National Oceanic and Atmospheric Administration would then update its charts with the widened channel. Once done, the Houston Pilots were prepared to lift the current daylight restrictions in Segment 1A.

Chairman Campo continued: Segments 1B and 2, including the Bayport flare and rock removal for widening of the Bayport Channel, continued to progress on schedule. Staff recently toured two of the dredges working on Project 11 and it was a very enlightening experience, as they were the cleanest dredges in America and were working 24/7, even as vessels transited the channel.

Commissioner Mease stressed that the completion of Segment 1A had resulted in a savings of two hours in total transit time.

(2023-0221-01) Chairman Campo called for a motion to approve the minutes of the January 26, 2023 Port Commission meeting. Commissioner Mease moved for approval, seconded by Commissioner Corgey. The minutes were approved as written.

(2023-0221-02) Roger Guenther, Executive Director, presented a summary of selected financial and operational matters:

- Cargo activities continued to remain solid through the first month of 2023.
- Overall tonnage was up 6% vs. January 2022 for all Port Authority terminals.
 - Steel imports were still strong to begin the year.
 - Although there was a slight dip in the January 2023 imports, the Port Authority continued to see increasing resin demand driving export loaded containers, which were up 31% over January 2022.
 - Port Authority terminals were still busy with a steady volume of gate transactions each week – around 62,000 to 65,000.
 - Import dwell of loaded containers decreased and was currently at a 4½ day average.
 - There were many reports of significantly reduced volumes across the U.S. for loaded imports, but that was not the case for Houston.

Mr. Guenther commented that the Port Authority had implemented Saturday gate hours at the Bayport and Barbours Cut Container Terminals to provide additional opportunities to move cargo, and while hopes were high that the additional hours would be well-utilized, that was not panning out. The Port Authority has now advertised to industry that unless there was a significant increase in gate transactions in the next few months, the Saturday hours would be discontinued.

Commissioner Mease asked how many transactions were occurring on Saturdays, and Mr. Guenther replied that average interchanges for a nine-hour day on Saturday was 1,800, combined between both terminals. Meanwhile the Port Authority was handling 63,000 transactions a week on average while maintaining 45-minute turn times.

Commissioner Fitzgerald asked what the reaction had been from industry at the announcement, and Mr. Guenther explained that it was difficult with the restrictions placed on truck drivers, as they were limited to a specific number of working hours per week, and if the Port Authority maintained low turn times during the week, then there would be minimal need for Saturday hours.

Commissioner Fitzgerald remarked that low turn times may negate the need for Saturday hours for truck drivers, but suggested that production on the ships remained slow due to congestion during the week.

Chairman Campo added that a slowdown was to be expected at some point, and added that the recent adjustments by the Federal Reserve to interest rates would slowly trickle down.

(2023-0221-03) Appearances

(a) Chairman Campo recognized Erandi Trevino, Public Citizen, who addressed the Port Commission.

Ms. Trevino was appreciative of the Port Authority's commitment to pursuing grant funds made available through the Inflation Reduction Act. She asked whether a community engagement group could serve as a sounding board when completing the grant applications, and Chairman Campo remarked that the Port Authority could use as much help as it could get.

(b) Chairman Campo introduced Capt. Jason E. Smith, U.S. Coast Guard, who addressed the Port Commission.

Capt. Smith commented on the partnership between the Coast Guard and the Port Authority that supported maritime education programs, the parties engaging together at levels such as grade school volunteering.

Capt. Smith noted that he served on the board of the Port Houston Partners in Maritime Education (PHPME), an aggressive program for youth engagement in the maritime industry that had recently signed a memorandum of understanding (MOU) with Houston ISD. He recognized Jacquie Young-Hall, Maritime Education Outreach Manager, for all her hard work and emphasized that she "was" PHPME.

Capt. Smith added that Ms. Young-Hall was phenomenal with engagement, showed great initiative, and was a strong leader. Most of all, she loved PHPME and promoting maritime education to youth. Her commitment to PHPME resulted in a positive influence on over 4,700 students.

Capt. Smith presented a letter to Ms. Young-Hall from the Coast Guard's District Commander. He then yielded the floor to Ms. Young-Hall for comment.

Ms. Young-Hall exclaimed that the recognition was very unexpected. It took a village to support maritime education and she could not have done it without the support of the members of PHPME and the Port Authority. She quipped that she did not make money for the Port Authority, but she worked hard to make the community better on its behalf and change lives.

Commissioner Corgey offered his appreciation to the Coast Guard and its initiative in getting youth involved in the maritime industry.

Chairman Campo thanked the Coast Guard and noted that the success of the Port Authority was due to a team effort comprised of the Coast Guard, International Longshoremen's Association (ILA) members, seafarers, and many others.

(2023-0221-04) Chairman Campo recognized Erik Eriksson, Chief Legal Officer, to provide a report of selected Executive agenda items.

Mr. Eriksson explained the two items on the agenda. The first was an agreement to extend the Industrial District Agreement (IDA) with the City of Seabrook. The IDA was entered into fifteen years earlier and was set to expire soon. The agenda item would extend the current agreement by ninety days while the parties continued to negotiate a renewed and expanded agreement that would supersede the existing IDA.

Item F2 pertained to late payment penalties for delinquent property taxes collected by Harris County. Harris County requested that the Port Authority discontinue the collection of early additional penalties, just as the Harris County Hospital District, the Harris County Flood Control District, and other taxing entities had done. This would allow for a longer period for the payment of delinquent taxes before they were turned over to counsel for collection.

Commissioner Mease inquired as to the reasoning behind Item F2. He wanted to be sure the Port Authority was not suspending its collection of taxes. Mr. Eriksson assured Commissioner Mease that the Port Authority would still be receiving its full allotment of taxes, and this discontinuation was a benefit to lower-income households, extending the period before late payment penalties began to accrue.

Commissioner DonCarlos noted that the July 1st collection date was fairly new, and Mr. Heidt added that it was a Harris County item and that the Port Authority was following suit. Mr. Eriksson added that state law allowed for such action, and reiterated that it was an initiative of Harris County.

Commissioner DonCarlos stressed, and Mr. Eriksson confirmed, that there would be no monetary loss to the Port Authority as a result.

(2023-0221-05) RCA F1 was presented, moved by Commissioner Mease, seconded by Commissioner Corgy. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F1 PASSED.

(2023-0221-06) RCA F2 was presented, moved by Commissioner Mease, seconded by Commissioner Corgy. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA F2 PASSED.

Chairman Campo noted there were no Business Equity agenda items.

(2023-0221-07) Chairman Campo recognized John Moseley, Chief Commercial Officer, to provide a report of selected agenda items.

Mr. Moseley noted that the agenda contained two real estate term leases, both were standard lease agreements for the Turning Basin Terminal.

(2023-0221-08) RCA H1 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 H1 PASSED.

(2023-0221-09) RCA H2 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 H2 PASSED.

(2023-0221-10) Chairman Campo recognized Norma Essary, Director Risk Management, to provide a report of selected Finance agenda items.

Ms. Essary noted that the commissioners had been provided a copy of the 2022 Risk Management annual report. It showed a historical blend of the Port Authority's insured and self-insured losses and denoted that this was less than 1.5% of the total cost of risk. The report's significance coincided with the two agenda items for approval.

Item I1 was a request for \$1.6 million to fund the Port Authority's self-insured loss fund which paid for workers' compensation and general liability claims. The fund was managed internally but supplemented with annual actuarial studies.

Item I2 was to purchase insurance that fell under the property and casualty program. The program required a global outreach that was spearheaded by the Port Authority's broker of record. There was a 27% premium increase in all coverages, with 76% of the total premium attributed to assets such as real and personal property, and ship-to-shore cranes. She added that other public entities had seen similar increases in rates.

Chairman Campo thanked Ms. Essary and remarked that he had not yet met her. Ms. Essary thanked Chairman Campo and provided a few personal details about herself and her tenure at the Port Authority.

(2023-0221-11) 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.

(2023-0221-12) 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.

(2023-0221-13) Chairman Campo recognized Leticia Gutierrez, Air Alliance Houston, who addressed the Port Commission.

Ms. Gutierrez commented on a thirty-year lease [sic] the Port Authority was preparing to renew. Some of the country's largest petrochemical companies resided on Port Authority property, there was an opportunity for the Port Authority to continue its leadership and its goal of carbon neutrality by extending its influence in the terms of the renewal of the lease, and a thirty-year lease would take the company beyond the 2050 zero carbon date.

Ms. Gutierrez emphasized that the Port Authority should take the opportunity to extract commitments from its partners that were equal to its own. Provisions in a lease could include a commitment to participate in a future emissions inventory or goals for emissions that met or exceeded the Port Authority's own standards.

(2023-0221-14) Chairman Campo recognized Rich Byrnes, Chief Infrastructure Officer, to provide a report of selected agenda items.

Mr. Byrnes commented that while the Port Authority launched projects all the time, however, the completion of projects was not always conveyed to the Port Commission. With that in mind, he noted that over the last eight weeks, approximately \$32 million in projects had been completed, including the expansion of Port Road, the Bayport U-turn, and Phase 1 of the Barbours Cut pop-up yard.

Mr. Byrnes highlighted the recent signing of an MOU with HyVelocity, a regional hydrogen hub application. This would be a billion-dollar effort. Additionally, the Port Authority would be hosting a hydrogen trucking workshop, followed by visits from the Environmental Defense Fund.

Mr. Byrnes noted that there were nine items on the agenda totaling approximately \$5 million in awards. Item J1 was for the design of Yard 8 at the Bayport Container Terminal, and this included a 20% business equity component.

Item J5 pertained to wetland mitigation credits for the ongoing development of a dredged material placement area in connection with Project 11.

Commissioner Fitzgerald asked how the development of Wharfs 6 and 7 were going. Mr. Byrnes answered that Wharf 6 was slated for completion in July 2023 and Wharf 7 was currently out for bid. The work could not be done at the same time, as that would constrain the number of vessels that could dock at any one time.

(2023-0221-15) RCA J1 was presented. Commissioner Corgey moved for staff's ranking of vendors - first, Lockwood, Andrews, & Newnam, Inc.; second, AECOM Technical Services, Inc.; and third, Hatch Associates Consultants, Inc., seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA J1 PASSED.

(2023-0221-16) RCA J2 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 J2 PASSED.

(2023-0221-17) RCA J3 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 J3 PASSED.

(2023-0221-18) RCA J4 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 J4 PASSED.

(2023-0221-19) RCA J5 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 J5 PASSED.

(2023-0221-20) RCA J6 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 J6 PASSED.

(2023-0221-21) RCA J7 was presented, moved by Commissioner Corgey, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Commissioner Cloonan recused herself. Nays none. RCA J7 PASSED.

(2023-0221-22) RCA J8 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 J8 PASSED.

(2023-0221-23) RCA J9 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 J9 PASSED.

(2023-0221-24) Chairman Campo recognized Jeff Davis, Chief Port Operations Officer, and Paulo Soares, Senior Director Maintenance, to provide a report of selected Port Operations agenda items.

Mr. Davis introduced Mr. Soares and gave a brief overview of his duties, which included everything from crane maintenance to air conditioning repair. Mr. Soares oversaw the largest department at the Port Authority.

Mr. Soares acknowledged that there was a slight decrease in volume in January, but export loads were up. The vessel queue, once numbering in the twenties, was currently down to only one. Separately, general cargo was strong, with 520,000 tons of steel imported in January 2023 – the highest total in the past five years.

Mr. Soares explained how the Maintenance Department worked hard to support operations. For example, in 2023, the wharf cranes had logged over 11,000 hours of service and required round the clock maintenance to keep functioning. The Turning Basin Terminal Maintenance Department also supported the container terminals when needed.

Mr. Soares described a recent fire that had taken place on one of the wharf cranes at the Barbour's Cut Container Terminal. Fortunately, there were no personal injuries.

Commissioner DonCarlos asked what part of the crane had caught fire, and Mr. Soares answered it had been the festoon.

Mr. Soares highlighted Item K1, the purchase of eight forklifts. The Port Authority had various models in service and needed to replace seven. Staff had considered electric options but decided against it. Grant funds would contribute to the total cost of the purchase.

Item K4 was a lease of the Port Authority's Building 50 at the Turning Basin Terminal. There was a rent abatement associated with the lease as the tenant would be making numerous improvements to the building.

Commissioner Mease asked for more information regarding the rent abatement. Mr. Davis explained that a large amount of cargo was planned, and the building was not in sufficient shape to house it.

Chairman Campo asked why electric, or hybrid vehicles had not been chosen for Item K1. Mr. Soares explained that there were availability and cost issues; they were twice as expensive and would take twice as long to get.

Commissioner Mease commended Mr. Soares and the Maintenance Department, and the great job done to keep all the Port Authority's cranes operational.

(2023-0221-25) RCA K1 was presented. Commissioner Fitzgerald moved for staff's ranking of vendors for the purchase of seven 10,000-lb. forklifts for Barbours Cut Terminal and Bayport Container Terminal - first, American Lift & Equipment, Inc.; and second, Associated Supply Company, Inc.; and approve staff's ranking of vendors and award a contract in an amount not to exceed \$240,000 for the purchase of one 36,000-lb. forklift for Bayport Container Terminal to the top-ranked proposers: staff ranking - first, Associated Supply Company, Inc.; second, Toplift North America; and third, Lonestar Forklift 2017 USA, Inc., seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K1 PASSED.

(2023-0221-26) RCA K2 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 K2 PASSED.

(2023-0221-27) RCA K3 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 K3 PASSED.

(2023-0221-28) RCA K4 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 K4 PASSED.

(2023-0221-29) RCA K5 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 K5 PASSED.

(2023-0221-30) RCA K6 was presented, moved by Commissioner Fitzgerald, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA K6 PASSED.

(2023-0221-31) Chairman Campo recognized Jessica Shaver, Chief People Officer, to provide a report of selected agenda items.

Ms. Shaver announced that the Community Relations Committee would meet immediately following the Port Commission and invited everyone to attend.

The agenda item was a request to increase a contract amount for additional staffing in the Human Resources Department. The department had undergone a large amount of turnover recently and needed temporary assistance on an as-needed basis while permanent positions were filled.

(2023-0221-32) RCA L1 was presented, moved by Commissioner DonCarlos, seconded by Commissioner Creuzot. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA L1 PASSED.

(2023-0221-33) Chairman Campo recognized Marcus Woodring, Chief Port Security and Emergency Operations Officer, to provide a report of selected agenda items.

Mr. Woodring commended his staff on recently passing the ISO 28000 recertification process. The Port Authority was the first and only port to obtain the certification.

Mr. Woodring noted that there was a single item on the agenda, the exercise of an option to extend the term of the unarmed, uniformed security gate officer service contract for an additional two years.

Commissioner DonCarlos asked for the reason why the contract was for unarmed guards, noting that he felt it prudent to have armed guards at the gates. Mr. Woodring explained that there were various issues, including the fact that armed guards would need to be state certified and would be cost prohibitive.

(2023-0221-34) RCA M1 was presented, moved by Commissioner Cloonan, seconded by Commissioner Corgy. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA M1 PASSED.

(2023-0221-35) Chairman Campo recognized Charles Thompson, Chief Technology Officer, to provide a report of selected agenda items.

Mr. Thompson began by thanking Ms. Essary for the excellent cybersecurity insurance policy she had obtained. He noted that there were two items on the agenda for Technology: a purchase order for spare parts for the Gate Operating System and a purchase order for software licensing for VMWare.

(2023-0221-36) RCA N1 was presented, moved by Commissioner Mease, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA N1 PASSED.

(2023-0221-37) RCA N2 was presented, moved by Commissioner Mease, seconded by Commissioner Cloonan. Chairman Campo, and Commissioners Cloonan, Corgey, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA N2 PASSED.

At 10:10 a.m. Chairman Campo called for a brief recess, and at 10:20 a.m. called for an Executive Session and asked Mr. Eriksson to make the following announcement:

It is now 10:20 a.m. The Port Commission of the Port of Houston Authority of Harris County, Texas will now convene in a closed meeting, as permitted by the Texas Open Meetings Act and Government Code (1) to conduct a private Consultation with Attorneys (*Section 551.071, Texas Open Meetings Act*), including consultation regarding (i) the Memorandum of Settlement Agreement with the City of Seabrook, Texas, (ii) claims of Standard Constructors, Inc., and (iii) proposed amendment to the agreement for legal services with Andrews Myers, P.C.; deliberate regarding (2) Real Estate (*Section 551.072, Texas Open Meetings Act*); (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 10:33 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

(2023-0221-38) Commissioner Cloonan moved to authorize the Port Authority to amend the agreement for legal services with Andrews Myers PC on the terms discussed in Executive Session, and to authorize the Chief Legal Officer to do all things necessary to give effect to the foregoing, seconded by Commissioner DonCarlos. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. MOTION PASSED.

Chairman Campo recognized Tom Heidt, Chief Operating Officer, to provide a report of agenda Item Q1.

Mr. Heidt explained that Item Q1 was a change order for additional work associated with the construction of the rail spur at the Bayport Container Terminal.

(2023-0221-39) RCA Q1 was presented, moved by Commissioner Mease, seconded by Commissioner Fitzgerald. Chairman Campo, and Commissioners Cloonan, Corgy, Creuzot, DonCarlos, Fitzgerald, and Mease voted Aye. Nays none. RCA Q2 PASSED.

Chairman Campo provided a few closing remarks.

He thanked Dr. Carla Wyatt for attending the meeting and for all she did for Harris County.

Chairman Campo also remarked upon one of the comments made earlier in the meeting, about not making money but changing lives. The comment was prophetic, as it was at the heart of what the Port Authority did: the Port Authority made money by moving cargo and then invested the money into the community to create jobs.

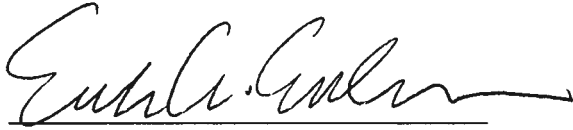
Commissioner Mease commented that future Port Commission meetings should not be changed once they were set. He commented that meetings in prior years were always on the third Tuesday of the month, which made planning easier for both himself, other commissioners, and the public.

At 10:39 a.m., Chairman Campo adjourned the Port Commission meeting.

The above is a correct copy of the Minutes of the February 21, 2023 meeting of the Port Commission of the Port of Houston Authority.

A handwritten signature in black ink, consisting of a large, stylized 'R' followed by a series of loops and a long horizontal stroke.

Ric Campo, Chairman

A handwritten signature in black ink, appearing to read 'Erik A. Eriksson' with a long, sweeping horizontal stroke at the end.

Erik A. Eriksson, Secretary

F. EXECUTIVE

Subject	1. Enter into an Agreement Extending the Industrial District Agreement between the City of Seabrook and the Port of Houston Authority.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, authorize the Port Authority to enter into an Agreement Extending the Industrial District Agreement between the City of Seabrook and the Port of Houston Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [STRATEGIC GOAL #3 - PARTNERSHIPS \(Develop and Strengthen External Partnerships\)](#)

Category:

General

Department:

Executive

Staff Contact:

Erik Eriksson

Background:

In February 2008, the Port Commission approved an Industrial District Agreement with the City of Seabrook.

The Industrial District Agreement provides, among other things, that during the 15-year term of the agreement, certain Port Authority property maintains extraterritorial status within the Seabrook Industrial District, is immune from annexation by the City of Seabrook, and is exempt from any exercise of the city's police power or powers of health, safety, and welfare. The agreement also acknowledges that the city has no obligation to provide any governmental, proprietary, or other municipal services to the Industrial District property during its term.

Given the February 21, 2023 expiration date of the Industrial District Agreement, Seabrook and the Port Authority have been negotiating a renewed and expanded agreement that would supersede the existing one.

Accordingly, the parties desire to extend the 2007 Industrial District Agreement for a period of ninety days while the parties continue these efforts.

Staff Evaluation/Justification:

Staff recommends that the Port Commission authorize the Port Authority to enter into an Agreement Extending the Industrial District Agreement with the City of Seabrook.

F. EXECUTIVE

Subject	2. Discontinue imposition of early collection penalties pursuant to Texas Tax Code §33.11, in connection with 2022 property taxes that become delinquent before July 1, 2023
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, authorize the Port Authority to discontinue imposition of early collection penalties pursuant to Texas Tax Code §33.11, in connection with 2022 property taxes that become delinquent before July 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.

Category:
General

Department:
Executive

Staff Contact:
Erik Eriksson

Background:
Pursuant to Special District Local Laws Code Sec. 5007.007(n), the Tax Assessor-Collector of Harris County acts on behalf of the Port Authority to collect taxes levied and assessed against Harris County property.

In connection with those duties, Tax Code Sec. 33.11 provides that the governing body of a taxing unit may adopt an early additional penalty for personal property accounts that could be turned over for collection prior to July 1 of the year in which the taxes become delinquent.

The Port Commission adopted this penalty in November 2009.

Harris County has now requested that the Port Authority join the county, Harris County Hospital District, and Harris County Flood Control District, and discontinue the Port Authority's adoption of the provisions of Tax Code Sec. 33.11 in connection with the collection of 2022 taxes that become delinquent before July 1, 2023.

This would provide a longer timeframe for businesses to pay delinquent tax amounts before those are turned over to counsel collecting delinquent taxes.

Staff Evaluation/Justification:
Port Authority staff recommends that the Port Commission authorize the Port Authority to do so.

H. COMMERCIAL

Subject	1. Approve a lease for a one-year term with R. Warehousing & Port Services, Inc. for approximately 2.07 acres out of Block 29 at Industrial Park East, effective no earlier than March 1, 2023, at an annual base rent of approximately \$81,226.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, approve a lease for a one-year term with R. Warehousing & Port Services, Inc. for approximately 2.07 acres out of Block 29 at Industrial Park East, effective no earlier than March 1, 2023, at an annual base rent of approximately \$81,226, 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) Strategic Objective 3a. - Cultivate key relationships to accomplish common goals</p> <p>STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region) Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port</p>

Category:

Leases

Department:

Real Estate

Staff Contact:

John A. Moseley/Ben Licata

Background:

R. Warehousing & Port Services, Inc. (R. Warehousing & Port Services) has requested that the Port Authority lease it approximately 2.07 acres out of Block 29 at Industrial Park East for a one-year term. The Port Authority stabilized this property and R. Warehousing & Port Services has been leasing the property on a month-to-month basis since December 15, 2022 as the property's first tenant since its stabilization. The property would be used for the storage and handling of steel products and general cargo.

Separately, if the Port Commission tables action on item K-6, this lease would be assigned to the acquirer of the assets of this tenant and its related companies.

Staff Evaluation/Justification:

Staff recommends the Port Commission approve the proposed lease with R. Warehousing & Port Services under the terms described above.

H. COMMERCIAL

Subject **2. Approve a lease for a three-year term with AllTrans Port Services LLC for approximately 1.04 acres out of Block 23D at Industrial Park East, effective no earlier than March 1, 2023, at an annual base rent of approximately \$40,809, subject to the annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index.**

Meeting Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its February 21, 2023 meeting, approve a lease for a three-year term with AllTrans Port Services LLC for approximately 1.04 acres out of Block 23D at Industrial Park East, effective no earlier than March 1, 2023, at an annual base rent of approximately \$40,809, subject to the annual base rent escalation of the greater of 3% or the increase in the Consumer Price Index, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [STRATEGIC GOAL #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:
John A. Moseley/Ben Licata

Background:
AllTrans Port Services LLC (AllTrans) has requested that the Port Authority lease it approximately 1.04 acres out of its Block 23D at Industrial Park East for a three-year term. The Port Authority stabilized this property and AllTrans would be the first tenant to lease the property since its stabilization. The property would be used for the storage and handling of steel.

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

I. FINANCE

Subject	1. Authorize \$1,600,000 to fund payments for workers' compensation and liability claims for insurance year 2023-2024 in accordance with the Amended Insurance Program and Indemnification Policy dated February 2018.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, authorize \$1,600,000 to fund payments for workers' compensation and liability claims for insurance year 2023-2024 in accordance with the Amended Insurance Program and Indemnification Policy dated February 2018, 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 Objective 3b. - Demonstrate transparency and accountability</p> <p>Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact</p> <p>STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Be the Best Place to Work)</p>

Category:

Awards, Amendments & Change Orders

Department:

Risk Management

Staff Contact:

Norma Essary

Background:

By Minute No. 2010-0928-09, the Port Commission authorized establishment of a self-insurance program effective March 1, 2010. Port Authority staff recommended several minor amendments in February 2015 and March 2018, and those were subsequently approved by the Port Commission when it adopted an Amended Insurance Program and Indemnification Policy (Program) by Minute No. 2015-0224-40, as amended by Minute No. 2018-0327-13.

The Program has been a cost-effective risk financing alternative to traditional insurance, and would provide protection for the Port Authority, the Port Commission, and employees for the insurance year from March 1, 2023 to February 28, 2024.

Staff Evaluation/Justification:

Based upon actuarial projections as of June 30, 2022 and analysis of the cumulative funded position of the reserve, staff recommends the Port Commission authorize \$1,600,000 to pay for all covered claim costs and expenses related to workers' compensation and liability claims expected to be incurred during the 2023-2024 insurance year.

These funds are retained and managed by the Port Authority to meet existing plan year liabilities.

I. FINANCE

Subject	2. Approve the purchase of insurance from various carriers effective March 1, 2023, for the Port Authority's primary and excess property and casualty insurance coverage needs, in a total amount not to exceed \$7,001,000.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	<p>The Port Commission, at its February 21, 2023 meeting, (i) approve the purchase of insurance from various carriers effective March 1, 2023, for the Port Authority's primary and excess property and casualty insurance coverage needs as set forth below, in a total amount not to exceed \$7,001,000, (ii) authorize contract renewal negotiations with the insurance carriers prior to contract expiration, to better determine in advance the need to issue a formal request for proposals for the next contract year, and (iii) further authorize the Executive Director to do any and all things reasonable or necessary to give effect to the foregoing.</p> <p>Type of Coverage; Premium; Carrier(s)</p> <p>(1) Property - \$2,816,696 with various parties within a Layered Program, as depicted on the attached participation graph</p> <p>(2) Contractors Equipment (STS Cranes) - \$2,229,690 within a Layered Program, as depicted on the attached participation graph</p> <p>(3) Boiler & Machinery/Equipment Breakdown - \$104,590 with carrier, Travelers</p> <p>(4) Terrorism - \$30,343 with carrier, Lloyd's of London</p> <p>(5) Excess Workers' Compensation - \$276,002 with carrier, Midwest Employers</p> <p>(6) Excess Umbrella - \$718,736 with carrier, Lloyd's of London</p> <p>(7) Public Officials - \$322,700 with carriers, AIG, ACE, Ironshore</p> <p>(8) Crime - \$8,991 with carrier, Travelers</p> <p>(9) Cyber - \$92,570 with carrier, Tokio Marine</p> <p>(10) Fiduciary Liability - \$58,900 with carriers, Great American, Ironshore</p> <p>(11) Special Events - \$7,832 with carrier, Nationwide</p> <p>(12) Fire Truck Auto PD - \$14,073 with carrier, Great American</p> <p>(13) Foreign Package - \$2,500 with carrier, AIG</p> <p>(14) Mobile Command Center - \$25,410 with carrier, Travelers Lloyds</p> <p>(15) Maritime Education - \$1,145 with carrier, Federal Insurance</p> <p>(16) UST/AST - \$4,820 with carrier, Commerce & Industry</p> <p>(17) Hull/Protection & Indemnity (Marine) - \$119,790 with carrier, Travelers</p> <p>(18) Pollution for P/I (Vessels) - \$10,077 with carriers, State National, Starr, Ascot</p> <p>(19) Public Official/Custom Bonds - \$3,852 with carrier, Old Republic Surety</p>
Goals	<p>Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact</p> <p>STRATEGIC GOAL #4 - STEWARDSHIP (Create Greater Value for the Region)</p>

Category:

Awards, Amendments & Change Orders

Department:

Risk Management

Staff Contact:

Norma Essary

Background:

McGriff Insurance Services (McGriff) serves as the Port Authority's Broker of Record in procurement of coverage for its property and casualty insurance program.

McGriff's contractual responsibilities include assisting staff in the development of insurance specifications, soliciting domestic and global insurance marketplace carriers, assisting in evaluating proposals and in negotiating policy terms and conditions, with recommendations for placement of coverage.

Staff Evaluation/Justification:

Staff recommends, and McGriff concurs, that the Port Authority enter into contracts with the carriers indicated herein for the type of coverage and maximum annual premiums listed, as providing the best value to the Port Authority to address its property and casualty risk exposures.

The total amount requested by staff of \$7,001,000 takes into account that premiums on several policies are subject to adjustment for asset additions, actual payroll amounts, and revenue, as well as the timing and values of asset additions.

J. INFRASTRUCTURE

Subject	1. Approve staff's ranking of vendors and award a professional services contract in an amount not to exceed \$3,646,813 for the design of Container Yard 8 at Bayport Container Terminal to the top-ranked proposers: staff ranking – first, Lockwood, Andrews, & Newnam, Inc.; second, AECOM Technical Services, Inc.; and third, Hatch Associates Consultants, Inc.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting: (a) approve staff's ranking of the most qualified vendors, based on the selection criteria, in the following order - first, Lockwood, Andrews, & Newnam, Inc.; second, AECOM Technical Services, Inc.; and third, Hatch Associates Consultants, Inc.; (b) award a professional services contract to Lockwood, Andrews, & Newnam, Inc. for the design of Container Yard 8 at Bayport Container Terminal in an amount not to exceed \$3,646,813; (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 consists of the design of the approximately 40-acre Container Yard 8 at the east end of Bayport Container Terminal. Design services would also include detailed analysis of dredge disposal material in the future Container Yard 9 footprint. Construction phase services under the proposed contract would be added by amendment prior to construction start.

In addition, staff contemplates that the proposed contract would provide for the option of amending the contract to complete the design of Container Yard 1 South and Container Yard 9 at a later date.

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

Staff Evaluation/Justification:

On October 26, 2022, five RFQ responses were received and opened. The responses were reviewed and evaluated by staff in accordance with the selection criteria published in the RFQ. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required analysis and design services:

- Lockwood, Andrews, & Newnam, Inc.
- AECOM Technical Services, Inc.
- Hatch Associates Consultants, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award a contract to Lockwood, Andrews & Newnam, Inc. for the design of Container Yard 8 at Bayport Container Terminal, and act as otherwise described above.

J. INFRASTRUCTURE

Subject **2. Approve an amendment for an environmental consulting services agreement with InControl Technologies, LLC to conduct a Non-Aqueous Phase Liquid (NAPL) recovery at the 4.52-acre Port Authority property at Turning Basin Terminal in an amount not to exceed \$160,000.**

Meeting Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its February 21, 2023 meeting, approve an amendment for an environmental consulting services agreement with InControl Technologies, LLC to conduct a Non-Aqueous Phase Liquid (NAPL) recovery at the 4.52-acre Port Authority property at Turning Basin Terminal in an amount not to exceed \$160,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [Strategic Objective 4a. - Implement an innovative environmental leadership strategy](#)

Category:

Awards, Amendments & Change Orders

Department:

Environmental Affairs

Staff Contact:

Trae Camble

Background:

The 4.52-acre subject property is a Port Authority site leased to a third party, which is the location of a legacy contaminated groundwater plume generated from underground storage fuel tanks. Since December 2014, the Port Authority and InControl Technologies LLC have both worked on the site delineation of the contamination plume and developed the appropriate Texas Commission on Environmental Quality (TCEQ) action plan for Non-Aqueous Phase Liquid (NAPL) recovery.

The objective of this project is to recover NAPL groundwater contamination from the 4.52-acre property by installing additional monitoring wells and recovery wells; conducting Mobile Dual Phase Extraction events; conducting field sampling and analyzing data; and submitting semi-annual reports to TCEQ.

Based on the size of the NAPL plume, the Port Authority must address the TCEQ's recommendations to take a more aggressive approach to recover the NAPL contamination to the maximum extent practical. InControl Technologies, LLC., has continued to be the site subject matter experts with ongoing TCEQ required monitoring, NAPL plume delineation, and correspondence with TCEQ.

Staff Evaluation/Justification:

Based on recent recommendations from the TCEQ, additional recovery is needed, thus causing the original contract to be amended.

Staff recommends the Port Commission approve an amendment to the environmental consulting services agreement with InControl Technologies, LLC to carry out this work.

J. INFRASTRUCTURE

Subject	3. Approve a change order with Rigid Constructors, LLC to perform additional work associated with construction of the 12-acre expansion of an interim container storage facility at the west end of Barbours Cut Terminal in an amount not to exceed \$82,857.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, approve a change order with Rigid Constructors, LLC to perform additional work associated with construction of the 12-acre expansion of an interim container storage facility at the west end of Barbours Cut Terminal in an amount not to exceed \$82,857, 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 & Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2022-1027-21, the Port Commission awarded a construction contract for construction of the 12-acre expansion of an interim container storage facility at the west end of Barbours Cut Terminal.

This proposed change order addresses:

- Exposing and capping a waterline that was previously unknown and uncovered onsite during the demolition of the existing pavement;
- Purchasing and installing an additional fire hydrant; and
- Construction test strips to verify a solution for unanticipated saturated and weak materials preventing the stabilization of the subgrade onsite.

This is the first change order to this contract, for a total change order value to date of \$82,857, which is 1.2% 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

Subject	4. Approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation and repair of Wharf No. 8 at Turning Basin Terminal in an amount not to exceed \$629,020.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, approve a change order with McCarthy Building Companies, Inc. to perform additional work associated with the rehabilitation and repair of Wharf No. 8 at Turning Basin Terminal in an amount not to exceed \$629,020, 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. 2022-0628-21, the Port Commission awarded a construction contract for the rehabilitation and repair of Wharf No. 8 at Turning Basin Terminal.

This proposed change order addresses:

- Disposal of abandoned bunker oil system;
- Wharf fender adjustment;
- Installation of waterline;
- Additional material for new drilled shafts, pile cap repairs, and deck paving;
- Transition piece between Wharf 8 fender and Wharf 9 fender; and
- Delays associated with removing potential contaminated soils.

This is the second change order to this contract, for a total change order value to date of \$662,725, which is 6.58% of the total contract value.

Staff Evaluation/Justification:

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

J. INFRASTRUCTURE

Subject **5. Authorize an agreement with Gin City Mitigation Bank to acquire wetland mitigation credits for E2 Clinton Placement Area located in Harris County, in the amount not to exceed \$1,250,000.**

Meeting Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its February 21, 2023 meeting, authorize an agreement with Gin City Mitigation Bank to acquire wetland mitigation credits for E2 Clinton Placement Area located in Harris County, in the amount not to exceed \$1,250,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [Strategic Objective 4a. - Implement an innovative environmental leadership strategy](#)
[STRATEGIC GOAL #2 - INFRASTRUCTURE \(Optimize Infrastructure and Channel Capacity to Serve the Region\)](#)

Category:

Awards, Amendments & Change Orders

Department:

Environmental Affairs

Staff Contact:

Trae Camble

Background:

The Port Authority is preparing the E2 Clinton Placement Area for pre-development as part of Project 11. That process includes purchasing mitigation credits prior to placing dredge material onsite. As part of its agreement with the The U.S. Army Corps of Engineers, the Port Authority is responsible for purchasing credits for wetland mitigation. Securing these mitigation credits is critical to development of the property, as the credits are difficult to obtain and are not widely available.

Staff Evaluation/Justification:

Port Authority staff recommends the Port Commission authorize this agreement with Gin City Mitigation Bank in order to secure the necessary wetland mitigation credits needed to develop this property for receiving dredge material as part of Project 11.

J. INFRASTRUCTURE

Subject	6. Approve the renewal of the following expiring Port Authority licenses for new thirty-year terms: Chevron Phillips Chemical Company LP, Energy Transfer Mont Belvieu NGLs LP, Houston Pipe Line Company LP, and Kinder Morgan Crude & Condensate LLC.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, authorize the Port Authority to approve the renewal of the following expiring Port Authority licenses for new thirty-year terms: Chevron Phillips Chemical Company LP, Energy Transfer Mont Belvieu NGLs LP, Houston Pipe Line Company LP, and Kinder Morgan Crude & Condensate LLC, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

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:

30 Year Term

Company	File No.	License Fee
Chevron Phillips Chemical Company LP	2012-0298	\$312,000
Energy Transfer Mont Belvieu NGLs LP	2003-0244	\$23,000
Houston Pipe Line Company LP	2003-0072	\$7,000
Kinder Morgan Crude & Condensate LLC	2013-0041	\$54,000
Kinder Morgan Crude & Condensate LLC	2013-0068	\$7,000
Total		\$406,000

*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

Subject	7. Issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one 138kV electrical line over and across Sims Bayou near Highway 225.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, authorize the Port Authority to issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one 138kV electrical line over and across Sims Bayou near Highway 225, 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:

CenterPoint Energy Houston Electric, LLC, Port Authority File No. 2022-0401, has applied for one 138kV electrical line over and across Sims Bayou near Highway 225, in the M A Callahan and A Vince Survey, A-9. This electrical line was originally installed in or around 1965; however, staff was not able to locate prior Port Authority authorization. The work includes upgrading the existing 69kV line to 138kV.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department and Port Terminal Railroad Association. The license is subject to the Port Authority's terms and conditions for 30-year licenses and at an initial fee of \$3,311 for the first ten-year term. The \$675 application fee and the \$2,500 as-built deposit have been paid.

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 matter of Item J-7 as set forth in the agenda for the meeting of the Port Commission scheduled for February 21, 2023:

 Issue a transmission line license to CenterPoint Energy Houston Electric, LLC for one 138kV electrical line over and across Sims Bayou near Highway 225.
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 February 21, 2023.


Notary Public, State of Texas



J. INFRASTRUCTURE

Subject	8. Transfer and renew a pipeline and communications line license from Musket Corporation to Watco Transloading, LLC for two twelve-inch ethanol pipelines, two communications lines, and one conduit, crossing the Northside Mainline Railroad near Federal Road.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, authorize the Port Authority to approve the transfer and renewal of a pipeline and communications line license from Musket Corporation to Watco Transloading, LLC for two twelve-inch ethanol pipelines, two communications lines, and one conduit, crossing the Northside Mainline Railroad near Federal Road, 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:

Watco Transloading, LLC, Port Authority File No. 2012-0072, has applied to transfer and renew an existing license from Musket Corporation for two twelve-inch ethanol pipelines, two communications lines, and one conduit, crossing the Northside Mainline Railroad near Federal Road, in the W.P. Harris & R. Wilson Survey, A-31.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department. The license is subject to the Port Authority's usual terms and conditions for a 10-year license at a fee of \$16,836. The \$675 application fee has been invoiced.

Staff recommends approval.

J. INFRASTRUCTURE

Subject **9. Issue a private adjacency barge fleeting lease agreement and a marine construction permit to Gates Fuel Service, LLC for approximately 3.99 acres of submerged land in Carpenters Bayou at an initial monthly rental amount of \$1,137 for a ten-year term.**

Meeting Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its February 21, 2023 meeting, authorize the Port Authority to issue a private adjacency barge fleeting lease agreement and a marine construction permit to Gates Fuel Service, LLC for approximately 3.99 acres of submerged land in Carpenters Bayou at an initial monthly rental amount of \$1,137 for a ten-year term, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Permits/Licenses/Pipeline Easements

Department:

Channel Operations

Staff Contact:

Garry McMahan

Background:

Gates Fuel Services, LLC (Gates), Port Authority Files No. 2023-0012 (Lease) and Port Authority File No. 2023-0013 (Marine Construction Permit), has applied for a private adjacency barge fleeting lease agreement and a marine construction permit to barge fleet on 3.99 acres of submerged land in Carpenters Bayou.

Staff is informed that Gates is headquartered in Santa Fe, Texas and has over thirty-five years in business as an inland fueling and bunkering operation, providing dockside and midstream fueling, barge stripping, topside repair, fleeting and other services. Gates is currently leasing the waterfront and bulkhead area adjacent to Carpenters Bayou from the landowner. Gates is a newer barge fleet operator to the area with less than two years of barge fleeting experience in it.

Staff Evaluation/Justification:

The application was reviewed and approved by the Port Authority's Channel Operations department. The lease and permit are subject to the Port Authority's usual terms and conditions, for an initial lease fee of \$1,137 per month for a ten-year term. The \$675 application fee has been paid.

Staff recommends approval.

K. OPERATIONS

Subject	1. Approve staff's ranking of vendors and award a contract in an amount not to exceed \$420,000 for the purchase of seven 10,000-lb. forklifts for Barbours Cut Terminal and Bayport Container Terminal to the top-ranked proposers: staff ranking - first, American Lift & Equipment, Inc.; and second, Associated Supply Company, Inc.; and approve staff's ranking of vendors and award a contract in an amount not to exceed \$240,000 for the purchase of one 36,000-lb. forklift for Bayport Container Terminal to the top-ranked proposers: staff ranking - first, Associated Supply Company, Inc.; second, Toplift North America; and third, Lonestar Forklift 2017 USA, Inc.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting: <ol style="list-style-type: none"> approve staff's ranking of vendors that proposed on seven 10,000-lb. forklifts, based on the selection criteria, in the following order - first, American Lift & Equipment, Inc.; and second, Associated Supply Company, Inc.; approve staff's ranking of vendors that proposed on one 36,000-lb. forklift, based on the selection criteria, in the following order - first, Associated Supply Company, Inc.; second, Toplift North America; and third, Lonestar Forklift 2017 USA, Inc.; grant authority, if a contract cannot be negotiated with each 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 with each is reached or all proposals are rejected; and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently owns a total of fifteen 6,000 to 10,000-lb. forklifts operating at Barbours Cut Terminal and Bayport Container Terminal and two 55,000-lb. forklifts at Bayport Container Terminal. A total of seven 10,000-lb. units including four at Barbours Cut Terminal and three at Bayport Container Terminal have been in operation for over fifteen years and have become costly to maintain. Additionally, one 36,000-lb. unit is needed for Bayport Container Terminal. These machines are used daily at both facilities in a variety of tasks including moving container handling equipment (spreader bars) to/from cranes and shops for repairs. They are essential in the support of vessel operations.

Separately, the Port Authority has secured funding from the Seaport and Rail Yard Areas Emission Reduction Program (SPRY) in the amount of \$182,187 for four replacement forklifts for Barbours Cut Terminal that would be applied to this purchase on receipt.

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. Eighteen vendors downloaded the project materials from BuySpeed.

Staff Evaluation/Justification:

On January, 11, 2023, seven RFP responses for the purchase of forklifts were received, opened, and publicly read. The responses were reviewed and evaluated by staff in accordance with the selection criteria. Staff identified the following vendors, listed in order of ranking, as most qualified to provide the required services:

Seven 10,000-lb. forklifts for Barbours Cut Terminal and Bayport Container Terminal:

- American Lift & Equipment, Inc.
- Associated Supply Company, Inc.

One 36,000-lb. forklift for Bayport Container Terminal:

- Associated Supply Company, Inc.
- Toplift North America
- Lonestar Forklift 2017 USA, Inc.

Following staff Executive Committee review, staff recommends that the Port Commission award contracts for the purchase of seven 10,000-lb. forklifts and one 36,000-lb. forklift to American Lift & Equipment, Inc. and Associated Supply Company, Inc. respectively and act as otherwise described above.

K. OPERATIONS

Subject	2. Issue a purchase order to R.B. Everett & Company for the purchase of BROCE Street Broom Sweeper for Turning Basin Terminal, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in a total amount not to exceed \$80,000.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, issue a purchase order to R.B. Everett & Company for the purchase of BROCE Street Broom Sweeper, using Local Government Purchasing Cooperative's BuyBoard, a cooperative purchase program, in a total amount not to exceed \$80,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Award, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Central Maintenance Department, with recommendations from the Operations Department, prepared specifications for a new BROCE Street Broom Sweeper to be used at the Turning Basin Terminal. This unit would be used daily for more efficient dock and wharf clean-up operations such as sweeping of the docks, upper and lower-level road clean-up, and other similar applications, by the Turning Basin Operations department.

The Local Government Purchasing Cooperative is an administrative agency of cooperating local governments and its BuyBoard purchasing program may be used for this purchase.

Staff Evaluation/Justification:

The Director of Procurement Services has determined that procuring the BROCE Street Broom Sweeper through the BuyBoard Cooperative Purchasing Program is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

The BuyBoard website lists many pre-approved providers of equipment. Central Maintenance staff looked at several such providers and determined that the BROCE Street Broom Sweeper is the model that best meets the Port Authority's requirements, and that R.B. Everett & Company is the vendor with the best price for that model, and its pricing for the selected model was reviewed and approved by BuyBoard.

Staff recommends that the Port Commission approve this best value determination and issuance of a purchase order to R.B. Everett & Company for the purchase of one BROCE Street Broom Sweeper.

K. OPERATIONS

Subject **3. Issue a three-year purchase order to Cintas Corporation for cleaning, rental, and purchase of uniforms for maintenance personnel at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using the Local Government Purchasing Cooperative's BuyBoard, a cooperative purchasing program, in an amount not to exceed \$900,000.**

Meeting Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission at its February 21, 2023 meeting, issue a three-year purchase order to Cintas Corporation for cleaning, rental, and purchase of uniforms for maintenance personnel at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal, using the Local Government Purchasing Cooperative's BuyBoard, a cooperative purchasing program, in an amount not to exceed \$900,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Maintenance

Staff Contact:

Paulo Soares

Background:

The Port Authority currently provides fire-retardant uniforms for staff electricians to comply with the National Electrical Code (NEC) and National Fire Protection Association (NFPA). Because mechanics and tradesmen are being exposed to similar hazards as the electricians, similar uniforms are also provided to these employees.

The uniforms have reflective high visibility strips and virtually eliminate the need for safety vests, further reducing a potential hazard when working near rotating equipment. The Port Authority also provides reflective safety vests and hats, steel-toe shoes, and gloves to its maintenance employees.

By Minute No. 2021-0223-39, the Port Commission awarded a two-year purchase order to Cintas Corporation for rental and purchase of uniforms for maintenance personnel at Barbours Cut Terminal, Bayport Container Terminal, and Turning Basin Terminal in an amount not to exceed \$600,000. These funds have been depleted.

The Local Government Purchasing Cooperative is an administrative agency of cooperating local governments, and its BuyBoard purchasing program may be used for this purchase.

Staff Evaluation/Justification:

The Director of the Procurement Services Department has determined that procuring uniforms through the BuyBoard Cooperative Purchasing Program is the method that both satisfies competitive purchase requirements and provides the best value to the Port Authority.

The BuyBoard website lists several pre-approved uniform providers. Staff reviewed several vendors and determined that Cintas Corporation is the vendor that best meets the Port Authority's requirements and offers the best price for uniforms. Cintas Corporation's pricing was reviewed and approved by BuyBoard. The increase in contract amount is due to additional headcount, replacement of worn work jackets, and a 2% price increase.

Staff recommends the Port Commission approve this best value determination and a three-year purchase order to Cintas Corporation for cleaning, rental, and purchase of uniforms for maintenance personnel.

K. OPERATIONS

Subject	4. Approve a ten-year lease of the 188,105 square foot building known as Building 50 in Industrial Park East with Cooper/Ports America, LLC, to commence on March 1, 2023, with a rent abatement amount not to exceed \$1,500,000, and an initial base rent amount of \$28,215.75 per month.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, approve a ten-year lease of the 188,105 square foot building known as Building 50 in Industrial Park East to Cooper/Ports America, LLC, with a rent abatement amount not to exceed \$1,500,000, and an initial base rent amount of \$28,215.75 per month, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Leases

Department:

Operations

Staff Contact:

Randy Stiefel

Background:

This lease contemplates certain tenant work including roof and siding improvements, asphalt improvements, loading dock improvements, and overhead crane improvements. The lease further contemplates rent abatement to compensate the tenant for approved invoices for such tenant work in an amount not to exceed \$1,500,000.

Staff Evaluation/Justification:

Staff recommends that the Port Authority approve a ten-year lease of the 188,105 square foot building known as Building 50 in Industrial Park East to Cooper/Ports America, LLC, with a rent abatement.

K. OPERATIONS

Subject	5. Amend Port Authority Tariff No. 8 covering the Port of Houston effective March 1, 2023, to update a subrule regarding hazardous commodities, and amend Port Authority Tariffs Nos. 14 and 15 covering Barbours Cut Terminal and Bayport Container Terminal effective March 1, 2023, to revise certain subrules relating to chassis.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, (i) authorize an amendment to Port Authority Tariff No. 8 covering the Port of Houston effective March 1, 2023, to update a subrule regarding hazardous commodities, (ii) authorize an amendment to Port Authority Tariffs Nos. 14 and 15 covering Barbours Cut Terminal and Bayport Container Terminal effective March 1, 2023, to revise certain subrules relating to chassis, 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 #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:
General

Department:
Operations

Staff Contact:
Candice Armenoff

Background:

1. Tariff No. 8. Subrule No. 53 includes provisions regulating the handling of hazardous commodities at the Port of Houston. The provisions limiting the handling of radioactive material currently provide in part the following:

Class 7 Radioactive Material is limited to Low Specific Activity (LSA) UN2912, UN3321, UN3322, Surface Contaminated Objects (SCO) UN2913, Radioactive empties UN2908, and Radioactive material, Type A package, special form non fissile or fissile-excepted UN3332 in limited quantities.

An importer of Cobalt-60 has requested that the Port Authority consider revising these provisions. Cobalt-60 is primarily used in medical products, and other product and procedures, as an irradiator to kill harmful pathogens. However, the subrule as written prevents its handling at the Port of Houston.

Staff understands that Cobalt-60 is in limited supply across the world, and allowing it, and products containing it, to be imported locally, as it is at other U.S. ports, would help address the supply restrictions on this material.

The proposed amendment to this subrule would add Low Specific Activity (LSA) UN2916 to the quoted language above.

2. Tariff No. 14 Subrule No. 90 and Tariff No. 15 Subrule No. 91 currently include provisions regulating the handling of chassis, which generally contemplate that on-terminal chassis, including chassis on which refrigerated containers are placed, are owned by third parties.

However, last year the Port Authority acquired chassis under lease to constitute a Port Authority-controlled chassis pool, to help address supply chain and terminal use issues associated with a shortage in chassis supply in the region and across the nation. The primary uses of chassis in this pool is for wheeled storage of refrigerated containers, and other Port Authority-terminal services.

The proposed amendments address both carrier-controlled chassis as well as the new supply of Port Authority controlled chassis.

Staff Evaluation/Justification:

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

K. OPERATIONS

Subject	6. (i) Issue a stevedore license and (ii) approve assignment by Richardson Stevedoring and Logistics Services, Inc. of a freight handling assignment agreement and assignments by R Warehousing & Port Services, Inc. and Richardson Steel Yard, Inc. of various leases, to subsidiaries of Enstructure LLC.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, authorize the Port Authority to (i) issue a stevedore license and (ii) approve assignment by Richardson Stevedoring and Logistics Services, Inc. of a freight handling assignment agreement and assignments by R Warehousing & Port Services, Inc. and Richardson Steel Yard, Inc. of various leases to subsidiaries of Enstructure LLC, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:
General

Department:
Operations

Staff Contact:
Jeff Davis

Background:

The Richardson group of companies (Richardson) has had business relationships with the Port Authority for many years. At the present time:

- Richardson Stevedoring and Logistics Services, Inc. (RSL) holds a stevedoring license from the Port Authority for its activities at Port Authority terminals;
- RSL is the freight handler within certain assigned open and shed areas at Turning Basin Terminal (TBT);
- R Warehousing & Port Services, Inc. and Richardson Steel Yard, Inc. lease TBT properties from the Port Authority; and
- Notably, Richardson Steel Yard, Inc. has leased Woodhouse Terminal premises since 2018.

Port Authority staff was recently informed by Richardson executives that they were engaged in acquisition talks with Enstructure LLC, a third party entity involved in terminaling operations. Newly-formed subsidiaries of Enstructure LLC would acquire Richardson assets, including the above-referenced freight handling assignment and leases, and conduct terminal operations at TBT under a newly-issued stevedore license.

Accordingly, Richardson has requested that the Port Authority (i) approve assignment to the acquiring entities of the Richardson-affiliated freight handling assignment agreement and leases and (ii) issue a new stevedore license to one of those entities. In conjunction with this transaction, the stevedore license held by RSL would be cancelled.

Staff Evaluation/Justification:

Following its review of information provided by the parties relating to this transaction, along with available financial data and publicly-available information, staff recommends that the Port Commission approve (i) the issuance of a new stevedore license to one of the Enstructure LLC acquiring entities, conditioned on satisfaction by proposed licensee of the customary requirements for this action, and (ii) assignments to the Enstructure LLC entities of the freight handling assignment and leases held by Richardson entities.

L. PEOPLE

Subject	1. Approve an amendment to the professional services contract with Nursify, LLC d/b/a IMC Culture for human resources services in an amount not to exceed \$100,000.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, approve an amendment to the professional services contract with Nursify, LLC d/b/a IMC Culture for human resources 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	<p>STRATEGIC GOAL #1 - PEOPLE AND ORGANIZATION (Be the Best Place to Work)</p> <p>Strategic Objective 1b. - Foster a culture of diversity and inclusion, innovation, and open communication</p> <p>Strategic Objective 1a. - Retain, engage, develop, and attract talent</p>

Category:

Awards, Amendments & Change Orders

Department:

Human Resources

Staff Contact:

Roger Walter

Background:

By Minute No. 2022-0224-09, the Port Commission approved a professional services contract with Nursify, LLC d/b/a IMC Culture (IMC) to assist Port Authority staff with the implementation of its Diversity, Equity, and Inclusion (DEI) plan initiatives. In connection with that DEI contract, IMC has been working with Human Resources (HR) employees on performance management, compensation, recruiting, and employee relations programs.

With the competitive hiring market, the HR team has experienced recent vacancies in positions critical to providing day-to-day support as well as leading and supporting key organizational initiatives, including many aligned with the DEI plan. IMC has the skills, abilities, and knowledge of the Port Authority necessary to assist the HR department in these areas.

In early February 2023, the Port Authority entered a new professional services contract with IMC for a not-to-exceed amount of \$49,750 to assist the HR department with its review of 2022 performance evaluations and communications to managers and employees in connection with those evaluations. Staff now seeks to amend that contract to allow IMC to provide human resources services on an as-needed basis until the department can be fully staffed.

Staff Evaluation/Justification:

Staff believes, based on IMC's experience with human resources practices and its familiarity with the Port Authority, that IMC is the firm best suited to continue to assist Port Authority with its human resources needs.

Staff has reviewed IMC's proposal and found it fair and reasonable and recommends that the Port Commission approve the proposed amendment.

M. SECURITY AND EMERGENCY OPERATIONS

Subject **1. Approve the authorized two-year extension to the unarmed, uniformed Security Gate Officer services contract with Allied Universal Security Service, LLC for continuing services effective August 1, 2023, and approve a new purchase order to fund the two-year extension in an amount not to exceed \$15,600,000.**

Meeting Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY

Access Public

Type Action

Recommended Action The Port Commission, at its February 21, 2023 meeting, approve the authorized two-year extension to the unarmed, uniformed Security Gate Officer services contract with Allied Universal Security Service, LLC for continuing services effective August 1, 2023, and approve a new purchase order to fund the two-year extension in an amount not to exceed \$15,600,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Goals [Strategic Objective 4b. - Prepare for disruptive events and mitigate their impact](#)
[Strategic Objective 4d. - Support sustainable growth of Port Houston and the greater Port](#)

Category:

Awards, Amendment & Change Orders

Department:

Security

Staff Contact:

Jessica Thomas

Background:

By Minute No. 2020-0520-39, the Port Commission authorized the Port Authority to enter into a contract with Allied Universal Security Services LLC (AUS) for a three-year period, with an option for one additional two-year period. The current three-year period ends on July 31, 2023, and staff seeks to activate the one two-year extension option. A new Purchase Order would be created for this two-year period in an amount not to exceed \$15,600,000 (\$650,000 per month for 24 months).

The Port Authority contracts for unarmed, uniformed security gate officer services to meet the legally-mandated security requirements of the U.S. Coast Guard and the Maritime Security Act of 2002.

Staff Evaluation/Justification:

AUS has provided outstanding service during the current contract period, partnering with the Port Authority in meeting the ISO 28000 standard, U.S. Coast Guard Facility Security Plan requirements, and Customs Trade Partnership Against Terrorism standards.

If the activation of the option years is approved, authorization of a new purchase order in an amount not to exceed \$15,600,000 would be required based on the rates quoted by AUS in the original proposal in 2020, and staff's estimate of monthly costs going forward based on operational tempo.

Staff recommends the Port Commission approve this extension to the contract with AUS and activate the one two-year extension option to expire on July 31, 2025.

N. TECHNOLOGY

Subject	1. Issue a purchase order to Smart-Tecs, the sole source provider, for the purchase of spare parts for Gate Operating System (GOS) environment in an amount not to exceed \$100,000.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, issue a purchase order to Smart-Tecs, the sole source provider, for the purchase of spare parts for Gate Operating System (GOS) environment in an amount not to exceed \$100,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

The Port Authority currently utilizes Smart-Tecs as its Gate Operating System (GOS) provider to maintain and support all components in the GOS environment. Purchasing these spare parts directly from Smart-Tecs ensures that all components are supported by Smart-Tecs and would continue to be supported in the event there were any issues with these components. In addition to these devices being supported by Smart-Tecs, any installation assistance or warranty work would be handled directly with Smart-Tecs technical support.

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 Smart-Tecs is the sole authorized source of replacement parts in the United States.

Staff recommends the Port Commission approve issuing a purchase order to Smart-Tecs for the purchase of spare parts for GOS environment.

N. TECHNOLOGY

Subject	2. Issue a purchase order to CDWG for purchase of VMWare annual software licensing and software support to the Port Authority's existing Information Technology infrastructure, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$145,000.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, issue a purchase order to CDWG for purchase of VMWare annual software licensing and software support to the Port Authority's existing Information Technology infrastructure, using Texas Department of Information Resources' cooperative purchase program, in an amount not to exceed \$145,000, determine that this procurement method provides the best value to the Port Authority, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.

Category:

Awards, Amendments & Change Orders

Department:

Information Technology

Staff Contact:

Charles Thompson

Background:

The Port Authority is seeking to obtain renewal of licenses and maintenance for VMWare, a software for server and client virtualization. Virtualization allows the Information Technology (IT) department to reduce hardware expenses and benefit from centralized management of servers that the Port Authority relies on to complete daily tasks. This includes the Navis (N4), automated gate operating system and Optical Character Recognition portal, SharePoint, and many other business critical services.

IT has been utilizing VMware software for over ten years in support of the Port Authority's virtual technology environment and considers the technology reliable and proven, and that it is critical to renew these licenses (and maintenance/support) in order to minimize business disruptions.

The Texas Department of Information Resources (DIR) is a department of the State of Texas, and has cooperative purchasing programs which may be used by the Port Authority.

Staff Evaluation/Justification:

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

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

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

Q. INFRASTRUCTURE

Subject	1. Approve a change order with George Hedge Contractors, Inc. to perform additional work associated with the construction of the rail spur at Bayport Container Terminal Phase 2 in an amount not to exceed \$1,035,000.
Meeting	Feb 21, 2023 - PORT COMMISSION OF THE PORT OF HOUSTON AUTHORITY
Access	Public
Type	Action
Recommended Action	The Port Commission, at its February 21, 2023 meeting, approve a change order with George Hedge Contractors, Inc. to perform additional work associated with the construction of the rail spur at Bayport Container Terminal Phase 2 in an amount not to exceed \$1,035,000, and further authorize the Executive Director to do any and all things in his opinion reasonable or necessary to give effect to the foregoing.
Goals	STRATEGIC GOAL #2 - INFRASTRUCTURE (Optimize Infrastructure and Channel Capacity to Serve the Region)

Category:

Awards, Amendments & Change Orders

Department:

Project and Construction Management

Staff Contact:

Roger H. Hoh, P.E.

Background:

By Minute No. 2018-0925-28, the Port Commission awarded a construction contract to FUSED for the Rail Spur at Bayport.

George Hedge Contractors, Inc. (GHC) was a subcontractor of FUSED with an original subcontract amount of \$4,671,911. The Port Authority assumed the GHC contract when the contract with FUSED was terminated, creating a direct relationship between the Port Authority and GHC. The original value of this assumed contract with GHC was \$1,293,436.56.

By Minute No. 2022-0426-17, the Port Commission approved the first change order for \$70,268, which made the contract amount \$1,363,704.56.

By Minute No. 2022-0927-84, the Port Commission approved the second change order for \$176,540, which made the new contract amount \$1,540,244.56.

By Minute No. 2023-0126-45, the Port Commission approved the third change order for \$286,074, which made the new contract amount \$1,826,318.56.

This is the fourth change order to this contract for a total change order value to date of \$1,035,000.

This change order adds the installation of stabilized earth fill to the existing GHC contract thereby enabling track components (rail, ties, switches, etc.) to be installed. The track component installation is currently within the existing GHC contract.

Staff Evaluation/Justification:

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