

## RESOLUTION 20-12

### RESOLUTION AUTHORIZING THE VIRGINIA PORT AUTHORITY TO EXERCISE AN EXISTING CONTRACT OPTION FOR THE ACQUISITION OF TWO (2) ADDITIONAL SHIP-TO-SHORE CRANES AND RELATED EQUIPMENT AND SYSTEMS FOR NORFOLK INTERNATIONAL TERMINALS (NIT)

#### RECITALS:

**WHEREAS**, 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").

**WHEREAS**, 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.

**WHEREAS**, 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 in land ports of the Commonwealth and related facilities.

**WHEREAS**, In furtherance of this duty, the Authority has made, and continues to make, significant capital improvements to Norfolk International Terminals ("NIT") and Virginia International Gateway ("VIG"). These improvements include, among others, the purchase of additional Ship-to-Shore Cranes and associated spare parts to support terminal operations in the VIG Phase II Expansion and South NIT Optimization projects.

**WHEREAS**, In Resolution 17-11, adopted July 25, 2017, the Board authorized the Executive Director to negotiate and approve the terms of a contract for the procurement of four (4) Ship-to-Shore Cranes at VIG (the "VIG Cranes") from Shanghai Zhenhua Heavy Industries Co. Ltd. ("ZPMC"), with an option for the purchase of two (2) additional Ship-to-Shore Cranes at NIT (the "NIT Cranes"). In the same Resolution, the Board further authorized the Executive Director the authority to negotiate and approve the terms of the contract exercising the option for the NIT Ship-to-Shore Cranes' procurement.

**WHEREAS**, On May 10, 2019, the Executive Director on behalf of the Authority executed Contract # 2019-37 with ZPMC exercising the option to purchase the NIT Cranes (the "First Option Contract"). The terms and conditions of the First Option Contract included a second option to purchase two (2) additional STS Cranes and associated spare parts at NIT (the "Second Option NIT Cranes"). Pursuant to the terms of the First Option Contract, the Second Option NIT Cranes, if purchased, shall be delivered and installed for a price up to U.S. \$19,918,462.50.

**WHEREAS**, 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 a contract exercising the option contained in the First Option Contract for the procurement for the Second Option NIT Cranes from ZPMC (hereinafter, the "Second Option Contract") consistent with the foregoing Recitals.

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

Section 1. Approval of the Second Option Contract. The Authority's exercise of the option contained in the First Option Contract to procure two (2) additional STS Cranes for NIT from ZPMC consistent with the foregoing Recitals is hereby authorized. The Board further authorizes the Executive Director to negotiate and approve the terms of the Second Option Contract, and to execute and deliver the contract on behalf of the Authority. The execution of the Second Option Contract by the Executive Director shall be conclusive evidence of the Authority's approval of the Second Option 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 Second Option 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 Second Option 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 to the Board shall file this Resolution with the books and records of the Authority maintained according to Section 3.11 of the Authority's Bylaws.

**PASSED AND ADOPTED THIS 28<sup>th</sup> day of July, 2020.**

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John G. Milliken  
Chairman

**ATTEST:**

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Debra J. McNulty  
Secretary to the Board