

RESOLUTION 17-11

RESOLUTION AUTHORIZING THE VIRGINIA PORT AUTHORITY TO ENTER INTO A CONTRACT FOR THE ACQUISITION OF FOUR (4) SHIP-TO-SHORE CRANES FOR VIRGINIA INTERNATIONAL GATEWAY (VIG) WITH AN OPTION FOR THE FUTURE PURCHASE OF TWO (2) SHIP-TO-SHORE CRANES FOR NORFOLK INTERNATIONAL TERMINALS (NIT), AND RELATED EQUIPMENT AND SYSTEMS

RECITALS:

The Virginia Port Authority (the “Authority”), a body corporate and a political subdivision of the Commonwealth of Virginia, has been established pursuant to Chapter 10, Title 62.1 of the Code of Virginia of 1950, as amended (the “Act”).

Pursuant to the Act, the Authority is empowered to rent, lease, buy, own, acquire, construct, reconstruct, and dispose of harbors, seaports, port facilities and such property, whether real or personal, as it may find necessary or convenient and issue revenue bonds therefore without pledging the faith and credit of the Commonwealth.

Pursuant to the Act, it is the duty of the Authority to foster and stimulate the commerce of the ports of the Commonwealth and related facilities by serving as the United States Eastern Seaboard gateway for the global import and export of freight throughout the world, to promote the shipment of freight through the maritime and inland ports, to seek to secure necessary improvements of navigable tidal waters within the Commonwealth, and in general to perform any act or function that may be useful in developing, improving, or increasing the commerce, both foreign and domestic, of all maritime and inland ports of the Commonwealth and related facilities.

In furtherance of this duty, the Authority intends to make significant capital improvements to Norfolk International Terminals (“NIT”) and Virginia International Gateway (“VIG”). These improvements include the purchase of Four (4) Ship-to-Shore Cranes and associated spare parts for VIG (the “VIG SHIP-TO-SHORE CRANES”) to support terminal operations upon implementation of the ongoing VIG Phase II expansion project.

The VIG SHIP-TO-SHORE CRANES will be owned by Virginia International Gateway, Inc. The purchase of the VIG SHIP-TO-SHORE CRANES was approved by the Project Governance Committee as part of the VIG Phase II expansion project, pursuant to the Amended and Restated Deed of Facilities Lease Agreement between the Authority and Virginia International Gateway, Inc. dated as of September 21, 2016, and the associated Construction Authority Agreement, the forms of which were approved by the Authority pursuant to its Resolution 16-8.

Pursuant to its Procurement Manual and the Construction Authority Agreement referenced above, the Authority issued a Request for Proposals (“RFP”) for the VIG SHIP-TO-SHORE CRANES, an option for the future purchase of two (2) Ship-to-Shore Cranes at NIT (the “NIT CRANES”), and related equipment and systems. Upon evaluation of the proposals submitted in response to the RFP, it was determined that the proposal by Shanghai Zhenhua Heavy Industries Co. Ltd. (“ZPMC”) represented the best value to the VPA according to the

criteria in the RFP. Subject to negotiation of final contract terms, the Authority intends to award a contract to ZPMC for the procurement of the VIG SHIP-TO-SHORE CRANES with an option for the purchase of the NIT CRANES. The contract for the VIG SHIP-TO-SHORE CRANES shall provide for them to be delivered and installed for a price up to U.S. \$44,800,000.00. The option for purchase of the NIT CRANES will require an expenditure of up to U.S. \$22,400,000.

The Board has determined that it is necessary and appropriate to delegate to the Executive Director the authority to negotiate and approve the terms of the contracts for the procurement of the VIG SHIP-TO-SHORE CRANES from ZPMC (hereinafter the “ZPMC Contract”) consistent with the foregoing Recitals. In addition, should the Authority decide to exercise the option for the NIT CRANES, the Board approves the same delegation to the Executive Director of the authority to negotiate and approve the terms of the contracts for the NIT CRANES’ procurement.

NOW THEREFORE, IT IS RESOLVED by the Board of Commissioners of the Virginia Port Authority, as follows:

Section 1. Approval of ZPMC Contract. The execution and delivery of the ZPMC Contract by the Authority consistent with the foregoing Recitals are hereby authorized. The Board hereby authorizes the Executive Director to approve the form and content of, and to execute and deliver, the ZPMC Contract on behalf of the Authority. The execution of the ZPMC Contract by the Executive Director shall be conclusive evidence of the Authority’s approval of the ZPMC Contract. The Board hereby authorizes the Executive Director to execute and deliver all ancillary documents which he deems necessary to further the intent of this Resolution.

Section 2. Ratification; Further Action. All actions previously taken by the Commissioners, officers, and staff of the Authority in furtherance of the ZPMC Contract are hereby ratified and affirmed. The officers and employees of the Authority are hereby authorized to take such actions, and deliver such additional documents and certificates, as they may in their discretion deem necessary or proper in furtherance of the ZPMC Contract and the transactions described therein if and when they are approved and executed.

Section 3. Effective Date. This Resolution shall take effect immediately upon its adoption. The Secretary of the Authority shall file this Resolution with the books and records of the Authority maintained according to Section 3.11 of the Authority’s Bylaws.

[Signatures on following page.]

[SIGNATURE PAGE TO VIRGINIA PORT AUTHORITY RESOLUTION # 17-11]

PASSED AND ADOPTED this 25th day of July, 2017.

John G. Milliken
Chairman

ATTEST:

Debra J. McNulty
Secretary to the Board