

RESOLUTION 23-09

RESOLUTION AUTHORIZING THE VIRGINIA PORT AUTHORITY TO EXERCISE AN EXISTING CONTRACT OPTION FOR THE ACQUISITION OF THREE (3) ADDITIONAL SHIP-TO-SHORE CRANES AND RELATED EQUIPMENT AND SYSTEMS FOR VIRGINIA INTERNATIONAL GATEWAY AND NORFOLK INTERNATIONAL TERMINALS

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 and NIT optimization projects;

WHEREAS, In Resolution 22-13, adopted November 15, 2022 the Board authorized the CEO and Executive Director to negotiate and approve the terms of a contract for the procurement of five (5) Ship-to-Shore Cranes from Shanghai Zhenhua Heavy Industries Co. Ltd. ("ZPMC"), with an option for the purchase additional Ship-to-Shore Cranes for VIG and NIT (the "Option Cranes");

WHEREAS, On December 20, 2022, the CEO and Executive Director on behalf of the Authority executed Contract #2023-08 with ZPMC. Pursuant to the terms of Contract #2023-08, the Option Cranes, if exercised, shall be delivered and installed for a unit price of twelve million, two hundred and forty thousand U.S. Dollars (\$12,240,000) for VIG and eleven million, eight hundred and forty thousand U.S. Dollars (\$11,840,000) for NIT (hereinafter "the Option");

WHEREAS, The Authority seeks to exercise the Option for two (2) ship-to-shore cranes at VIG and one (1) ship-to-shore crane at NIT to be delivered and installed for a total price not to exceed, thirty-six million, three hundred and twenty thousand U.S. Dollars (\$36,320,000); and

WHEREAS, The Board has determined that it is necessary and appropriate to delegate to the CEO and Executive Director the authority to exercise, negotiate, and approve the terms of the agreement exercising the Option contained in Contract #2023-08 for the procurement of three (3) Option Cranes from ZPMC (hereinafter, the "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 Option Contract. The Authority's exercise of the Option contained Contract #2023-08 to procure three (3) additional ship-to-shore cranes for VIG and NIT from ZPMC consistent with the foregoing Recitals is hereby authorized. The Board further authorizes the CEO and Executive Director to negotiate and approve the terms of the Option Contract, and to execute and deliver the contract on behalf of the Authority. The execution of the Option Contract by the Executive Director shall be conclusive evidence of the Authority's approval of the Option Contract. The Board hereby authorizes the CEO and 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 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 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 9th day of May, 2023

Aubrey L. Layne
Chairman

ATTEST:

Jodie Asbell
Assistant Secretary to the Board