

AGENDA

Port Freeport
Operations/Safety/Security Committee
Special Meeting
Wednesday, February 14, 2024, 4:00 pm - 4:30 pm
In Person & Videoconference - Administration Building - 1100 Cherry Street - Freeport

This meeting agenda with the agenda packet is posted online at www.portfreeport.com

The meeting will be conducted pursuant to Section 551.127 of the Texas Government Code titled "Videoconference Call." A quorum of the Operations, Safety & Security Committee, including the presiding officer, will be present at the Commissioner Meeting Room located at 1100 Cherry Street, Freeport, Texas. The public will be permitted to attend the meeting in person or by videoconference. The videoconference is available online as follows:

Join Zoom Meeting

<https://us02web.zoom.us/j/88033260925?pwd=TGJYWndNYXlRNzhxNlV6T3VkcZFQUt09>

Meeting ID: 880 3326 0925

Passcode: 000685

Dial by your location

• 1 346 248 7799 US (Houston)

Meeting ID: 880 3326 0925

Find your local number: <https://us02web.zoom.us/u/kdn49RyJg2>

1. Committee Members: Santos (Chairman), Giesecke, Fratila
2. CONVENE OPEN SESSION in accordance with Texas Government Code Section 551.001, et. seq., to review and consider the following:
3. Roll Call.
4. Public Comment. (Public comment on any matter not on this Agenda will be limited to 5 minutes per participant and can be completed in person or by videoconference)
5. Public Testimony. (Public testimony on any item on this Agenda will be limited to 5 minutes per agenda item to be addressed per participant and can be completed in person or by videoconference. The participant shall identify in advance the specific agenda item or items to be addressed)
6. Discussion regarding Change Order No. 1 to the Professional Services Agreement with Paul Bridges & Associates for additional travel expenses for the oversight of the construction of cranes.
7. Adjourn.

The Committee does not anticipate going into a closed session under Chapter 551 of the Texas Government Code at this meeting for any other items on the agenda, however, if necessary, the Committee may go into a closed session as permitted by law regarding any item on the agenda.

With this posted notice, Port Commissioners have been provided certain background information on the above listed agenda items. Copies of this information can be obtained by the public at the Port Administrative offices at 1100 Cherry Street, Freeport, TX.



Phyllis Saathoff, Executive Director/CEO

PORT FREEPORT

Participation is welcomed without regard to race, color, religion, sex, age, national origin, disability or family status. In accordance with Title II of the Americans with Disabilities Act and Section 504 of the Rehabilitation Act, persons with disabilities needing reasonable accommodations to participate in this proceeding, or those requiring language assistance (free of charge) should contact the Executive Assistant no later than forty-eight (48) hours prior to the meeting, at (979) 233-2667, ext. 4326, email: bevers@portfreeport.com.

La participación es bienvenida sin distinción de raza, color, religión, sexo, edad, origen nacional, discapacidad o situación familiar. De acuerdo con el Título II de la Ley de Estadounidenses con Discapacidades y la Sección 504 de la Ley de Rehabilitación, las personas con discapacidades que necesiten adaptaciones razonables para participar en este procedimiento, o aquellas que requieran asistencia lingüística (sin cargo), deben comunicarse con el Asistente Ejecutivo a más tardar cuarenta -ocho (48) horas antes de la reunión, al (979) 233-2667, ext. 4326, correo electrónico: bevers@portfreeport.com.



PROPOSAL
FOR
CRANE PROCUREMENT OVERSIGHT
FOR THE PROCUREMENT OF TWO (2) CONTAINER
HANDLING GANTRY CRANES
FOR
PORT FREEPORT
IN
FREEPORT, TEXAS



FEBRUARY 2023

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Section 1: Understanding of the Work

Paul Bridges and Associates, LLC

FOREWORD:

Paul Bridges & Associates, LLC (“PBA”) proposes to be the Consultant (including Structural, Mechanical and Electrical Support) and Project Management provider to Port Freeport (also stated as “Owner”) in their Procurement of Two (2) STS Cranes from ZPMC. We propose to undertake the following work tasks; however, please note that we can revise our scope to meet the Owner’s needs/requirements:

WORK TASKS:

Task 1: Pre-Tender Process

Over many years of experience and feedback from the legal, operational, and maintenance personnel of operational companies, we have developed commercial and technical documents which allow the Owner to procure equipment fitting its highly specific requirements, in its effort to procure equipment similar in geometry to the existing cranes, but with updates as specified. Before finalization of technical documents, we would hold discussions with the Owner on their technical wants and needs at their terminal. In addition, we understand and have further developed the areas which allow the potential manufacturer enough flexibility to provide a very competitive tender.

We typically provide these documents in an initial draft for Owner’s review and then meet to discuss any questions and comments from the Owner’s team. Afterward, we revise, as necessary, and issue final documents to the manufacturer.

Task 2: Tender Review and Award

We will review the proposal received from ZPMC, prepare a summary, complete with our evaluation of the technical and commercial aspects of the Tender, and assist with technical and commercial discussions and clarifications. We would suggest a meeting with ZPMC to ensure that they understand the specification requirements of the project and clarify/confirm that they intend to use equipment suppliers acceptable to the Owner. Additionally, we recommend a meeting at this stage with the potential drive system supplier to clarify all scope and system issues. We will assist the Owner with the technical and commercial discussions and clarifications.

Following these meetings, and where allowed by applicable laws and based upon the outcome of the Tender meeting, we have found one successful approach is to allow the manufacturer a “best and final” Tender, taking into account the discussions held through the tender review meeting. In many cases, the commercial pressure resulting from the meeting results in further price reductions and/or increased value through premium components and additional features. In addition, as previously noted, we anticipate that this process will ensure that the Owner obtains preferred concepts and suppliers without accepting any design responsibilities.



Once the Award is to be made, we will work with the Owner to make any revisions to the Contract Documents to develop a clean document which is ready for signature that encompasses all commercial and technical requirements and agreements for the project.

Task 3: Design Review

PBA will provide a review of the crane suppliers or manufacturer's structural, mechanical and electrical design calculations and drawings. The objective of our review process is to substantiate that the manufacturer's design and crane configuration is in compliance with the requirements of the Owner's contract documents and specifications and properly addresses all operational, performance, reliability, and maintenance issues thereof. The design review process will also include review of the crane manufacturer's purchased component calculations, technical data sheets and /or certified drawings.

We will prepare written submittal comments, inclusive of the Owner's comments, and issue an official response to the manufacturer on behalf of the Owner. A submittal index will be maintained to accurately record the status of all submittal documents, response dates, corrective action requirements, and re-submittal status.

We recommend a minimum of one (1) design review meeting: an initial electronic kick-off meeting. In our cost proposal, we will include two (2) electronic meetings in the base offering, with an option for in-person meetings in Shanghai (on a per trip basis) to be taken as a replacement if requested. These meetings review the design and clarify submittals in greater detail. While our experience has shown that these meetings are most productive when held at the manufacturer's office, Covid/health travel regulations will often make these type meetings untenable. We are well-versed at this point in conducting design review fully remotely, with two (2) such projects being completed during the 2020-2021 pandemic.

If the option is taken, we will attend the initial kick-off meeting at the crane manufacturer's corporate office, along with the Owner's representative(s) and the manufacturer's engineering and project management groups.

Separately, we will also perform an engineering review of the commissioning and acceptance test and check out manual which will define acceptance testing to be performed at the manufacturer's erection site and final acceptance testing to be performed at the Owner's site prior to hand over of the cranes.

Task 4: Project Management

Our scope of services can include overall project management acting as the primary point of contact between the crane manufacturer and the Owner, responding to all technical issues and correspondence, monitoring overall project progress and schedule, coordinating between the manufacturer and the Owner, responding to inquiries by the manufacturer's engineer and/or the third party on site inspectors, and monitoring compliance to the Owner's contract documents, specifications and project milestone schedule.

Task 5: Third Party Inspection Service

The best and most economical approach that we have found for quality assurance and quality control during manufacturing is to use the services of a local third-party inspection company. The scope of our



services, in cooperation with our PBA International inspectors, will include full time and part time personnel as required to perform inspections at the fabrication facility, review documentation, coordinate with the manufacturer's personnel and prepare inspection reports. The inspection reports will be provided on a bi-weekly basis and will contain description of overall progress, progress and deficiency photos, and non-conformance issues. For this proposal, we base the number of man-months for an estimated cost on a twelve (12) month fabrication period of a lengthened post-Covid delivery schedule often in excess of twenty (20) months. We also include China lodging expenses for the inspectors in our estimate. The following is a list of activities that is typically provided by our inspectors:

- ❖ Assess the manufacturer's compliance with the quality control requirements of the Contract.
- ❖ Conduct visual checks on the quality of materials, which would include structural steel, motors, reducers, hydraulic components, etc.
- ❖ Verify and identify steel material, including witnessing fracture tests on major structural items, as well as review the manufacturer's system for material traceability.
- ❖ Verify welders are qualified and correct welding procedures are followed.
- ❖ Verify material preparation, cutting, fit-up, and welding are in compliance with approved drawings and standards.
- ❖ Monitor and report on progress of fabrication, assembly and erection of the crane.
- ❖ Verify non-destructive testing personnel are qualified, witness non-destructive examinations of ultrasonic, magnetic particle and liquid penetrate testing as required and review radiographs.
- ❖ Conduct visual inspections pertaining to the quality of structural welding.
- ❖ Check assembly and mounting of mechanisms for proper installation.
- ❖ Check material surface preparation and paint to verify proper application.
- ❖ Verify electrical wiring for proper installation and termination and witness high tension and insulation tests. Verify electrical limit switches and similar safety components comply with approved specifications, drawings, and design review meeting agreements.
- ❖ Witness no load shop tests of motors, reducers, hydraulic systems and subassemblies.
- ❖ Witness performance, operational and endurance tests for the crane prior to shipment.
- ❖ Issue "non-conformance" reports for poor workmanship, defects and/or malpractice of the manufacturer or their sub-contractors.
- ❖ Conduct final checks on the quality of welds, painting, installation of substructures, sea-fastening, etc., for the crane.
- ❖ Submit reports on progress of fabrication, construction, testing of components and the crane, and status of materials procurement on a bi-weekly basis.
- ❖ Develop punch-lists of items to be corrected or completed for the crane prior to shipping.

Task 6: Manufacturing Review

As an option, we can provide one of our project engineers, skilled in the design and manufacture of these types of cranes, to make periodic one (1) week trips to the manufacturer's fabrication site for the review of the progress. These periodic visits, coupled with the services of our third-party inspectors, enhance proper quality assurance, quality control, and quick response to any deficiencies, thus minimizing possible setbacks to the manufacturing schedule. **It is typical that the Owner's representatives are included in**



these trips, so that site specific areas are reviewed and addressed by Owner. In our proposal, these are optional and priced on a per man trip basis. In our base proposal, PBA will remotely monitor the manufacturing process to confirm the manufacturer complies with the Owner's specifications.

Task 7: Final Assembly and Pre-shipment Review

Our third-party inspectors will monitor and witness assembly, erection, initial commissioning and acceptance testing of the cranes at the manufacturer's facility as defined by the accepted test and checkout manual and will verify conformance of the cranes with Owner's contract requirements, including proper operation of systems and correct function of software, logic devices, and safety interlocks.

During design review and this task, our project manager and engineers will review the shipping plans and sea-fastening calculations and our on-site inspectors will monitor the load out of the cranes (with the remote help of our engineers), including sea-fastening and sea-bracing installation at the time of shipment, to verify that ZPMC complies with the approved shipping and sea-bracing plans. The majority of the cost of this phase is included with Task 5, Third Party Inspection Service.

Task 8: Start-up, Testing and Acceptance

We will have one (1) engineer at the Owner's site after the cranes arrive. This engineer will monitor and provide consultation during off loading, final assembly, commissioning, acceptance testing, certification, and final acceptance by the Owner when the cranes have proven to be ready for cargo handling operations, as well as coordinate the project and monitor schedule for compliance with the contract schedule. This engineer will also prepare punch lists and verify completion of the punch list items. We would typically include six (6) man weeks on-site during this task to monitor the "landmark" works, including offloading and acceptance testing.

At the completion of the project, we will hand over all documentation pertaining to the management and execution of the services provided, including progress reports with photographs, inspection reports, punch-lists during all phases, and design and shipping review details.

Section 2: Deliverables

Paul Bridges and Associates, LLC

We are including the following deliverables in our proposed services:

1. Pre-Tender Process
 - a. Submit initial draft of Contract Documents (Technical Specifications and Commercial Documents)
 - b. Meet with Port Freeport to finalize Contract Documents
 - c. Issue Final Contract Documents for Tender
2. Tender Review and Award
 - a. Pre-Tender meeting with ZPMC and drive manufacturer
 - b. Tabulation of Tender technical and commercial aspects
 - c. Tender meeting and follow-up negotiations
 - d. Revision to Contract Documents as required by tender process
3. Design Review
 - a. Kick-off meeting
 - b. Calculation, including wheel load and stability, review comments
 - c. Drawing review comments
 - d. Commissioning and acceptance test manual review comments
 - e. Additional design review meeting(s) (2 electronic meetings included in base offering)
4. Project Management – integrated into execution and deliverables of each project task
5. Third Party Inspection – submit bi-weekly inspection reports, NCRs, and the punch list
6. Manufacturing Review
 - a. Remote monitoring through review of TPI deliverables with action requests as required
 - b. Optional site visits augmenting TPI functions and deliverables
7. Final Assembly and Pre-Shipment Review
 - a. Witness execution of applicable Commissioning and Acceptance Test Manual activities
 - b. Review shipping plans and calculations and provide comments
 - c. Monitor load out of cranes and installation of sea-fastening and sea-bracing
8. Start-up, Testing and Acceptance
 - a. Monitoring and consultation during offloading
 - b. Witness execution of applicable Commissioning and Acceptance Test Manual activities
 - c. Witness regulatory and OSHA testing
 - d. Submit conditional acceptance and final punch list for execution by ZPMC and Owner
 - e. Verify completion of all punch list items
 - f. Issue and track Warranty Claims as necessary
 - g. Submit final acceptance document for execution by ZPMC and Owner
 - h. Submit hand over document packages

Section 3: Proposed Cost

Paul Bridges & Associates, LLC

Below, we outline the costs associated for each task as defined in Sections 1 and 2, for a two (2) crane order. Optional trips to Shanghai for design review, manufacturing review, or pre-shipment review are listed below on a per man trip basis. The base total does not include such trips to China. We propose to invoice this work on a time and materials, not to exceed basis.

Task	Phase	Labor Hours	Expenses	Amount Proposed
1.	Pre-Tender Process	95	\$2,800	\$23,300
2.	Tender Review and Award	120	\$8,400	\$33,300
3.	Design Review	690	\$0	\$146,800
4.	Project Management	160	\$100	\$27,800
5.	Third Party Inspection Services	0	\$0	\$163,200
6.	Manufacturing Review	40	\$0	\$8,800
7.	Final Assembly and Pre-shipment Review	50	\$0	\$11,000
8.	Startup/Testing/Acceptance in Freeport	270	\$14,000	\$70,700
BASE TOTAL		1425	\$25,300.00	\$484,900.00
3./6.	Review Trip (Per One (1) Man Trip) (OPTION)	70	\$12,000.00	\$27,400.00

\$512,300.00

\$82,200.00

\$594,500.00

PBA Man Trips, by Task, in Base Offering:

Task	Freeport	China
1.	1	0
2.	3	0
3.	0	0
4.	0	0
5.	0	0
7.	0	0
8.	3	0
	5	0

Note (1): This is based on a two (2) crane order.

Additional Man Trips per PBA typical recommendations (at option cost per trip listed above)

Task	Freeport	China
3.	0	2
6.	0	1
	0	3

3 Trips x \$27,400.00=\$82,200.00



Section 4: Organization/Rates

Paul Bridges and Associates, LLC



Standard Rate Schedule for 2023

Position	Standard Rate USD
Principal Engineer	\$220.00/hour
Senior Project Engineer	\$200.00/hour
Senior Project Manager	\$190.00/hour
Project Manager	\$170.00/hour
Senior Staff Engineer	\$180.00/hour
Staff Engineer	\$160.00/hour
Designer	\$135.00/hour
CAD	\$95.00/hour
Administrative	\$65.00/hour

Travel Expenses

Travel expenses including air travel, taxis, rental cars, mileage, hotel/lodging, food, et cetera will be billed at actual cost. Personal or company automobile mileage is based on current US IRS allowable rate.

Miscellaneous Expenses

Reproduction, long distance telephone, facsimile and express mail, and any other miscellaneous job-related expenses will be billed at actual cost

Outside Firms Expenses

Outside firms including surveyors, consultants, and design laboratories at will be billed with a 5% markup



ADDENDUM TO PBA PROPOSAL

24 FEBRUARY 2023

The PBA tasks listed in the accompanying proposal are described in Section 1 (Understanding of the Work). It should be noted that PBA Tasks 1 and 2 would be accomplished prior to the Port Freeport awarding a contract to a manufacturer. Work associated with Tasks 3 through 8 would only be accomplished if Port Freeport proceeds with a Contract for purchase of new cranes. It should be reiterated that PBA only invoices for work accomplished (on a monthly basis) and any tasks not required/accomplished would not be invoiced. For example, if it is determined at any time before Port Freeport signs a contract with a manufacturer, Port Freeport wishes to pursue an alternative program (such as purchase of used cranes), the work associated with Tasks 1 and 2 can be halted and only work completed at that time (and work required to close out the tasks) would be invoiceable/payable to PBA. Any tasks remaining after that, namely 3 through 8 in this case, would not be invoiceable/payable to PBA.

-Paul Bridges & Associates, LLC

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement (this "Agreement") is entered into between Port Freeport, a Texas navigation district formed under Article XVI, Section 59, of the Texas Constitution (hereinafter referred to as the "Port") and Paul Bridges & Associates (hereinafter referred to as "PBA"). Collectively, the City and the Professional Service Provider may be referred to as the "Parties." The Parties agree to as follows:

1. **Services to be Performed by PBA.** PBA shall provide professional engineering services in its performance of procurement oversight and project management services throughout the course of the Port's procurement of two (2) container handling gantry cranes, as described in more detail in PBA's "Proposal for Crane Procurement Oversight for the Procurement of Two (2) Container Handling Gantry Cranes for Port Freeport in Freeport, Texas," which is attached and incorporated hereto as Exhibit A and is made a part of this Agreement (the "Services"). A description of the Services and the estimated cost for the Services are included in Exhibit A.

In the event of a conflict between any term of provision in this Agreement and any term or provision in Exhibit A, the term or provision in this Agreement shall control unless the conflicting term or provision is referenced and expressly stated not to apply.

Any mutually agreed upon changes to the terms, conditions, covenants, and provisions to this Agreement shall be set forth in an amendment to this Agreement. PBA will not implement any changes or any new services until an amended agreement has been duly executed by the Port. The Port shall not be liable for any amounts not included Exhibit A.

2. **Agreement Documents.** The Services are described more particularly in the following documents which are incorporated into this Agreement, and have full force and effect as if set out verbatim herein, and are known as the "Agreement Documents":

- (a) This Agreement; and,
- (b) PBA's "Proposal for Crane Procurement Oversight for the Procurement of Two (2) Container Handling Gantry Cranes for Port Freeport in Freeport, Texas," which has been attached and incorporated hereto as Exhibit A.

In case of conflict between the terms of this Agreement and the Agreement Documents, the terms of the Agreement Documents shall prevail in the order as listed above.

3. **Term.** This Agreement shall be effective the 1st day of March 2023 and shall continue until the Services are completed and the Port has accepted the completed and installed gantry cranes unless otherwise earlier terminated as specified in the Agreement Documents (the "Term").
4. **Reimbursement of Expenses.** The Port will reimburse PBA for reasonable third-party expenses incurred in the performance of this Agreement. Said expenses shall be timely verified by PBA with written receipts provided to the Port.

5. **Compliance with Law.** PBA shall comply with all applicable federal, state, and local laws and regulations incurred in carrying out the Services.
6. **Relationship of the Parties.** PBA shall be deemed to be and shall be an independent contractor of the Port.
7. **Confidentiality.** The information and knowledge divulged to PBA by the Port or which PBA acquires in connection with or as a result of the provision of the Services hereunder shall be regarded by PBA as confidential. Without limiting the generality of the foregoing, PBA recognizes that, unless and until published, all acquired data and information heretofore or hereafter used or developed by Port are and shall be trade secrets of the Port. During or after the Term of this Agreement, PBA shall not use any such information, knowledge, or trade secrets nor shall PBA disclose such to any person except to employees of Port as may be necessary in the regular course of the duties of PBA hereunder, or except as otherwise authorized by the Port.
8. **Ownership.** PBA recognizes that all records and copies of records concerning the operations of the Port made or received by PBA during the Term of this Agreement are and shall be the property of the Port exclusively. PBA shall keep the same at all times in its custody and subject to its control and surrender the same upon request of the Port or upon termination of this Agreement.
9. **Indemnification.** PBA SHALL INDEMNIFY AND HOLD THE PORT, ITS COMMISSIONERS, EMPLOYEES, AND AGENTS HARMLESS FROM AND AGAINST ANY AND ALL LIABILITY, LOSS, COST, EXPENSE, DAMAGE (INCLUDING ATTORNEY'S FEES), AND CLAIMS OR DEMANDS ON ACCOUNT OF INJURIES, INCLUDING DEATH, CAUSED IN WHOLE OR IN PART BY PBA AND ITS EMPLOYEES ARISING OUT OF OR RESULTING IN ANY MANNER FROM OR OCCURRING IN CONNECTION WITH PERFORMANCE OF SERVICES HEREUNDER.
10. **Choice of Law.** This Agreement shall be governed by and construed and interpreted in accordance with the laws of the State of Texas and any venue for enforcement of this agreement shall be in Brazoria County, Texas.
11. **Entire Agreement.** This Agreement, to include the Agreement Documents, contains the entire agreement and understanding between the Parties with respect to the subject matter hereof and supersedes all prior discussions and writings with respect thereto. The Parties disclaim reliance on any alleged contemporaneous or prior discussions in entering into this Agreement unless otherwise provided herein.
12. **Amendment.** Any amendment to this Agreement must be in a writing signed by both Parties.



IN WITNESS WHEREOF, and in acknowledgment that the Parties hereto have read and understood each and every provision hereof, the Parties have executed this Agreement to be made effective on March 1, 2023.

PORT:

PORT FREEPORT

By: 

JOHN HOSS, Chairman

ATTEST:

By: 

DAN CROFT, Secretary

PBA:

PAUL BRIDGES & ASSOCIATES

By: 

PAUL E. BRIDGES, President

