



PORT HOUSTON™

Procurement Services

2023
ANNUAL REPORT

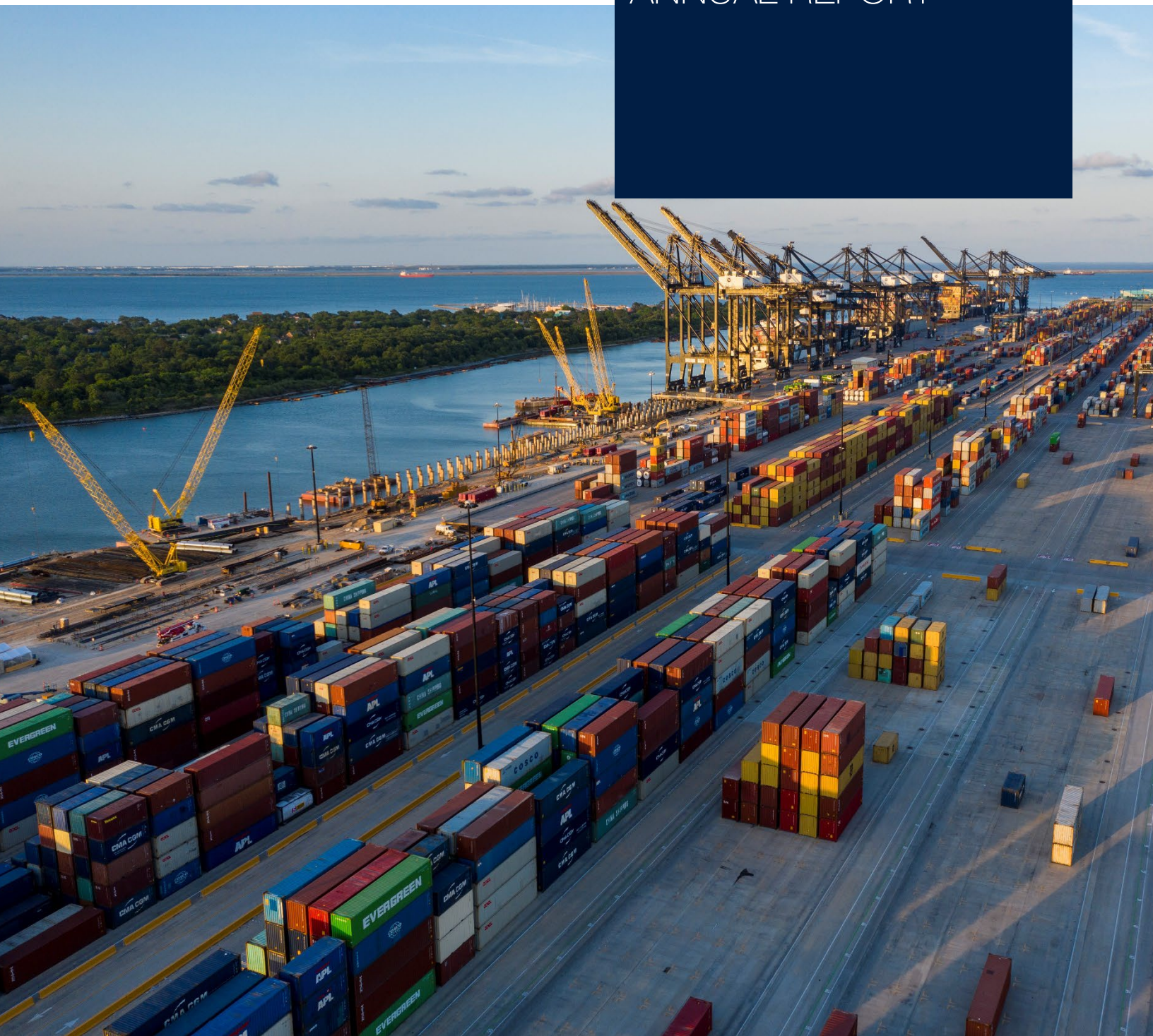


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EXECUTIVE SUMMARY

For fiscal year 2023, Port Houston's Procurement Services department administered obligations of \$452.8 million compared to \$981.4 million for 2022.

The Procurement Services department has worked to deliver quality services and improved performance for our customers and stakeholders. In FY 2023, some examples of procurements successfully executed include the following:

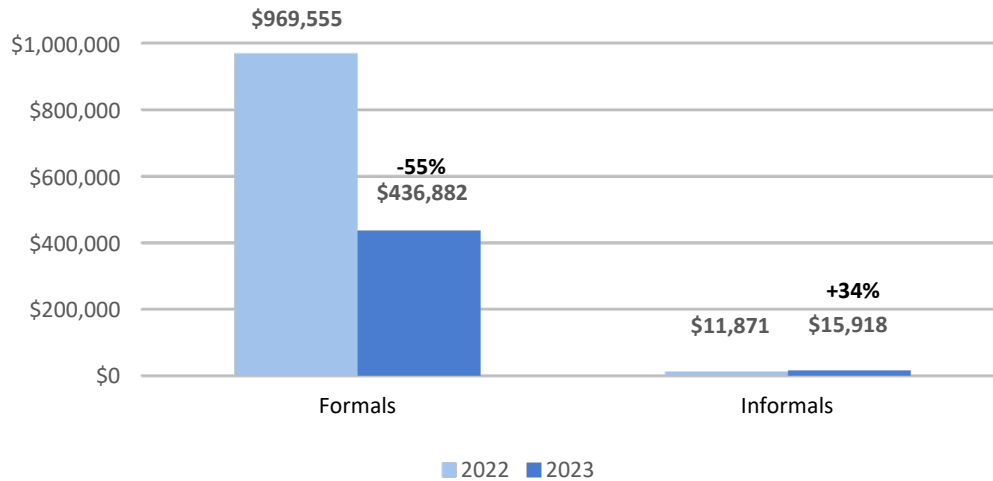
- Construction: \$242.8 million
 - Construction of Wharf 7 at Bayport Container Terminal: \$117.8 million
 - Rehabilitation of Wharf 4 and 5 at Barbours Cut Terminal: \$76.7 million
 - Land development contract of 35 acres south of Port Road at Bayport: \$11.8 million
- Professional Services: \$49.9 million
 - Contract for security guards: \$15.6 million
- Goods: \$98.9 million
 - Purchase of fuel Port wide: \$11.3 million
 - Purchase of 5 Container Yard Cranes for Barbours Cut Terminal: \$16.9 million
 - Contract for Workday Resource Planning (Next Generation ERP): \$20 million
 - Purchase of electrical substation equipment for Bayport and Barbours Cut Terminal: \$5.7 million
 - Purchase of twistlocks and spreader bar related parts for Barbours Cut and Bayport Terminals: \$4.5 million

***Obligated amounts:** Funds encumbered under a Purchase Order



OBLIGATED BY TYPE

Formal & Informal* Obligated amounts 2022 vs 2023 (000's)

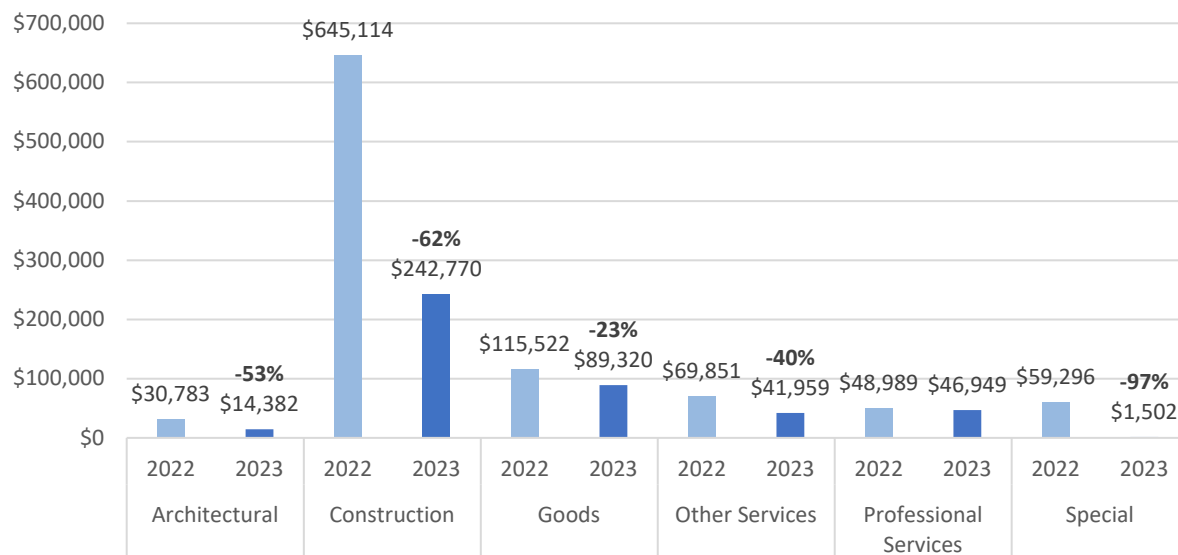


- During 2023, the Total Obligated amount for Formal and Informal Procurements was \$452.8 million compared to \$981.4 million for 2022.
- Formal Procurements had a decrease of 55% year-over-year resulting from various high dollar procurements during 2022, including: Dredging contracts for P11, construction of the Maintenance Complex at Barbours Cut Terminal (“BCT”), and Professional Engineering Services for P11.
- The Total Obligated amount for Informal Procurements had an increase of 34% year-over-year related to various miscellaneous services, safety equipment, computer hardware and software services.

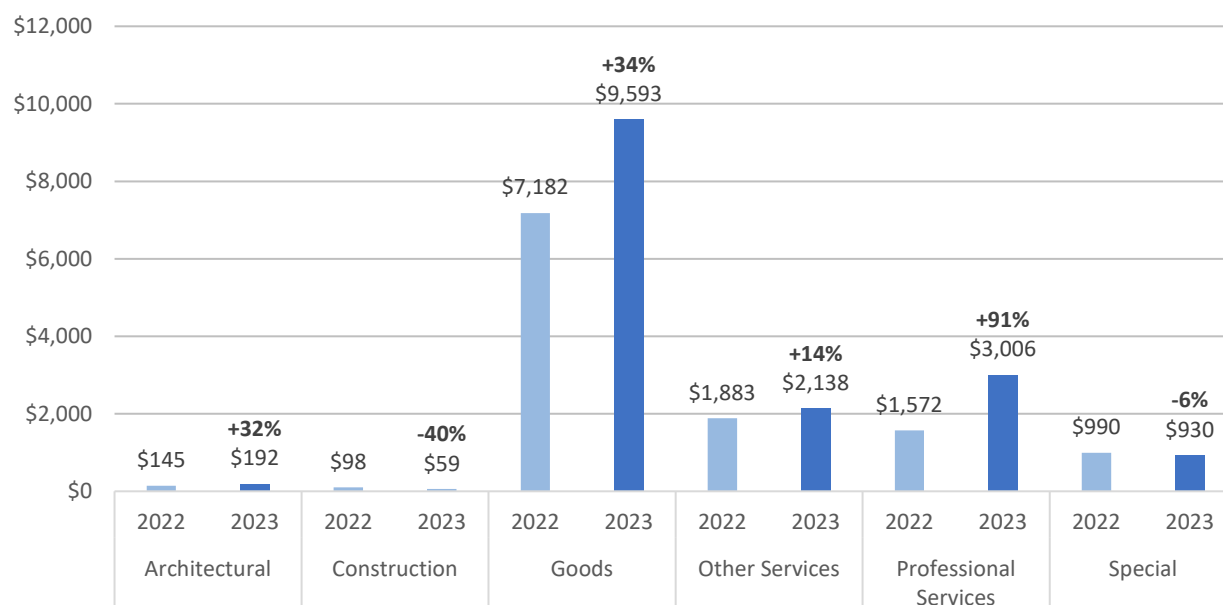
*Formal awards are commission-approved items greater than \$100,000; Informal awards are projects of \$100,000 and less

OBLIGATED BY CATEGORY

Formal Obligated by Industry Category (000's)



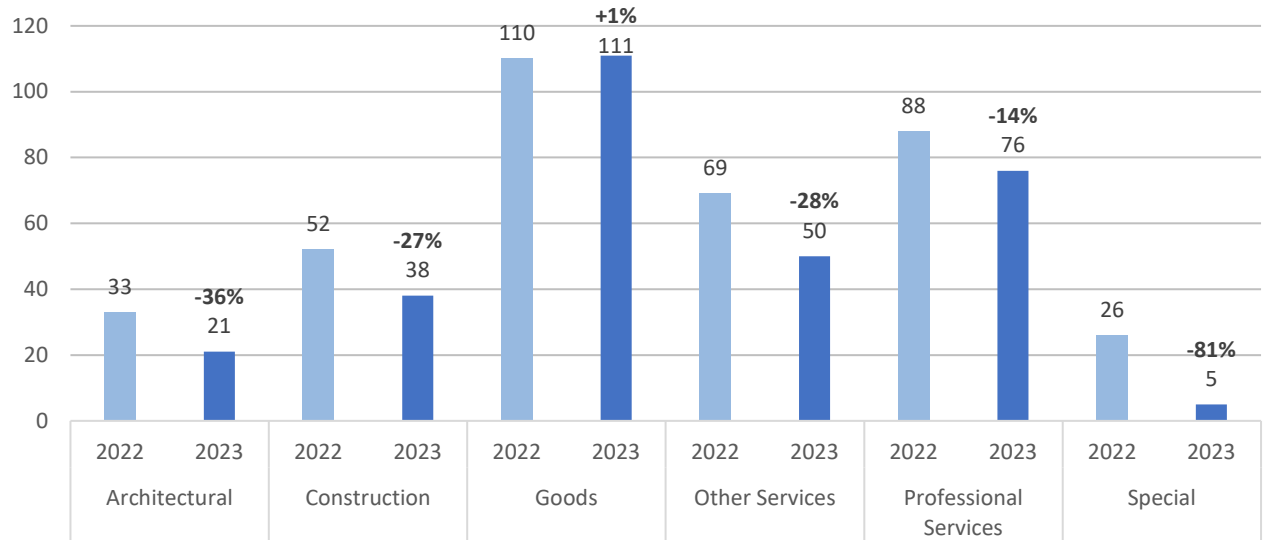
Informal Obligated by Industry Category (000's)



- **Architects, Engineering:** Include Land Surveyors, Construction Material Testing and Bond Counsel
- **Professional Services:** Include Consulting other than Engineering, Creative, Personal and Technology Services
- **Construction Services**
- **Goods:** Include Commodities (i.e. Fuel, Tires, Spare parts), Materials, Supplies and Equipment
- **Other Services:** Services other than those listed above
- **Special:** Donations, Settlements, Sponsorships and Financing Agreements

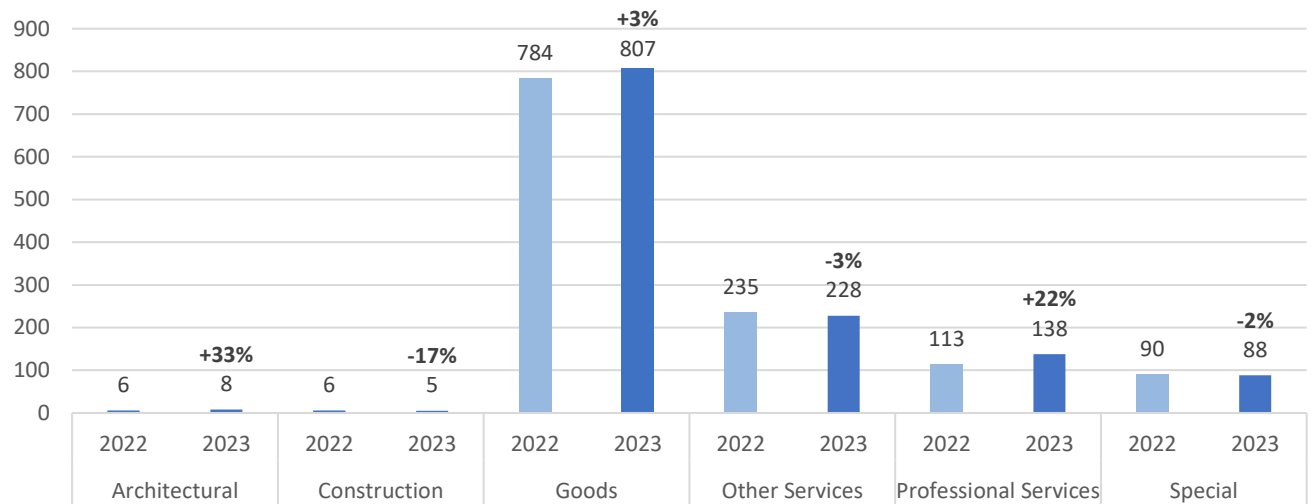
TRANSACTIONS BY CATEGORY

Formal Transactions by Industry Category



Formal Transactions for the Industry Category “Special” had an 81% decrease due to reimbursement agreements for the relocation of multiple pipeline to support Project 11 in 2022.

Informal Transactions by Industry Category

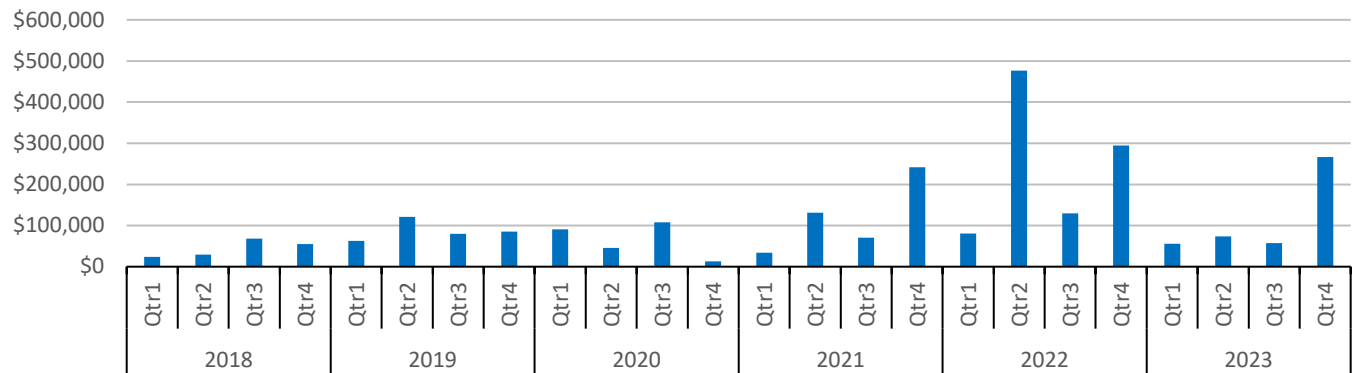


Informal Transactions for the Industry Category “Architectural” had a 33% increase due to structural engineering services.

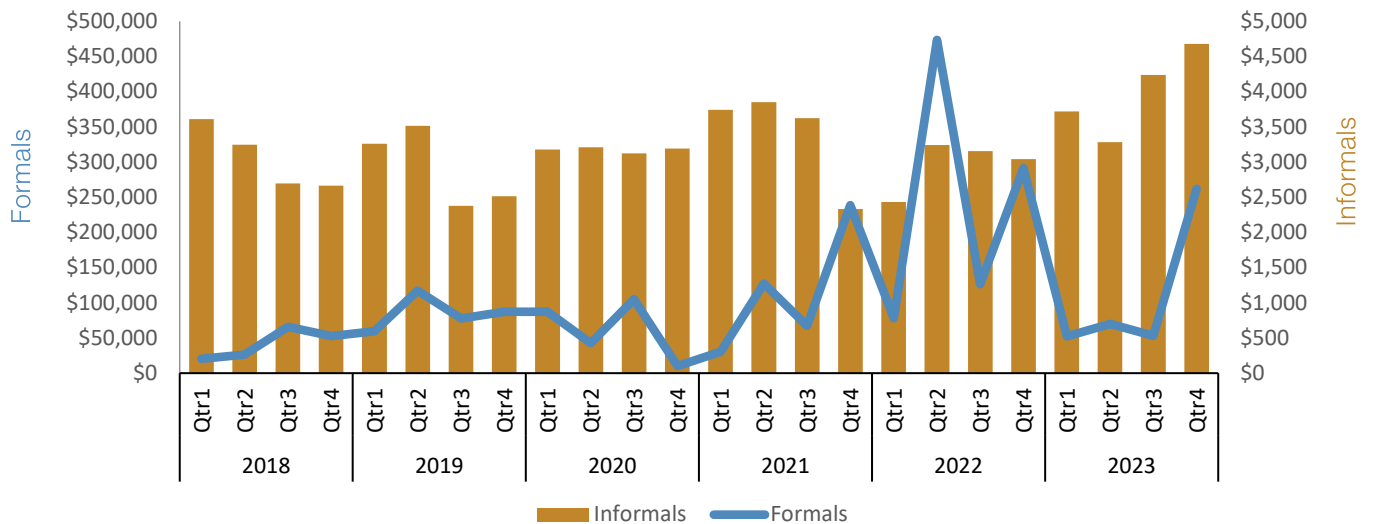
Transactions: Number of processed Purchase Orders and Change Orders

TRENDS

Trend -Total Obligated Amount from 2018 through Year End 2023 (000's)

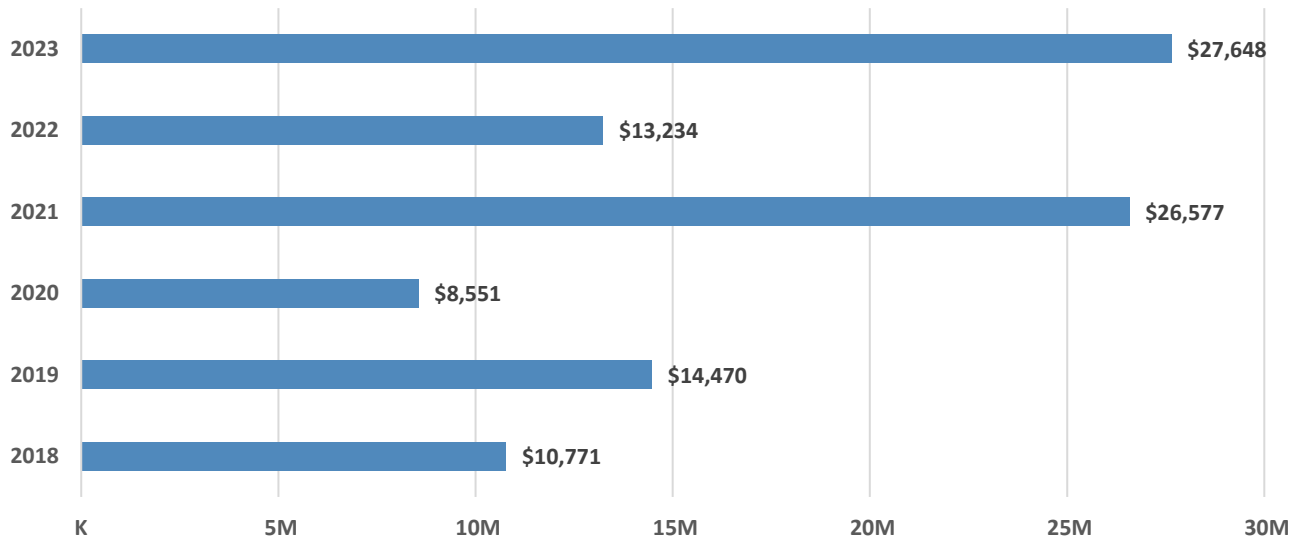


Trend - Obligated Amounts by Type from 2018 through Year End 2023 (000's)



CLOSED PURCHASE ORDERS

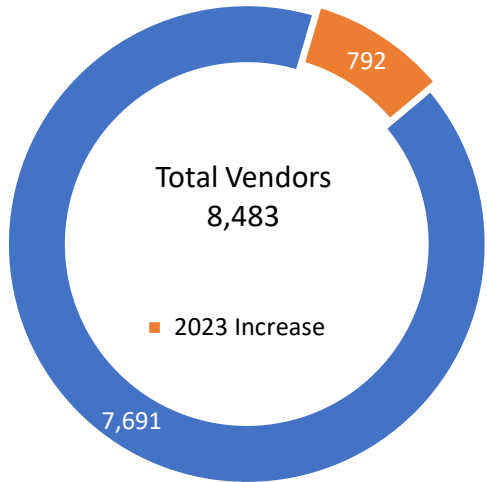
Closed Purchase Orders (000's)



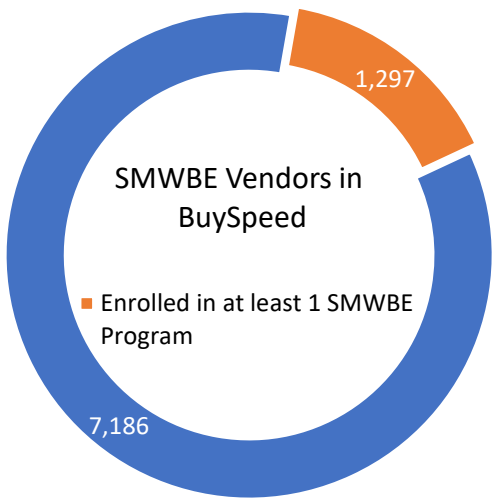
- During 2023, the department has closed \$27.7 million of purchase orders due to project completion, stale or aged POs, etc. This is a collaborative effort between Procurement Services, Accounts Payables and all the Requesting Departments to close all Purchase Orders that are no longer needed or have expired with a special emphasis on Purchase Orders associated with Capital Projects as they affect the liquidity of the organization. Keeping Purchase Orders organized is important to maintain orderly operations.

VENDOR ACTIVITY

Vendor Registration

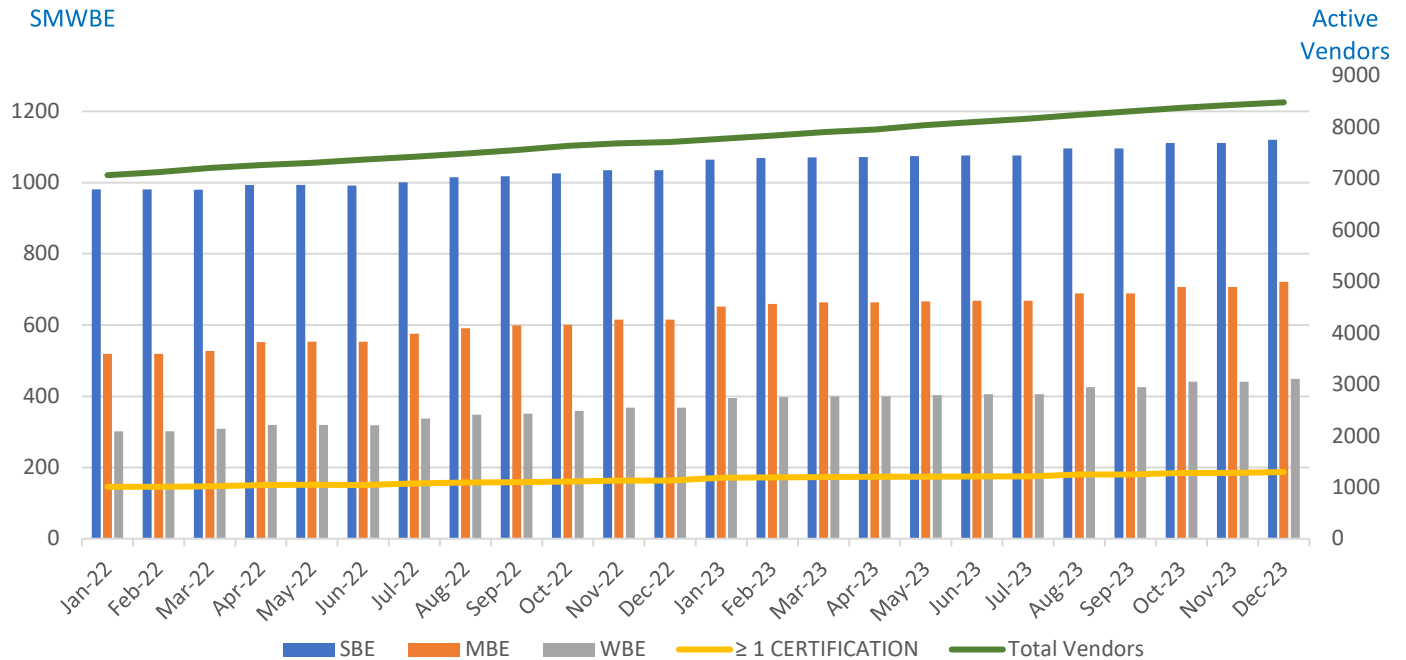


The total amount of registered vendors increased by 9% during 2023.



There are 8,483 active vendors registered in BuySpeed, from which 1,297 (15%) are enrolled in at least one SMWBE program.

SMWBE Enrollment in BuySpeed



- There are 8,483 active vendors registered in BuySpeed, from which 1,297 (15%) are enrolled in at least one SMWBE program.
- There are approximately 1,651 vendors PHA enrolled in a SMWBE program in B2Gnow*. In BuySpeed, there are 1,297 vendors that are enrolled in at least one SMWBE program. There is a difference of ~354 vendors between B2Gnow and BuySpeed. The difference between the two systems has been trending down over the years.
- As our vendor database grows, the number of companies with at least one certification is ~15.3%. Since the launch of the new SMWBE program in July 2021, the enrollment of SMWBE vendors has grown at a faster pace (40%) than Non-SMWBE (23%).
- Prior to the implementation of the SMWBE program, 12% of our active vendors were enrolled as SBE's. There has been a 3.3 percentage point increase over the past 34 months in BuySpeed.

*B2Gnow is a third-party software application used by local governmental entities and the Port to track payment to SMWBE.

ACHIEVEMENTS

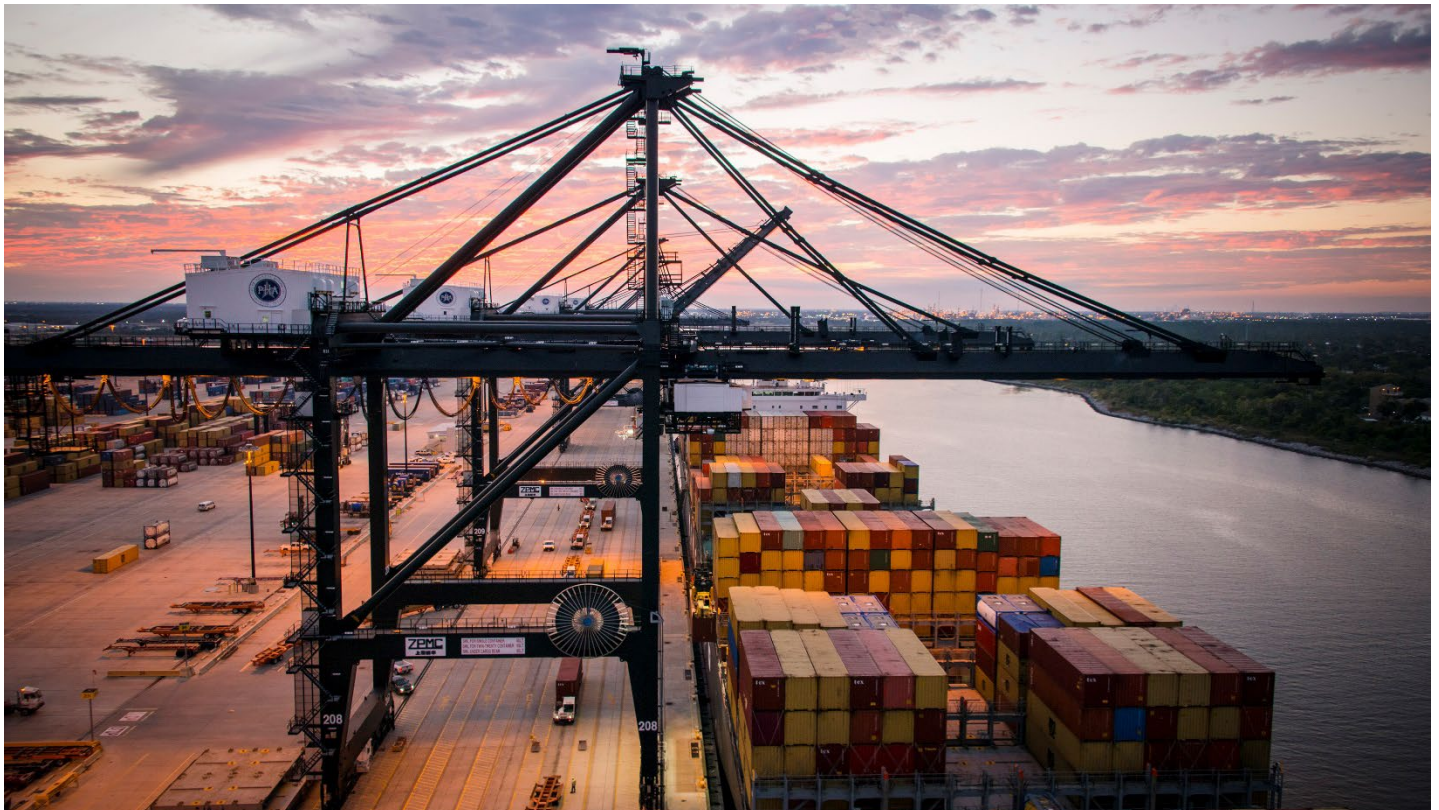
Procurement Services Year End Highlights



Port Houston's Procurement Manual was updated as part of our ongoing commitment to standardize procurement procedures to ensure consistency across departments. On June 18, 2023, Senate Bill 1500 was signed, which amended Section 60.403(a), Water Code and granted authority to the Port Commission to authorize the Executive Director to make routine purchases for contracts of up to \$100,000. Therefore, procurement Services made changes to the informal procurement thresholds.



Procurement Services partnered with the Business Equity department comprehensive SMWBE vendor training and workshops, such as Port Houston's Inclusive Procurement Day Event, Opportunity U and "You're Enrolled & Registered-What's Next?", which enhances key stakeholder knowledge of our procurement processes and guidelines. The end goal is to increase the ease of doing business with Port Houston and support the utilization and growth of small, minority, and woman-owned businesses.



Thanksgiving Food Drive managed by Procurement Services



The Finance Thanksgiving Food Drive was a resounding success. The food drive was led by Procurement Manager, James Christy.



The team rallied and collected \$789.50 in cash donation and \$90 in nonperishables making a total of 30 boxes.

Partnering with local organizations the donations were distributed to families in need.

Beyond the numbers, it was the heartfelt commitment and enthusiasm of the Finance group that truly made a difference.

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