



For Immediate Release
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PORT AUTHORITY COMMISSION DELIVERS **ENVIRONMENTAL QUALITY MEASURES**

Other agenda items related to Bayport, security, bond sale, business partnership

HOUSTON – The Port of Houston Authority (PHA) Commission approved several recommendations involving contract awards, bids and proposals, professional services and general administrative and operational matters during its monthly meeting today. Chairman Jim Edmonds presided over the meeting in the board room at the PHA Executive Office Building, located at 111 East Loop North.

Environmental Quality Matters

The commission approved a sole source contract of up to \$1 million for the purchase of approximately 900,000 gallons of PuriNOX diesel emulsion fuel for yard trucks and rubber tire gantry cranes at the Barbours Cut terminal. Tests of PuriNOX on PHA equipment engines have resulted in a 25 percent reduction in nitrogen oxide (NOx) levels and a 30 percent reduction in particulate matter. PuriNOX is manufactured by the Lubrizol Corporation, which has designated J.A.M. Distributing Co. as the exclusive distributor of the product in Texas.

The commission also authorized the PHA to advertise and receive requests for qualifications (RFQs) for consulting firms to provide technical assistance with air quality issues related to meeting the standards of the State Implementation Plan and the U.S. Environmental Protection Agency. The technical assistance is expected to help the PHA develop and implement strategic measures to reduce particulate matter, maintain emissions inventories, improve energy efficiency, complete applications for government grants and permits, and maintain continuous awareness of government regulations.

Additionally, the port commissioners evaluated and ranked competitive sealed proposals (CSPs) for consideration for contract awards related to environmental quality.

The CSPs from Pier 77 Shipyard and from Newport Shipyard were ranked first and second, respectively, for potential negotiations of a \$500,000 to \$600,000 contract to provide low emission diesel engines and underbody maintenance for the PHA's Fireboat Farnsworth. The CSPs from Texas Environmental Control and GBS Environmental were ranked first and second, respectively, for potential negotiations of an estimated \$40,000 contract for asbestos removal at a Barbours Cut administration building.

Bayport Matters

The commission approved a recommendation to increase the purchase order to Starcrest Consulting Group, LLC by an estimated \$75,000 to provide additional air quality assistance related to mitigation commitments and the review of documentation for the proposed Bayport project. The commission previously authorized a \$200,000 contract award to Starcrest for guidance on air quality issues.

The commission also approved the Lockwood, Andrews & Newnam design plans and specifications for the 138KV electrical power substation for Bayport Phase 1A and authorized the PHA to advertise and receive proposals for a contract to build the substation. The estimated cost of the project ranges between \$3.775 million and \$5.1 million.

The commission pulled from the agenda two items involving the evaluation, ranking, and authorization of negotiations related to contracts for architectural and engineering services at the Bayport site. The qualifications of eight firms are expected to be reviewed during the next port commission meeting in May for potential negotiations of contracts for the repair building, administration/gate building, and marine terminal gate facility. In a separate matter, the commission ranked Dannenbaum Engineering and HNTB Corp. first and second, respectively, for potential contract negotiations related to improvements of Port Road.

The Bayport project remains under review by the U.S. Army Corps of Engineers, which is expected to issue a final environmental impact statement (FEIS) soon. Although no work will be performed and no spending will be authorized until and unless the corps approves the project, the PHA has begun the process of advertising for and receiving RFQs and proposals in an effort to save time and money when construction is authorized. The entire bidding and contracting process can take six to eight months from the time bids are submitted, evaluated by staff, reviewed by commissioners and then awarded. Pending the FEIS and construction permit approvals, the PHA is committed to meeting ISO 14001 standards upon the completion and opening of the Bayport facility.

Security Matters

The commission approved an additional amount of \$275,000 for the contract with Terrace Security and a change of overtime billing hours to regular billing hours after 21 non-consecutive calendar days. Terrace currently has a \$1.1 million contract to provide unarmed uniformed security guards at the entrance gates to PHA facilities. As a result of the recent period of heightened national security alert, the PHA has requested additional guards and extended work hours, exceeding the current contract amount.

The commission also approved the addition of \$24,512 to the contract with CH2MHILL for services expected to be rendered beyond the original scope of work. CH2MHILL currently has a \$300,000 contract to complete a security risk assessment of PHA terminals and facilities. CH2MHILL is expected to complete an individual facility security plan for the PHA to submit to the U.S. Coast Guard as required by the recently-enacted Maritime Transportation Security Act.

Bond Sale

The port commission authorized the issuance and sale of up to \$150 million in Series 2003 commercial paper notes. Harris County voters approved the issuance of \$387 million in unlimited tax bonds in November 1999. The issuance of the Series 2003 bonds will come from that authorization and leave a balance of \$167 million.

Traditionally, PHA bonds and bond-related expenses are payable from a portion of the receipts of ad valorem taxes that are levied on taxable property and collected by Harris County. The county commissioners annually determine the specific tax to be collected to pay interest and principal on bonds.

Business Partnership

The port commission approved \$60,300 to cover the expenses for five PHA executives to serve as delegates to the 23rd annual International Association of Ports and Harbors World Ports Conference in Durban, South Africa from May 21-31, 2003. The IAPH conference is designed to foster cooperation and forge partnerships among its international port membership and promote world trade. The PHA's expenses are expected to include air transportation, lodging, registration and meals.

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The Port of Houston Authority owns and operates the public facilities located along the Port of Houston, the 25-mile long complex of diversified public and private facilities designed for handling general cargo, containers, grain and other dry bulk materials, project and heavy lift cargo, and other types of cargo. Each year, more than 6,600 vessels call at the port, which ranks first in the U.S. in foreign waterborne tonnage, second in overall total tonnage, and sixth largest in the world. The Port Authority plays a vital role in ensuring navigational safety along the Houston Ship Channel, which has been instrumental in Houston's development as a center of international trade. The Barbour's Cut Container Terminal and Central Maintenance Facility are the first of any U.S. port facilities to develop and implement an innovative Environmental Management System that meets the rigorous standards of ISO 14001. Additionally, the port is an approved delivery point for Coffee "C" futures contracts traded on the New York Board of Trade's Coffee, Sugar & Cocoa Exchange. For more information, please visit www.portofhouston.com