



APPENDIX D-4

Beneficiary Eligible Mitigation Action Certification

BENEFICIARY ELIGIBLE MITIGATION ACTION CERTIFICATION

Beneficiary Commonwealth of Virginia

Lead Agency Authorized to Act on Behalf of the Beneficiary Virginia Department of Environmental Quality
(Any authorized person with delegation of such authority to direct the Trustee delivered to the Trustee pursuant to a Delegation of Authority and Certificate of Incumbency)

Action Title:	Port Cargo Handling Equipment Electrification
Beneficiary's Project ID:	VA-VW-05
Funding Request No.	(sequential)
Request Type: (select one or more)	<input checked="" type="checkbox"/> Reimbursement <input type="checkbox"/> Advance <input type="checkbox"/> Other (specify): _____
Payment to be made to: (select one or more)	<input checked="" type="checkbox"/> Beneficiary <input checked="" type="checkbox"/> Other (specify): <u>Virginia Port Authority</u>
Funding Request & Direction (Attachment A)	<input type="checkbox"/> Attached to this Certification <input checked="" type="checkbox"/> To be Provided Separately

SUMMARY

Eligible Mitigation Action	<input checked="" type="checkbox"/> Appendix D-2 item (specify): Port Cargo Handling Equipment Electrification <input type="checkbox"/> Item 10 - DERA Option (5.2.12) (specify and attach DERA Proposal): _____
Action Type	
Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1): See Attachment 1 - Summary Table	
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2): See Attachment 1 - Summary Table	
Estimate of Anticipated NOx Reductions (5.2.3): See Attachment 1 - Summary Table	
Identification of Governmental Entity Responsible for Reviewing and Auditing Expenditures of Eligible Mitigation Action Funds to Ensure Compliance with Applicable Law (5.2.7.1): See Attachment 1 - Summary Table	
Describe how the Beneficiary will make documentation publicly available (5.2.7.2). See Attachment 1 - Summary Table	
Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8). See Attachment 1 - Summary Table	
Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9). See Attachment 1 - Summary Table	

If applicable, describe how the mitigation action will mitigate the impacts of NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10).
See Attachment 1 - Summary Table

ATTACHMENTS
(CHECK BOX IF ATTACHED)

- | | | |
|-------------------------------------|---------------------|---|
| <input type="checkbox"/> | Attachment A | Funding Request and Direction. |
| <input checked="" type="checkbox"/> | Attachment B | Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4). |
| <input checked="" type="checkbox"/> | Attachment C | Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11). |
| <input checked="" type="checkbox"/> | Attachment D | Detailed cost estimates from selected or potential vendors for each proposed expenditure exceeding \$25,000 (5.2.6). [Attach only if project involves vendor expenditures exceeding \$25,000.] |
| <input type="checkbox"/> | Attachment E | DERA Option (5.2.12). [Attach only if using DERA option.] |
| <input type="checkbox"/> | Attachment F | Attachment specifying amount of requested funding to be debited against each beneficiary's allocation (5.2.13). [Attach only if this is a joint application involving multiple beneficiaries.] |


CERTIFICATIONS

By submitting this application, the Lead Agency makes the following certifications:

1. This application is submitted on behalf of Beneficiary Commonwealth of Virginia, and the person executing this certification has authority to make this certification on behalf of the Lead Agency and Beneficiary, pursuant to the Certification for Beneficiary Status filed with the Court.
2. Beneficiary requests and directs that the Trustee make the payments described in this application and Attachment A to this Form.
3. This application contains all information and certifications required by Paragraph 5.2 of the Trust Agreement, and the Trustee may rely on this application, Attachment A, and related certifications in making disbursements of trust funds for the aforementioned Project ID.
4. Any vendors were or will be selected in accordance with a jurisdiction's public contracting law as applicable. (5.2.5)
5. Beneficiary will maintain and make publicly available all documentation submitted in

support of this funding request and all records supporting all expenditures of eligible mitigation action funds subject to applicable laws governing the publication of confidential business information and personally identifiable information. (5.2.7.2)

DATED: 10/25/2024

 10/22/24
Michael G. Dowd, Director, Air and Renewable Energy Division

[NAME]

[TITLE]

Virginia Department of Environmental Quality

[LEAD AGENCY]

for

Commonwealth of Virginia

[BENEFICIARY]

Attachment 1: Summary Table to Appendix D-4 Beneficiary Eligible Mitigation Action Certification (See updates to 5.2.2, 5.2.3, and 5.28)

Summary
Eligible Mitigation Action Type <input checked="" type="checkbox"/> Appendix D-2 item (specify): (8) Forklifts and Port Cargo Handling Equipment
Explanation of how funding request fits into Beneficiary's Mitigation Plan (5.2.1). Virginia's Beneficiary Mitigation Plan includes all eligible mitigation actions delineated in Appendix D-2 to the Volkswagen Settlement Agreements.
Detailed Description of Mitigation Action Item Including Community and Air Quality Benefits (5.2.2). The Port Cargo Handling Equipment Electrification Project with the Virginia Port Authority (VPA) includes the scrappage and replacement of two diesel cranes with two all-electric ship to shore cranes at Norfolk International Terminals (NIT) , scrappage and replacement of five diesel straddle carriers with four electric rail mounted gantry (RMG) cranes , and the first phase of replacing more than 160 diesel yard tractors at VPA terminals with all-electric yard tractors and associated charging infrastructure starting at the Richmond Marine Terminal (RMT) Norfolk International Terminals (NIT) . In 2012, the EPA classified the Hampton Roads 1997 Ozone NAAQS Maintenance Area in attainment of the 2008 Ozone NAAQS. Subsequently, the Virginia Department of Environmental Quality created and submitted an ozone action plan to EPA (4/24/13) which was accepted. A significant component of the region's Ozone Advance Action Plan are VPA initiatives to address emissions from cargo handling operations. This project supports the region's planning efforts to improve air quality. Furthermore, VPA facilities are surrounded by 7 locations on the EPA FY2020 Priority Area List (Hopewell, Newport News, Norfolk, Portsmouth City, Suffolk, Virginia Beach and York). These areas were identified as priority locations by EPA because they are designated as nonattainment areas or maintenance areas for certain ozone and PM2.5 National Ambient Air Quality Standards. These areas were also identified as National Air Toxics Assessment (NATA) counties with census tracts predicted to have diesel PM concentrations higher than the 80th percentile. Significant and permanent emission reduction benefits will result from this port cargo handling electrification project. These reductions will improve local air quality and reduce the potential for negative health effects for areas disproportionately impacted by air pollution and help mitigate climate change.
Estimate of Anticipated NOx Reductions (5.2.3). Replacing diesel port cargo handling equipment with battery electric will eliminate all equipment emissions of NO _x , PM _{2.5} , CO ₂ and other harmful air pollutants. 100% Reduction of Lifetime Emissions (short tons) of: <ul style="list-style-type: none"> ▪ NO_x: 2,437 ▪ PM_{2.5}: 254 ▪ CO₂: 72,564 ▪ HC: 141 ▪ CO: 554

- Lifetime gallons of diesel reduced: 7,528,920

Identification of Governmental Entity Responsible for Reviewing and Auditing Expenditures of Eligible Mitigation Action Funds to Ensure Compliance with Applicable Law (5.2.7.1).

Virginia Department of Environmental Quality (DEQ).

Identification of Governmental Entity Responsible for Reviewing and Auditing Expenditures of Eligible Mitigation Action Funds to Ensure Compliance with Applicable Law (5.2.7.1).

Per Appendix D-3 Certification for Beneficiary Status: Paragraph 7. Publicly Available Information, Virginia certifies that it will maintain and make publicly available all documentation and records: (i) submitted by it in support of each funding request; and (ii) supporting all expenditures of Trust Funds by the Beneficiary, each until the Termination Date of the Trust pursuant to Paragraph 6.8 of the Trust Agreement, unless the laws of the Beneficiary require a longer record retention period. Together herewith, the Beneficiary attaches an explanation of: (i) the procedures by which the records may be accessed, which shall be designed to support access and limit burden for the general public; (ii) for the Beneficiary Mitigation Plan required under Paragraph 4.1 of the Trust Agreement, the procedures by which public input will be solicited and considered; and (iii) a description of whether and the extent to which the certification in this Paragraph 7 is subject to the Beneficiary's applicable laws governing the publication of confidential business information and personally identifiable information.

Procedures for Accessing Information Pertaining to the Use of State Beneficiary Environmental Mitigation Trust (State Trust) Funds

Information referenced under Paragraph 7 and submitted to the Trustee in support of funding request for eligible mitigation actions and expenditures of State Trust funds will be publicly available from the Virginia Department of Environmental Quality (DEQ) public Volkswagen mitigation webpage located at <https://www.deq.virginia.gov/get-involved/topics-of-interest/volkswagen-settlement-agreement> as well as on the Trustee public facing website located at <https://www.vwenvironmentalmittigationtrust.com/state-trust/virginia>.

The public may access this information by submitting a Freedom of Information Act (FOIA) request to DEQ by U.S. mail, fax, e-mail, in person, or by phone (<https://www.deq.virginia.gov/get-involved/about-deq/freedom-of-information-act/rights-and-responsibilities>). Virginia's Freedom of Information Act delineates the procedures for accessing agency information as well as the treatment and disclosure of certified confidential business information (CBI) or personally identifiable information. DEQ's FOIA policy and procedures are established pursuant to the Virginia Freedom of Information Act (VFOIA) Va. Code §2.2-3700 (<https://law.lis.virginia.gov/vacode/title2.2/chapter37/>).

Procedures for Requesting and Considering Public Input on the State Beneficiary Mitigation Plan

Virginia developed a proposed Beneficiary Mitigation Plan (BMP) in 2016 intended to provide the public with insight into the Commonwealth's vision for the eligible uses of the VW Trust mitigation funds. The state conducted a public comment period (Nov 17 — Dec 16, 2016) and meeting (Dec 7, 2016) on the proposed mitigation plan. Virginia received 101 comments on the proposed mitigation plan that are currently under review (<https://www.deq.virginia.gov/get-involved/topics-of-interest/volkswagen-settlement-agreement>).

To further inform the state's understanding of the best use of VW EMT funds, Virginia released Request for Information (RFI) # 17-01-CP in April 2017 seeking early input from governmental and non-governmental entities on the type and scope of projects that they may later submit to compete for VW Trust funds, funding and project evaluation priorities, and methods the state could employ to increase participation in future requests for VW mitigation projects.

DEQ submitted a revised BMP to the Trustee on August 9, 2018. A state BMP is a living document. As such, public input is ongoing. The public may submit comments and/or questions regarding the BMP to vwmitigation@deq.virginia.gov.

Public input on Virginia's mitigation plan is guided by DEQ's community involvement processes for engaging the public in effective environmental discussion making, such as creating early and ongoing opportunities for public input in agency decisions beyond the minimum requirements, ensuring that decision-making activities are open and accessible to all interested individuals and organizations, ensuring that the public understands the most effective ways to provide comment to DEQ, and considering and integrating public input into environmental decisions. DEQ's community involvement processes supplement existing Virginia regulations that detail public participation requirements applicable to only DEQ's regulatory activities under the Virginia Administrative Process Act Va. Code § 2.2-4007.02 (<https://law.lis.virginia.gov/vacode/2.2-4007.02/>). These requirements specify the minimum level of participation in regulatory decisions.

Applicability to State Laws Governing Confidential Business Information (CBI) and Personally Identifiable information

The certification in Paragraph 7 is fully subject to Virginia's applicable laws governing the publication of confidential business information and personally identifiable information, Va. Code § 2.2-4342(F) provides: "Trade secrets or proprietary information submitted by a bidder, offeror or contractor in connection with a procurement transaction or prequalification application submitted pursuant to subsection B of § 2.2-4317 shall not be subject to the Virginia Freedom of Information Act (§ 2.2-3700 et seq.); however, the bidder, offeror or contractor shall (i) invoke the protections of this section prior to or upon submission of the data or other materials, (ii) identify the data or other materials to be protected, and (iii) state the reasons why protection is necessary." See also Va. Code § 2.2-3705.6(10) (exempting "[c]onfidential information designated as provided in subsection F of § 2.2-4342 as trade secrets or proprietary information by any person in connection with a procurement transaction or by any person who has submitted to a public body an application for prequalification to bid

on public construction projects in accordance with subsection B of § 2.2-4317"). The certification is subject to the Commonwealth of Virginia's procurement policies and procedures in the "Agency Procurement and Surplus Property Manual" (APSPM). Available at: <https://dgs.virginia.gov/procurement/policy-consulting--review/policy/>. Specifically, Special Term and Condition #59 provides: "The contractor assures that information and data obtained as to personal facts and circumstances related to patients or clients will be collected and held confidential, during and following the term of this agreement, and unless disclosure is required pursuant to court order, subpoena or other regulatory authority, will not be divulged without the individual's and the agency's written consent and only in accordance with federal law or the Code of Virginia. Contractors who utilize, access, or store personally identifiable information as part of the performance of a contract are required to safeguard this information and immediately notify the agency of any breach or suspected breach in the security of such information. Contractors shall allow the agency to both participate in the investigation of incidents and exercise control over decisions regarding external reporting. Contractors and their employees working on this project may be required to sign a confidentiality statement." Additionally, Va. Code § 2.2-3705.1(10) excludes from disclosure under FIOA: "Personal contact information furnished to a public body for the purpose of receiving electronic mail from the public body, provided that the electronic mail recipient has requested that the public body not disclose such information. Finally, the certification is be subject to the Government Data Collection and Dissemination Practices Act, Va. Code §§ 2.2-3800 through -3809. This Act provides some limits on the use of personal information by public agencies. For instance, any "agency maintaining an information system that includes personal information shall [c]ollect, maintain, use, and disseminate only that personal information permitted or required by law to be so collected, maintained, used, or disseminated, or necessary to accomplish a proper purpose of the agency." Va. Code § 2.2-3803(A)(1).

Describe any cost share requirement to be placed on each NOx source proposed to be mitigated (5.2.8).

VPA is a governmental body eligible for 100% funding under the State Trust Agreement, however, VPA is providing ~~\$10,150,000 or 42%~~ **\$666,691,000** of the total port cargo handling equipment project cost of ~~\$24,150,000~~ **\$691,650,000**.

Describe how the Beneficiary complied with subparagraph 4.2.8, related to notice to U.S. Government Agencies (5.2.9).

DEQ emailed the State Trust Agreement to specified U.S. Government Agencies on February 23, 2018.

If applicable, describe how the mitigation action will mitigate the impacts of NOx emissions on communities that have historically borne a disproportionate share of the adverse impacts of such emissions (5.2.10).

VPA will be replacing diesel port cargo handling equipment with all electric equipment near communities that have borne a disproportionate share of adverse impacts of NO_x, PM_{2.5}, and other harmful emissions from air pollutants.

Attachment B: Eligible Mitigation Action Management Plan Including Detailed Budget and Implementation and Expenditures Timeline (5.2.4)

Updated Port Cargo Handling Equipment Deployment Project Schedule

DATE	All-Electric STS Crane Project Milestones
September 2020	Order two electric STS cranes
February 2021	Receive STS cranes and begin scrappage of old diesel cranes NLT
April 2021	Operationalize electric STS cranes
August 2021	Project completed
DATE	All-Electric Yard Tractor Project Milestones
March 2021	Commission design and electrical study using existing on-call contractors
May /2022	Develop equipment specifications based on use study
September 2022	Design complete
September 2022	Order yard tractors
November 2022	Permanent chargers ordered
December 2022	Yard tractors received
October 2023	Scrap diesel yard tractors
December 2023	Permanent chargers received
October 2024	Begin infrastructure installation to support equipment
November 2025	Complete construction, and fully deploy all-electric yard tractors
March 2026	Complete feasibility study and provide findings to DEQ including a preliminary replacement schedule of remaining diesel yard tractors with all-electric
July 2026 - ongoing	Initiate deployment of all-electric yard tractors and charging infrastructure at other VPA terminals (where feasible) using VPA funding
January 2027	Project completion
DATE	All-Electric Rail Mounted Gantry (RMG) Crane Project Milestones
October 2024	Procure RMGs
February 2025	Receive first delivery of RMGs
April 2025	Receive second delivery of RMGs and begin scrappage of diesel cranes
June 2025	Complete scrappage of old cranes
July -August 2025	Project completion

UPDATED PROJECT BUDGET TABLE

Budget Category	Total Approved Budget	Share of Total Budget to be Funded by the Trust	Share of Total Budget to be Funded by VPA
Port Cargo Handling Equipment	\$691,650,000	\$25,000,000	\$666,650,000
Administrative (DEQ only)	\$250,000 ¹	\$250,000 ²	N/A
Project Total	\$691,900,000	\$25,250,000	\$666,650,000

UPDATED PROJECTED TRUST ALLOCATIONS:

	Thru November 2024	December 2024 - 2025	2026
1. Anticipated Annual Project Funding Request to be paid through the Trust	\$10,043,756.85 ³	\$7,603,121.58 ⁷	\$7,603,121.58 ⁹
2. Anticipated Annual Cost Share	\$10,000,000	\$328,325,000	\$328,325,000
3. Anticipated Total Project Funding by Year (line 1 plus line 2)	\$20,043,756.85	\$335,928,121.58	\$335,928,121.58
4. Cumulative Trustee Payments Made to Date Against Cumulative Approved Beneficiary Allocation	\$55,658,016.79 ⁴	\$63,261,138.37	\$70,864,259.95
5. Current Beneficiary Project Funding to be paid through the Trust (line 1)	\$10,043,756.85 ⁵	\$7,603,121.58	\$7,603,121.58
6. Total Funding Obligated, inclusive of Current Action by Year (line 4 and line 5)	\$81,118,675.75 ⁶	\$91,668,675.75 ⁸	\$91,668,675.75 ¹⁰
7. Total Beneficiary Share of Trust	\$93,633,980.48	\$93,633,980.48	\$93,633,980.48
8. Net Beneficiary Funds Remaining in Trust to be Obligated, net of cumulative Beneficiary Funding Obligated (line 7 minus line 6)	\$12,515,304.73	\$1,965,304.73	\$1,965,304.73

¹ DEQ's administrative budget was revised from \$700,000 to \$250,000.

² DEQ's administrative budget was revised from \$700,000 to \$250,000.

³ Total amount disbursed to VPA and DEQ as of November 2024.

⁴ Total funds paid by the Trust of \$55,215,772.79 as of 11/20/2024, includes the amount of \$10,043,756.85 for VPA port cargo handling equipment and DEQ associated administrative cost.

⁵ Total amount disbursed to VPA and DEQ as of November 2024.

⁶ Total "approved" funding obligated includes the original \$14,000,000 for port handling equipment EMA and DEQ administrative cost of \$700,000 but does not include the additional \$11,000,000 for the new VPA port cargo handling equipment project.

⁷ Amount reflect the revised DEQ administrative budget of \$250,000.

⁸ Total funding obligated includes the additional \$11,000,000 for the new VPA port cargo handling equipment project and revised DEQ administrative budget of \$250,000.

⁹ Amount reflect the revised DEQ administrative budget of \$250,000.

¹⁰ Total funding obligated includes the additional \$11,000,000 for the new VPA port cargo handling equipment project and revised DEQ administrative budget of \$250,000.

Attachment C: Detailed Plan for Reporting on Eligible Mitigation Action Implementation (5.2.11)

The Virginia Department of Environmental Quality (DEQ) will provide detailed reporting on this funding request for Eligible Mitigation Action 8 (Forklifts and Port Cargo Handling Equipment) in two ways: 1) timely updates to DEQ's Volkswagen Environmental Mitigation Trust web pages; and 2) semi-annual reports to the Trustee as required by subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries.

DEQ Website

DEQ maintains a Volkswagen Mitigation webpage, which can be found at <https://www.deq.virginia.gov/get-involved/topics-of-interest/volkswagen-settlement-agreement>. Virginia's Beneficiary Mitigation Plan, information on planned or mitigation actions underway, and background information on the VW Settlement agreements are available for public access through the webpage. Links to approved funding requests (or D-4 forms) will be available for public access through links on the DEQ website and from the Trustee's public facing website at <https://www.vwenvironmentalmitigationtrust.com/state-trust/virginia>.

Semi-Annual Reports to the Trustee

As required by subparagraph 5.3 of the Environmental Mitigation Trust Agreement for State Beneficiaries, DEQ will submit a report to the Trustee within 6 months of the first disbursement and thereafter no later than January 30 and July 30 for the preceding 6-month periods. These reports will describe the progress implementing this and any other Eligible Mitigation Action ongoing during the reporting period. These reports will include a summary of all costs expended and a complete description of the status (including the actual or projected termination date), development, implementation, and any modification of the Eligible Mitigation Action. These semi-annual reports to the Trustee will be available for public access through links on the main Volkswagen Trust page on the DEQ website and from the Trustee's public facing website at <https://www.vwenvironmentalmitigationtrust.com/state-trust/virginia>.

<techport@cox.net>; Al Collado <acollado@PortofVirginia.com>;
Matthew Plante <mplante@vit.org>; Matthew Barnes-Smith
<mbarnessmith@portofvirginia.com>; Shawn Tibbetts
<stibbetts@vit.org>
Subject: Re: RE:STS Crane Contract 073117 - OPTION Extension

Dear Mr. Ceci,

Sorry for late response. Please kindly review following price and delivery time.

For 2 cranes for NIT, TMEIC has increased their price but ZPMC keep the same price as before in 2017. USD9,240,000 for one crane. The delivery time for these two cranes is 18 months.

Please review following price and technical clarification list for VIG also applies to NIT project. Please note our price does not include any taxes and duties applicable in USA.

- i. USD 18,480,000 for NIT STS Cranes;
- ii. USD 22,100 for Option Cargo Beam Hook;
- iii. USD 699,150 for 3 Option Spreader Bars;
- iv. USD 137,000 for one Option MV Metal Clad Switchgear and this price is valid until May 31, 2019.

v. 1-

2% of Contract Price for Spare Parts for NIT Option STS Cranes

Following options have been chosen by VPA and price remains unchanged.

- vi. Partial Discharge Sensors @ 7,500/Crane;
- v. Brieda Cab @ 40,000/Crane

For the new option 2 cranes, the price has been increased because of TMEIC and low sulphur oil for shipping cost.

Please review following price and technical clarification list for VIG also applies to this new project. The delivery time for these two cranes is 18 months. The option price is valid 14 months until May 31, 2020.

- i. USD 19,000,000 for NIT STS Cranes;
- ii. USD 22,100 for Option Cargo Beam Hook;
- iii. USD 699,150 for 3 Option Spreader Bars;

iv. 1-

2% of Contract Price for Spare Parts for NIT Option STS Cranes

Please feel free to let me know if you have further questions.

Best regards,

王琪 Kiki Wang (Ms)

Port Machinery Management Dept.

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From: Rich Ceci

Date: 2019-03-20 18:23

To: wangqi@zpmc.com; [liugizhong](#); [zouxianhui](#); [savanah.kunz](#); [aqwachen](#)

上海振华重工(集团)股份有限公司 **ZPMC**
SHANGHAI ZHENHUA HEAVY INDUSTRIES CO., LTD.

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June 22nd, 2017

Statement for Crane Capacity Designs

Dear Mr. Collado,

After checking the required specifications against the technical allowances, we have found that the designed capacity for the NIT cranes requires adjustments to be made. Furthermore, the needs of the tandem function is not clearly defined in neither the specification nor clarifications. Therefore, we are submitting prices for three cranes capacities for your review. Here's some description of the design capacity and the related price.

1. Base contract for VIG Cranes

Having received and examined the RFP document, considering the limited description of the tandem lift function and needs for the cranes, we would like to submit two proposals for the VIG project for VPA's consideration.

i. Base Cranes Capacity with Tandem Lift

Capacity: 65LT (Under Single-lift Spreader)

70LT (Under Tandem-lift Spreader)

Lift Height: 52m (Over Rail)/ 17.526m (Below Rail)

Rail Gauge: 30.48m

Outreach: 69m

Backreach: 25m

Hoist Speed: 91.44m/min (with 65LT rated load)

188.88m/min (with 0-10LT load)

Trolley Speed: 243.84m/min

Gantry Speed: 45.72m/min

~~In this proposal, the cranes are designed to have tandem lift capacity, including structure, mechanical and electrical, though the cranes will only be equipped with the non-split type headblock and only one spreader at this time. The cranes shall be so designed to allow for full performance using two 40 feet containers or four 20 feet containers, with the split-type headblock and two spreaders being supplied by the Users at a later date.~~

~~ii, Base Crane Capacity with Structural Tandem Preparation~~

~~In this proposal, the design of the cranes structure is set to allow for the tandem lift capacity, with the mechanical and electrical components designed and selected as would be for a normal single 40ft lift or twin 20ft lift cranes. This prepares the cranes to be modified in the future to perform Tandem Lift. The structural tandem preparation is more economical for now. If these cranes require to be changed to tandem lift in the future, then mechanisms such as motors, drives, reducers, brakes, couplings should be taken into account.~~

~~2. Option for NIT Cranes~~

~~Capacity: 65LT (Under Single-lift Spreader)
Lift Height: 52m (Over Rail)/ 17.526m (Below Rail)
Rail Gauge: 30.48m
Outreach: 69m
Backreach: 25m
Hoist Speed: 91.44m/min(with 65LT rated load)
188.88m/min (with 0-10LT load)
Trolley Speed: 243.84m/min
Gantry Speed: 45.72m/min~~

~~In the VPA RFP documents, the tandem lift design for NIT is required. Our team has carefully examined the specification for NIT and have found that the allowable wheel load is too small to adopt tandem lift design.~~

~~As shown in our submitted wheel load calculations, you can find that our technical engineers would not recommend NIT to choose a tandem design according to what has been provided for technical verification. The required safety/wind/operation ratio etc. doesn't allow such tandem crane loads.~~

~~Instead, ZPMC propose that the NIT cranes be designed as single 40ft lift or twin 20ft lift with a capacity of 65LT under spreader.~~

Attachment D: Detailed cost estimates from selected vendor for each proposed expenditure exceeding \$25,000 (5.2.6)

~~In addition to the above, ZPMC would like to express our committment and readiness to assist VPA in re-evaluating the tandem lift functions, should this be a step taken by VPA. Working together with more in-depth information regarding the dock capacity and operation needs, we are confident that the design can be more accurate and appropriate.~~

~~Should you have any questions or comments regarding any of the above, please let us know.~~

~~We look forward to hearing from you.~~

~~Bid Team of ZPMC~~

APPENDIX D
PURCHASE PRICE APPENDIX

I. BASE CONTRACT-TMEIC

~~CLIN~~ *Description* *Unit Price* *Extended Price*

Ship to Shore (STS) Cranes for VIG

001A	Unit price per STS crane with energy chain festoon	\$ 9,750,000	
	Total Extended Price for STS cranes with energy chain festoon (4 cranes)		\$ 39,00,000

001B	Unit price per STS crane with motorized festoon¹	\$ 9,760,000	
	Total Extended Price for STS cranes with motorized festoon (4 cranes)		\$ 39,040,000

Cargo Beam Hook

002	Unit price for 100 LT cargo beam hook	\$ 22,100
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Long Twin 20/40/45 ft spreader bars for VIG

003A	Spreader OEM and Model	OEM Bromma	Model Model:sts45
	Unit price per spreader	\$ 233,050	
	Extended price for spreader bars (6 bars)		\$ 1,398,300

~~Including One Unit Spreader Test Stand~~
~~Including Spreader Test Stand (6 bars)~~

¹ ~~CLIN 001B is an alternative to CLIN 001A.~~

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	PURCHASE PRICE APPENDIX	OEM	Model
003B	Spreader Alternate OEM and Model (if desired to bid 2 different spreader bars)²		
		ZPMC	SET-MRHR&SET03
	Unit price per spreader	Including One Unit \$158,827	Spreader Test Stand
Extended price for spreader bars (6 bars)			\$ 952,962
			Including Spreader Test Stand (6 bars)

	Spare Parts for VIG	
004	Recommended Spar Parts Pricing (Lump Sum)	
		\$1%-2% of Contract Price

² CLIN 003B is an alternative to CLIN 003A.

APPENDIX D
PURCHASE PRICE APPENDIX

I. ALTERNATIVE for BASE CONTRACT-TMEIC

<i>CLIN</i>	<i>Description</i>	<i>Unit Price</i>	<i>Extended Price</i>
001A	Ship to Shore (STS) Cranes for VIG		
	Unit price per STS crane with energy chain festoon	9,470,000	
	Total Extended Price for STS cranes with energy chain festoon (4 cranes)		\$ 37,880,000
001B	Unit price per STS crane with motorized festoon ¹	9,480,000	
	Total Extended Price for STS cranes with motorized festoon (4 cranes)		\$ 37,920,000
Cargo Beam Hook			
002	Unit price for 100 LT cargo beam hook		\$ 22,100
003A	Long Twin 20/40/45 ft spreader bars for VIG		
	Spreader OEM and Model	OEM Bromma	Model Model: sts45
	Unit price per spreader	233,050	
	Extended price for spreader bars (6 bars) including One Unit Spreader Test Stand		\$ 1,398,300

¹ CLIN 001B is an alternative to CLIN 001A.

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PURCHASE PRICE APPENDIX			OEM	Model
003B	Spreader Alternate OEM and Model (if desired to bid 2 different spreader bars)²			
			ZPMC	SET-MRHR&SET03
	Unit price per spreader		Including One Unit \$158,827	Spreader Test Stand
Extended price for spreader bars (6 bars)			\$ 952,962 Including Spreader Test Stand (6 bars)	
004	Spare Parts for VIG			
	Recommended Spar Parts Pricing (Lump Sum)			
			\$1%-2% of Contract Price	

² CLIN 003B is an alternative to CLIN 003A.

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PURCHASE PRICE APPENDIX

II. VIG OPTIONS

OPTION: Headblock with Side Shift

005	Additional unit cost per crane for Headblock with side shift	\$33,773	
	Extended price for Headblock with Side Shift (4 cranes) ³		\$ 135,092

OPTION: Long Twin 20/40/45 ft spreader bars for VIG with Hydraulics and Controls for Headblock Side Shift

006A		OEM	Model
	Spreader OEM and Model ⁴	Bromma	Model:sts45
	Unit price per spreader with additional hydraulics and controls for headblock side shift	\$242,550	
	Extended price per spreader with additional hydraulics and controls for headblock side shift (6 bars)	Including One Unit Spreader Test Stand	
			\$ 1,455,300 Including Spreader Test Stand (6 bars)

³ The Proposed price for CLIN 005 will be added to the Proposed Prices for CLINs 001A and 001B to get the Offeror's Proposed Price for STS Cranes equipped with the Headblock configured to support side shift feature on Spreader Bars. CLIN 005 will only be ordered if VPA decides to order CLINS 006A or 006B, Spreader Bars with side shift option.

⁴ The Manufacturer and Model of the Spreader Bar proposed for CLIN 006A should be the same as that proposed for CLIN 003A. CLIN 006A is an alternative to CLIN 003A if VPA does not order Spreader Bars with the Side Shift Option.

SHIP-TO-SHORE CRANES

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		OEM	Model
006B	Spreader Alternate OEM and Model (if desired to bid 2 different spreader bars)⁵	ZPMC	SET-MRHR&SET03
	Unit price per spreader with additional hydraulics and controls for headblock side shift	\$167,627	
	Extended price per spreader with additional hydraulics and controls for headblock side shift (6 bars)	Including One Unit Spreader Test Stand	
		\$ 1,005,762 Including Spreader Test Stand (6 bars)	

⁵ The Manufacturer and Model of the Spreader Bar proposed for CLIN 006B should be the same as that proposed for CLIN 003B. CLIN 006B is an alternative to CLIN 003B if VPA orders Spreader Bars with the Side Shift Option.

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PURCHASE PRICE APPENDIX

III. NIT OPTIONS-TMEIC

CLIN	Description	Unit Price	Extended Price
007A	Option: Ship to Shore (STS) Cranes for South NIT		
	Unit price per STS crane with energy chain festoon	\$ 9,240,000	
	Total Extended Price for STS cranes with energy chain festoon (2 cranes)		\$ 18,480,000

007B	Unit price per STS crane with motorized festoon ⁶	\$ 9,250,000	
	Total Extended Price for STS cranes with motorized festoon (2 cranes)		\$ 18,500,000

008	Option: Cargo Beam Hook		
	Unit price for 100 LT cargo beam hook	\$ 22,100	Model
	Extended price for spreader bars (3 bars)		\$

009A	Option: Long Twin 20/40/45 ft spreader bars for NIT		
	Spreader OEM and Model	OEM Bromma	Model Model:sts45
	Unit price per spreader	\$233,050	Including One Unit Spreader Test Stand
	Extended price for spreader bars (3 bars)		\$ 699,150 Including Spreader Test Stand (3 bars)

⁶ CLIN 007B is an alternative to CLIN 007A.

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PURCHASE PRICE APPENDIX

		OEM	Model
	Spreader OEM and Model (if desired to bid 2 different spreader bars)⁷		
009B		ZPMC 158,827	SET-MRHR&SET03
	Unit price per spreader	Including One Unit Spreader Test Stand \$	
Extended price for spreader bars (3 bars)		\$ 476,481 Including Spreader Test Stand (3 bars)	
	OPTION: Spare Parts for NIT		
	Recommended Spare Parts Pricing (Lump		1
010	Sum)	\$ %-2% of Contract Price	
	OPTION: Headblock with Side Shift		
	Additional unit cost per crane for Headblock with side shift⁸		
011		\$33,773	
	Extended price for Headblock with Side Shift (2 cranes)	\$ 67,546	

⁷ CLIN 009B is an alternative to CLIN 009A.

⁸ The Proposed price for CLIN 011 will be added to the Proposed Prices for CLINs 001A and 001B to get the Offeror's Proposed Price for STS Cranes equipped with the Headblock configured to support side shift feature on Spreader Bars. CLIN 011 will only be ordered if VPA decides to order CLINS 006A or 006B, Spreader Bars with side shift option.

SHIP-TO-SHORE CRANES

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PURCHASE PRICE APPENDIX

OPTION: Long Twin 20/40/45 ft spreader bars for NIF with

	Hydraulics and Controls for Headblock Side Shift	OEM	Model
012A	Spreader OEM and Model⁹	Bromma	Model:sts45
	Unit price per spreader with additional hydraulics and controls for headblock side shift	242,550	
	Extended price per spreader with additional hydraulics and controls for headblock side shift (4 bars)	\$ 970,200	Spreader Test Stand

012B	Spreader OEM and Model (if 1desired to bid 2different spreader bars)¹⁰	OEM ZPMC	Model SET-MRHR&SET03
	Unit price per spreader with additional hydraulics and controls for headblock side shift	167,627	
	Extended price per spreader with additional hydraulics and controls for headblock side shift (4 bars)	\$ 670,508	One Unit Spreader Test Stand

1

Including Spreader Test Stand (4 bars)

⁹ The Manufacturer and Model of the Spreader Bar proposed for CLIN 012A should be the same as that proposed for CLIN 009A. CLIN 012A is an alternative to CLIN 009A if VPA orders Spreader Bars with the Side Shift Option..

¹⁰ The Manufacturer and Model of the Spreader Bar proposed for CLIN 012B should be the same as that proposed for CLIN 009B. CLIN 012B is an alternative to CLIN 009B if VPA orders Spreader Bars with the Side Shift Option.

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IV. **Additional Maintenance
Spares Spreader Bar
Option Pricing¹¹**

CLIN	Description	Unit Price	Extended Price
013A	OPTION: Long Twin 20/40/45 ft spreader bars		
	Spreader OEM and Model	OEM Bromma	Model Model: sts45
	Unit price per spreader	\$ 221,750	
Extended price for spreader bars (4 bars)			\$ 887,000
013B	Spreader OEM and Model (if desired to bid 2 different spreader bars)	OEM	Model
	Unit price per spreader	ZPMC	SET-MRHR&SET03
	Unit price per spreader	\$ 158,000	
Extended price for spreader bars (4 bars)			\$ 632,000

¹¹ VPA desires the Option to purchase four (4) additional spreader bars as maintenance spares. VPA will only exercise one of the following four CLINs if it desires to purchase maintenance spare spreader bars: 013A, 013B, 014A, or 014B.

APPENDIX D
PURCHASE PRICE APPENDIX

OPTION: Long Twin 20/40/45 ft spreader bars with Hydraulics and Controls for Headblock Side Shift			
014A	Spreader OEM and Model ¹²	OEM Bromma	Model: sts4
	Unit price per spreader with additional hydraulics and controls for headblock side shift		Model 5
	Extended price per spreader with additional hydraulics and controls for headblock side shift (4 bars)	\$ 231,250	
014B	Spreader OEM and Model	OEM ZPMC	Model SET-MRHR&SET03
	Unit price per spreader with additional hydraulics and controls for headblock side shift (if desired to bid 2 different spreader bars)	\$ 166,800	
	Extended price per spreader with additional hydraulics and controls for headblock side shift (4 bars)		\$ 925,000

¹² The Manufacturer for CLIN 014A should be the same as for CLIN 013A.

¹³ The Manufacturer for CLIN 014B should be the same as for CLIN 013B.



VPA Sole/Single Source Justification

DATE: <u>July 27, 2020</u>	PROGRAM: <u>NIT STS Cranes</u>
REF #:	SUPPLIER: <u>ZPMC</u>
EQUIPMENT: <u>STS Cranes</u>	SERVICE: <u>purchase new ship to shore cranes</u>
DESCRIPTION OF ITEM: <u>gantry rail grinding to remove corrugations</u>	
Single Source: <input checked="" type="checkbox"/> A Single Source is one of the multiple sources that are capable of producing the desired item(s). It is the one source that is selected without competition for compelling and justifiable reasons.	
Sole Source: <input type="checkbox"/> A Sole Source is the only source available that is capable of producing the desired item(s) because of exclusive control of patent rights, copyrights, proprietary processes, etc. or similar circumstances.	

JUSTIFICATION:

<input type="checkbox"/>	Only known supplier. (List of the suppliers which were contacted below and the specific reasons why each was not a viable source). <u></u>
<input type="checkbox"/>	Only known qualified supplier or item. (List the qualifications that each source or items meet. If another supplier offers a similar item, provide the item identification, supplier information and comparable pricing). <u>Konecranes is the only company that we have been able to find in the United States to do this job.</u>
<input type="checkbox"/>	Supplier proprietary item. (The selected supplier is the only manufacturer of this item. List the reasons why no substitute item can be used and if no similar item is available). <u></u>
<input type="checkbox"/>	Government or Customer Directed. (Provide a copy of the contract page which directs this source or a customer letter, or memo or e-mail specifically directing this source). <u></u>
<input checked="" type="checkbox"/>	Continuation of an ongoing service or an addition to a critical system already procured from that supplier. (List the reasons why it would not be cost effective and/or schedule effective and/or technical risk mitigation prudent to procure with another supplier for this procurement). <u>VPA has already purchased 6 similar STS cranes from ZPMC over the past two years. Over 99% of the parts are the same on these cranes. Also, the port has already invested hundreds of thousands of dollars into studying and approving the design of these cranes.</u>



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VPA Sole/Single Source Justification

<input checked="" type="checkbox"/>	Economically Justified due to the following reasons:
<input type="checkbox"/>	Tooling or Start Up Costs (provide cost back-up)
<input type="checkbox"/>	Qualification Testing Cost (provide cost back-up)
<input type="checkbox"/>	QA reliability and/or technical risk mitigation considerations (list below)
<input type="checkbox"/>	Delivery Schedule Requirements (list delivery schedule requirements below)
<input type="checkbox"/>	Need for unique capabilities or special techniques (list below)
<input checked="" type="checkbox"/>	Standardization (Specify what is being standardized and how this will benefit?)

RATIONALE: (Provide written explanation, technical reasoning and/or evidence for the justification above)

In 2017 the port put out a RFP for 4 STS cranes for VIG with an option for 2 more cranes for NIT. ZPMC was the low bidder and highest rated supplier in the evaluations. The closest bidder to ZPMC was 25% higher in price. ZPMC is holding the price of the proposed cranes to be the same as the NIT option cranes that are arriving this October.

All 26 in-service cranes in the port are made by ZPMC. The maintenance personnel are familiar with the mechanical maintenance and repair of these cranes. The control systems have evolved over the years, but the maintenance personnel are familiar these systems as they tend to contain the same design elements. The parts on the newest 4 VIG cranes and 2 new NIT cranes are the same as the proposed cranes. It takes about \$1.5M-\$2M in spare parts to be adequately stocked for a new model of STS crane.

The port has already invested hundreds of thousands of dollars into evaluating and approving the design, drawings, and test plans for the newest cranes at VIG and NIT. Since the proposed cranes are copies of the new NIT cranes, these costs do not need to be repeated.

I CERTIFY THAT STATEMENTS CHECKED, AND INFORMATION PROVIDED ABOVE, ARE COMPLETE AND CORRECT TO THE BEST OF MY KNOWLEDGE. I UNDERSTAND THAT THE PROCESSING OF THIS SOLE/SINGLE SOURCE JUSTIFICATION PRECLUDES THE USED OF FULL AND OPEN COMPETITION.

PROGRAM/ENGINEERING/OPERATIONS AUTHORITY

SIGN: 

PRINTED NAME: Rich Ceci

DATE: 7/27/20



VPA Sole/Single Source Justification

SOLE/SINGLE SOURCE INSTRUCTIONS

The colleague requesting that VPA procure a good or service through a Sole/Single Source procurement is responsible for completing a Sole/Single Source Justification (SSJ) providing and certifying as accurate and complete necessary data to support their request. The justification must demonstrate that only one company can perform. The following are examples of bases for an SSJ:

- a) The equipment/services/parts to be acquired are unique to VPA.
- b) Time is of the essence and only one known source can meet the needs within the required timeframe.
- c) Data is unavailable for competitive procurement.
- d) It is necessary that the item being acquired from one source be compatible and interchangeable with existing equipment.

The following elements are required for a Sol/Single Source procurement and must be addressed in the SSJ:

- a) State clearly the requirements. Make sure that the entire requirement is covered by the justification.
- b) Explain why the supplier is the only company that can meet the requirement. The documentation necessary to adequately substantiate the two most common basis of Sole/Single source is:
 - i. If the supplier has a unique capability, whether it is an item or service, it is insufficient to simply say that the supplier is unique. If the item is unique to the supplier, the unique characteristics must be set forth. If the supplier has unique expertise, that expertise must be described. If the supplier has unique equipment or facilities or it has proprietary data, it must be explained.
 - ii. If only one supplier can perform within the required timeframe, the timeframe must be explained:
 1. Provide the date by which the supplies/services must be delivered.
 2. Indicate how that date was determined and its significance.
 3. Indicate the impact of delay beyond that date in terms of program schedules, milestones, etc.
 4. State how long it would take another supplier to acquire the capability to perform (learning curve), how much it would cost another supplier to get up to speed, and if appropriate, what it would cost in terms of dollars and man hours to get another supplier up to speed. State the basis for the above estimates.
- c) State how the decision to go Sole/Single Source was reached. Generally, the colleague with the technical knowledge and experience should be used to support SSJ. The following are examples of documentation supporting this element:
 - i. Explain requisition originator's experience that would indicate that he knows only one source can perform.
 - ii. Explain that technical publications, symposiums, or conferences clearly indicate that only one company can perform. List publications read and symposiums and conferences attended.
 - iii. State what is being done to foster future competition.
 - iv. Justification must be signed and dated.
- d) Describe the item and the particular uses of the item. State specifically what the item is going to be for and what it will do. Include here any project numbers and titles that the material in question will support or historically has supported.
- e) State the distinguishing characteristics of the item and why this is the only item that will fulfill the requirements. This may include being an add-on to an existing system or the replacement of an existing system. Copyrights and trademarks may be applicable here depending on the situation.
- f) Explain what would happen if another, unequal item were procured instead. Include any training delays, alteration of standard operating procedures, etc. that would cost the institution time, funds and overall completion of projects. This is the appropriate area to describe any design changes that would be necessary if another source were to be used.
- g) Outline the work performed to determine what other, similar items are offered from other vendors and why these items will not satisfy the requirements stated in the previous steps. This may need to be explicit to include: company names, contact information, and in some cases, valid quotes.
- h) If there is cost impact, detail the cost impact of utilizing another source.
- i) If there is schedule impact, detail the schedule impact of utilizing another source.

****IMPORTANT****

*The two most often cited basis for SSJ are uniqueness and timeframe. These are often confused and inappropriately interchanged. **Timeframe does not make a supplier unique.** If a supplier is unique and if his uniqueness is adequately substantiated, a discussion of timeframe is inappropriate. If the basis for the SSJ is timeframe, a discussion of uniqueness should not be made or alluded to.

*Statements that a supplier has the best capability, offers the lowest price, or is the only qualified source are not bases for an SSJ. Such determinations can only be made through competitive acquisitions. A strong presentation which merely establishes that the recommended source is most highly qualified to perform but does not establish why other sources cannot perform is unacceptable.

*Incumbency does not justify an SSJ.

*Administrative delay or lack of adequate advanced planning do not create an urgency that justifies an SSJ.



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VPA Sole/Single Source Justification

From the VPA Procurement and Capital Outlay Manual:

§4.7 Sole/ Single Source

POLICY:

A purchase of goods or services may be considered sole source if there is only one source practicably available. A single source is one of the multiple sources that are capable of producing the desired item(s). A single source procurement occurs when one source is selected without competition for compelling and justifiable reasons. These compelling and justifiable reasons must be reduced to writing and submitted to the appropriate approving authority prior to conducting a single source or sole source procurement.

Primary Factors:

1. Continuation of an ongoing service or an addition to a critical system already procured from that supplier.
 - a. List the reasons why it would not be cost effective and/or schedule effective and/or technical risk mitigation effective to procure through normal competitive means for this procurement.
2. Economically justified
3. Standardization/Interchangeability with existing or current operations.

Sole source purchases typically require justification and authorization by the Executive Director or designees as outlined in Section 3.2. Authorization of a sole source indicates that in management's judgment no other viable sources are practicably available who can supply the required good or service in a timely manner.

PROCEDURES:

1. If a sole/single source is deemed necessary, provide the completed Sole/Single Source justification in Memorandum format (for expenditures of \$10,000 or more) with required authorized signature, complete a PO and obtain required authorizing signatures.
2. SWaM considerations are outlined in Section 11.1.
3. Forward a copy of the approved PO to the vendor and maintain a copy for your files.
4. When the order arrives or services are received, match the delivery/service ticket to the PO, conduct any inspections or tests necessary to ensure conformance to specifications or requirements, complete the necessary documentation and forward to Finance. *Notify vendor immediately if there are any discrepancies.*
5. When the invoice is received by Finance, the requestor is contacted for the Receiving Report, packing ticket and associated PO which are submitted to Finance for payment.
6. If the documentation is correct, the Finance Department generates payment. If any discrepancies are found, the documentation is returned to the Requester for correction.

Declaring a Sole Source does not relieve the purchaser from completing all necessary procurement documentation or obtaining necessary authorization signatures.

Attachment D: Detailed cost estimates from selected vendor for each proposed expenditure exceeding \$25,000 (5.2.6)

The Virginia Department of Environmental Quality satisfies 5.2.6 by requiring detailed information from Virginia Port Authority (VPA) for the sole purpose of reimbursement of port handling equipment, including but not limited to:

- Copies of bid(s) or detailed cost estimate(s) from the vendor(s).
- Copies of the original purchase order(s) and vendor-issued sale receipt(s) that shall include (a) total price, (b) price for each product and/or service, (c) a detailed description of each product and/or service, and (d) the vendor delivery date(s); and proof of the payment to the vendor(s).
- Copies of original invoices from vendor that show: Itemization of costs to identify the amount paid by VPA, the amount paid by “Other” funding sources, the amount to be paid by State Trust funds, and the total amount VPA requesting for reimbursement.
- Obtaining a signed Statement of Certification from VPA that all port handling equipment presented for reimbursement were procured in a manner compliant with VPA’s procurement and contracting law (5.2.5).