

AGENDA

Port Freeport
Operations/Safety/Security Advisory Committee
Special Meeting
Thursday, April 13, 2023, 11:30 am - 12:10 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 Advisory 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/87263783407?pwd=ajJ3VDRvdVFrVWVhbjdUZFRnJldz09>

Meeting ID: 872 6378 3407

Passcode: 329872

Dial by your location

1 346 248 7799 US (Houston)

Meeting ID: 872 6378 3407

Find your local number: <https://us02web.zoom.us/u/kdYMRzVm7b>

1. Committee Members: Pirtle (Chairman), Santos, Croft
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 a draft RFP for the Port Rail Terminal Switching Operator.
7. Discussion regarding purchase of NRVs for camera storage.
8. 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.



Phyllis Saathoff, Executive Director/CEO

PORT FREEPORT



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WWW.PORTFREEPORT.COM

TO: Executive Director/CEO
Port Commissioners
Legal Counsel

FROM: Director of Business and Economic Development

DATE: April 13, 2023

SUBJECT: Request for Proposal – Port Rail Terminal Switching Operator

In September 2022, Port Freeport entered a long-term agreement with Volkswagen Group of America (“VW”). VW announced that Port Freeport would be its new Gulf Coast hub for future operations and their current port operations in Houston and rail operations in Midlothian will be consolidated into the new hub.

Port Freeport is a landlord port and the rail traffic expected to be generated by this new partnership makes it necessary for Port Freeport to engage a qualified 3rd party with the capability to switch railcars from Port Freeport’s track on Parcel 14 to the rail track on VW’s site, and vice versa.

Staff has prepared the enclosed draft Request for Proposal to solicit interest from qualified 3rd parties.

The document is not yet final, but the final document will be shared with the Port Commission prior to being released. Staff is targeting May 01, 2023, as the release date, and seeks the Port Commission’s input.

The table on the following page is a preliminary schedule of milestones for the process and can be found on page 10 of the RFP.

Staff looks forward to discussing with the Operations, Safety and Security Committee on April 13.

[PORT COMMISSION](#)

JOHN HOSS, CHAIRMAN; RUDY SANTOS, VICE CHAIRMAN; DAN CROFT, SECRETARY; ROB GIESECKE, ASST. SECRETARY.
RAVI K. SINGHANIA, COMMISSIONER; SHANE PIRTLE, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

SECTION 3
TIMELINE FOR AWARDING CONTRACT

Due Date

- May 01, 2023
- May 12, 2023 at 4:00
- May 22, 2023
- June 12, 2023
- June 26, 2023 at 4:00 p.m.

Process Milestone

- Request for Proposal is Issued
- Deadline to Submit Letter of Intent to Propose
- Mandatory Pre-proposal meeting & Site Tours
- Deadline to Submit Questions and Pre-Proposal Meeting
- Deadline for Delivery of Proposal

Expected Date

- July 07, 2023
- July 10, 2023
- July 11 – 21, 2023
- July 24, 2023
- July 31 – August 04, 2023
- August 11, 2023
- September 2023
- October 19, 2023
- December 01, 2023

Process Milestone

- Short List of Operators Selected
- Draft Master Service Agreement Delivered
- Secondary Q&A
- Agreement Mark-up Due
- In-person Interviews
- Operating Partner Selected
- Contract Negotiation
- Contract Presented to Port Commission for Approval
- New Operating Contract Commencement



REQUEST FOR PROPOSAL
FOR
PORT RAIL TERMINAL SWITCHING OPERATOR
RFP NO. 23-P14-PRTSO
Issuance Date
May 01, 2023

Deadline for Submission of Questions/Requests for Clarification:

Submit all questions and requests for clarification in writing to:

marketing@portfreeport.com

no later than 5:00 p.m. on June 12, 2023

PORT COMMISSION

JOHN HOSS, CHAIRMAN; RUDY SANTOS, VICE CHAIRMAN; DAN CROFT, SECRETARY; ROB GIESECKE, ASST. SECRETARY;
RAVI K. SINGHANIA, COMMISSIONER; SHANE PIRTLE, COMMISSIONER; PHYLLIS SAATHOFF, EXECUTIVE DIRECTOR/CEO

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List of Attachments

Exhibit A – Letter of Intent to Propose

Exhibit B – Scopes of Work

Exhibit C – Conflict of Interest Questionnaire (Need to Draft)

Exhibit D – Service Provider Insurance Requirements (Sample) (Need to Draft)

SECTION 1
REQUEST FOR PROPOSAL
PORT RAIL TERMINAL SWITCHER

Port Freeport is seeking proposals from experienced railroad operators who are interested to effectively provide railroad operations, maintenance and switching services to customers utilizing Port Freeport's Parcel 14 Rail Expansion.

Firms interested in providing Port Rail Terminal Switching Services may obtain a copy of this RFP and supplemental information at Port Freeport's website www.portfreeport.com.

In order to be considered, five (5) copies of a proposal for Port Terminal Rail Switcher must be received by the Port Freeport no later than 4:00 p.m. June 26, 2023, addressed to:

Port Freeport
Phyllis Saathoff
Executive Director/CEO
1100 Cherry St.
Freeport, TX 77541
USA

Port Freeport requests that proposals also be submitted electronically as an attachment to marketing@portfreeport.com. Proposals shall not be faxed to Port Freeport. Port Freeport reserves the right to reject any or all proposals received.

Interested Firms must not attempt to contact Staff members, Port Commissioners, or Agents of, or Advisors to, Port Freeport associated with this RFP to discuss or ask questions about the content of the request or their submission. Any questions should be submitted in writing to marketing@portfreeport.com. ***Any such contact may result in the disqualification of the Proposer.***

BY THE AUTHORITY OF THE PORT COMMISSION OF PORT FREPORT

By: _____
Phyllis Saathoff, CPA, PPM®
Executive Director/CEO

End of Section

SECTION 2 OPPORTUNITY OVERVIEW, OBJECTIVES AND REQUIREMENTS

2.01 Introduction

Port Freeport was enacted by the voters in 1925, and then was created by the legislature of the State of Texas in 1927. Port Freeport is a Navigation District and is the local sponsor for the Freeport Harbor Channel and partners with the United States Army Corps of Engineers to ensure that channel remains safe, navigable, and suitable for maritime commerce. In 2022, Port Freeport was ranked 17th largest port in the U.S. by measure of foreign waterborne tonnage. Port Freeport ranks the 6th largest port in the State of Texas by the same measure.

In 2017, Port Freeport commenced Phase 1 of the Parcel 14 Rail Development Project. The new rail terminal opened in 2019 and provided the port with three ladder tracks and about 24,000 linear feet of total track.

In 2019, Vulcan Construction Materials (“Vulcan”) constructed a 10-acre yard on Parcel 14 adjacent to the rail, for the purpose of receiving unit trains of gondolas loaded with limestone aggregate.

In 2022, Volkswagen Group of America (“VW”) announced that Port Freeport would be their new U.S. Gulf Coast Hub for future operations ([link to press release](#)).

In 2022, Port Freeport awarded a construction contract for Phase 2 of the Rail Development Project. On completion of Phase 2, Port Freeport’s rail terminal on Parcel 14 will have 7 ladder tracks averaging 5,500 linear feet each.

The existing rail traffic and the additional rail traffic to be generated from VW’s activity has provoked the need to seek a partner (“Operator”) to provide port rail terminal switching services not only for Vulcan and for VW, but for Port Freeport’s other future rail shippers on Parcel 14 as well.

2.02 Key Objectives to Port Freeport of the RFP Process

Port Freeport has several key objectives for this process as it seeks a service provider focused on safety, quality service and efficient operations:

- 1) Ensure a superior safety record, minimizing any incidents, accidents, injuries, and associated service disruptions.
- 2) Provide a customer service focus and mindset to existing and future rail shippers at Port Freeport.

- 3) Able to demonstrate strong relationships with UPRR Railroad (“UPRR”) and Port Freeport’s Rail Shippers and Beneficial Cargo Owners.
- 4) Ensuring all Port Freeport owned track on Parcel 14 will be maintained and repaired to industry standards.
- 5) Administrative adaptability to all Port Freeport processes including support of all back-office needs and connections with UPRR Railroad.

2.03 Governance

Port Freeport is a Navigation District per Texas statute, and the Navigation District is separated into 4 precincts. Port Freeport is governed by a publicly elected six-member Port Commission. The Port Commission is composed of six positions: Position 1 is at large, Positions 2 and 3 are elected from Precinct 1, and Positions 4, 5 and 6 are elected from Precincts 2, 3 and 4 respectively. Position 1 must reside in the Navigation District and the remaining Positions must reside in their respective Precincts. All Commissioners must be qualified voters of the Navigation District.

The final contract award decision will be made by the Port Freeport Commission.

2.04 Selection Committee

A selection committee comprised of Senior Port Staff and Rail Shippers will be formed to review proposals and make a recommendation to the Port Commission.

2.05 Parcel 14 Rail Description

Port Freeport’s Parcel 14 is a tract of land adjacent and parallel to State Highway 36 between FM 1495 and the Brazos River Diversion Channel. The following companies have or will have terminals on Parcel 14.

AMPORTS	20 Acres (existing)
Volkswagen Group of America	120 Acres (under construction)
Vulcan Construction Materials	10 Acres (existing)

Port Freeport opened the rail terminal on Parcel 14 in 2019. The rail terminal consists of one lead track connecting to UPRRUPRR at Cherry Street in the City of Freeport. The lead track connects to 3 ladder tracks on Parcel 14 that run parallel to State Highway 36. The lead track also connects to a bad order track after crossing State Highway 36 into Parcel 14 before connecting to the 3 ladders tracks. Please reference Diagrams A and B for more information.

2.06 Traffic and Operations Description

UPRR currently provides regular service to Port Freeport's Parcel 14 twice weekly on Thursdays and Sundays and has indicated the service will become daily to accommodate future forecasted volume. UPRR provides a drop and pull service to Port Freeport. The current regular user for the Parcel 14 rail is Vulcan.

Vulcan receives unit trains (approx. 95 cars) of gondola railcars loaded with bulk aggregate. The locomotives remain behind after UPRR has dropped the railcars on Parcel 14. Vulcan's crews will utilize UPRR's power, will break the train as necessary and discharge the gondola railcars with excavators to dump trucks which then proceed to Vulcan's yard on Parcel 14. Vulcan is able to discharge a unit train in less than 24 hours. The frequency is about 1 unit train per month and the train typically arrives and departs outside of regular service days from UPRR.

VW's preliminary volume indications are 35 loaded autoracks to arrive daily. UPRR will drop the loaded rail cars on Port Freeport's track and Volkswagen will require the autoracks to be switched into their facility. The autoracks will be unloaded and then partially or fully reloaded, then the autoracks will need to be switched from VW's facility to Port Freeport's track and be ready for the next UPRR service day.

Specific Scopes of Work for Vulcan Construction Materials and Volkswagen Group of America can be found in **Exhibit B**.

2.07 Responsibilities and Obligations of the Parties

All items in this section are broad and intended to give respondents a sense of the expected responsibilities and obligations under an operating agreement with Port Freeport. The actual requirements will be defined and agreed in a formal Master Service Agreement.

Port Freeport Responsibilities and Obligations.

- 1) **Oversight** – Port Freeport will have oversight responsibility for the agreement with the Operator including review of reports, as required, and the annual maintenance plan. Port Freeport staff will be responsible for all reporting to the Port Commission as it relates to the railroad operation.
- 2) **Growth Investment Capital** – Port Freeport will be responsible for all future investment in new track infrastructure for rail volume growth and new development.

- 3) **Commercial Development** – Port Freeport will have primary responsibility but partner with the Port Terminal Rail Switcher for commercial development with new rail shippers at the Port Freeport.
- 4) **UPRR Commercial Relationship** – Port Freeport will take an active role in the commercial relationship with the UPRR.
- 5) **Economic and Land Development** – Port Freeport will have primary responsibility for economic and land development at the Port.



Operator Responsibilities and Obligations

- 1) **Service**
 - (a) The Operator will provide switching services to all users of the Parcel 14 rail.
 - (b) The Operator will deliver and spot railcars to Port Freeport rail shippers.
 - (c) The Operator will provide additional services as Port Freeport’s Rail Shippers may require and that are customary (e.g., additional switches, stand by service, etc.).
- 2) **Track Maintenance**
 - (a) The service provider will maintain all current and future Port Freeport owned track on Parcel 14 to UPRR standards and fulfill all regulatory requirements.
 - (b) The service provider will conduct any inspections required to meet UPRR standards and to provide safe rail operations as required by Regulations. This will include inspections of the track owned by Port Freeport on Parcel 14.
 - (c) The Operator will be responsible for overseeing all maintenance and maintaining capital to ensure customary and normal quality measures are met.
 - (d) The Operator will conduct an annual maintenance review with Port Freeport staff, sharing details on all work to be completed including specific locations and unit counts (e.g., feet of rail, tons of ballast, number of ties). The plans will be agreed to and approved by both parties.
 - (e) Port Freeport and the Operator will conduct period joint inspections of the track.



- (f) The Operator will develop an annual maintenance plan outlining the expected need, plan benefit, dollars to be spent, timing and who will perform said maintenance. and share that plan with Port Freeport staff.
- (g) At the time of the agreement execution, the Operator will deposit \$100,000 into an escrow account that will be used if the Operator fails to keep up with track maintenance at any point during the agreement term.

3) **Equipment**

- (a) The Operator will supply a sufficient number of locomotives to meet the seven (7) day per week service from UPRR, but not less than two (2) minimum in order to have redundant power for Port Freeport Rail Shippers.
- (b) The Operator will supply any equipment, tools and supplies required for railroad operations and maintenance including inspections, crew transport and general management, etc.

4) **Safety and Training**

- (a) The Operator is responsible for an incident and accident-free service operating environment.
- (b) The Operator is responsible for adherence to all governing safety rules and regulations that pertain to rail operations.
- (c) The Operator is responsible for all training of their employees.
- (d) The Operator is responsible for all derailment clean up and any associated costs on property where the Operator was responsible for such derailment.

5) **Additional Obligations**

- (a) Management
 - 1. The Operator will provide sufficient, trained on-site personnel to manage all aspects of railroad operations and maintenance and quickly remedy any issues that arise.
 - 2. The Operator will have sufficient, knowledgeable personnel to manage all required back-office reporting of data to the Rail Shippers, UPRR, and Port Freeport along with the necessary IT resources.

(b) Reporting

1. The Operator will be responsible for all required data reporting to the UPRR, Port Freeport's Rail Shippers, the rail industry, regulatory bodies, and Port Freeport.
2. The Operator will be responsible for all applicable on-going reporting to any federal or state agencies and shall bear full fiscal responsibility for any fines or late fees.
3. The Operator will provide daily, monthly, quarterly and annual reports to Port Freeport as needed.

B. Regulatory

1. If necessary, the service provider will file with the Surface Transportation Board to receive common carrier operating authority for the short line railroad operations unless it already has such authority, in which case it will provide Port Freeport proof of the authority in its Proposal.
2. The service provider will be responsible for any additional federal filings or registrations and all associated costs.

C. Relationships

1. The service provider will be responsible for operational relationships with all Port Freeport railroad shippers and the UPRR Railroad.
2. The service provider will support commercial relationships with the Port Freeport railroad shippers and the UPRR Railroad.
3. The service provider shall have sufficient marketing or commercial resources to address customer service, extra services and/or assist in operating issues that may arise between Port Freeport Rail Shippers and UPRR.

D. Insurance – Operator shall satisfy the insurance requirements set forth in Exhibit D.

E. Costs – The operator will be responsible for all additional costs associated with the rail operations including utilities and taxes.

2.08 Agreement Term

The term of the contract shall be a minimum base term of three (3) years from the contract commencement date. Upon the satisfactory completion of the initial term, Port Freeport will also provide two (2) additional 1-year extensions to the initial term. Both extensions will be to Port Freeport's sole and absolute discretion.

End of Section

**SECTION 3
TIMELINE FOR AWARDING CONTRACT**

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- May 12, 2023 at 4:00
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- Short List of Operators Selected
- Draft Master Service Agreement Delivered
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- Operating Partner Selected
- Contract Negotiation
- Contract Presented to Port Commission for Approval
- New Operating Contract Commencement

End of Section

SECTION 4 INSTRUCTIONS TO PROPOSERS

4.01 Examination of RFP Documents

By submitting a response, the Proposer represents that the Proposer has examined the RFP and any applicable Addenda, and that the Proposer has become familiar with the work required, and that the responding Proposer is capable of performing quality work to successfully achieve the objectives of the Port Freeport.

4.02 Questions, and/or Inquiries and Port Freeport Contact Restrictions

Questions and/or inquiries regarding this RFP shall be submitted to marketing@portFreeport.com and will be responded to from the same email account. Port Freeport's responses to all questions/inquiries shall be available to all registered Proposers and shall be distributed to all registered Proposers as questions/inquiries are responded to. Proposers may only rely upon written information provided by Port Freeport to questions or inquiries. Proposers may not rely upon, nor is the Port Freeport responsible for, any oral information or instructions provided in reference to the RFP.

Proposers must not attempt to contact Port Freeport commissioners, staff members, rail shippers, agents of, or advisors to Port Freeport associated with this RFP to discuss or ask questions about the contents of the request or their submission. Any questions should be submitted in writing to marketing@portfreeport.com only. Any such contact may result in the disqualification of the Proposer. To the extent that a Proposer relies upon information obtained from third parties and/or outside of the formal process described above, they do so at their own risk.

4.03 Addenda

If any inquiries or questions, in the opinion of the Port Freeport, warrant a modification to this RFP, a written addendum will be prepared and posted as described below and may not result in a direct response to an inquiry or question. Any written addendum issued pertaining to this RFP shall be incorporated into the terms and conditions of any resulting Contract.

In addition, the Port Freeport may make changes, additions, or deletions to the requirements in this RFP prior the submittal date. Any modification will be made by written addendum. Each addendum to this RFP will be shared with any registered proposers to the email address requested by the proposer in the proposer's submitted Letter of Intent to Propose.

Port Freeport will not be bound to any modification or deviations from the requirements set forth in this RFP as the result of oral instructions. Proposers submitting a Proposal shall acknowledge receipt of addenda in their submittal. Failure to acknowledge receipt of all addenda may cause a Proposal to be deemed non-responsive. Proposers will be solely responsible for ensuring that all addenda have been received, acknowledged, and incorporated into the submitted Proposal.

4.04 Submission of Proposals

- A. Date and Time.** Proposal shall be submitted on or before 4:00 p.m. CST on June 26, 2023. Proposals received after the above-specified date and time will be returned to Proposer unopened.
- B. Address.** Proposals shall be delivered in person or by courier service and Proposer shall submit six (6) printed copies of the Proposal in a sealed package, bearing the Proposer’s name and address and clearly marked as follows:

“PROPOSAL FOR PORT RAIL TERMINAL SWITCHING OPERATOR”

addressed to Port Freeport’s Executive Director and CEO at the following address:

Port Freeport
Attn: Phyllis Saathoff, Executive Director and CEO, 1100 Cherry St.,
Freeport, TX 77541

Failing to submit printed copies will result in disqualification.

- C. Submittal Quantity and Identification of Proposals.** Port Freeport request Proposers to upload a single electronic file of the complete Proposal package to marketing@portfreeport.com in advance of the submittal deadline. The electronic file should not be password protected unless information is included providing information to access the file. The electronic copy should clearly identify the Proposer in the file name as follows:

“COMPANY NAME – PROPOSAL FOR PORT RAIL TERMINAL SWITCHER.pdf”

It is the Proposer’s sole responsibility to ensure that the Proposal is delivered in the manner addressed in this RFP by the due date and time. Port Freeport has the right to reject any Proposals not properly delivered and will not be responsible for any electronic files submitted that do not transmit or experience issues when accessed or downloaded.

Failing to submit an electronic copy will not result in disqualification.

D. Instructions to Submit Proposal Electronically. Electronic Proposal submission shall be a single file in “pdf” format.

E. Acceptance of Proposal

1. Port Freeport reserves the right to accept or reject any or all proposals, waive any informalities or irregularities in the proposals, request additional information or revisions to the proposals, and to negotiate with any or all Proposers.
2. Port Freeport reserves the right to withdraw this RFP at any time without prior notice and the Port Freeport makes no representations that any contract will be awarded to any Proposer responding to this RFP.
3. Port Freeport reserves the right to alter the process schedule at any time.
4. Port Freeport reserves the right to issue a new RFP for any or all services listed herein.
5. Proposals submitted are not to be copyrighted.
6. Port Freeport reserves the right to require confirmation of information furnished by any Proposer and/or request any Proposer to provide additional evidence of qualifications to successfully perform the work.

4.05 Confidential Status and Disclosure of Proposal Contents

As a political subdivision of the State of Texas, Port Freeport is subject to the Texas Public Information Act (“the Act”), Chapter 552 of the Texas Government Code, and has no authority to enter into a confidentiality agreement in contravention of the Act in response to any public information requests under the Act that are submitted during the RFP process. Port Freeport shall deem and argue to the State Attorney General that all Proposals submitted in response to the RFP are confidential under the Act; however, once the RFP process has concluded, this exception will no longer apply.

Proposers should be aware that the Texas Attorney General may determine that full or partial disclosure is required for information deemed to be confidential or proprietary by a Proposer. It is the sole obligation of the Proposer to advocate for the confidential or proprietary nature of any information provided in or along with its Proposal. Port Freeport shall not advocate for the confidentiality of the Proposers’ information to the Texas Attorney General or to any other person or entity. Port Freeport shall, pursuant to the Act, make a good faith effort to notify the Proposer, upon receipt of any public information request involving a submitted Proposal after the conclusion of the RFP process.


For any such request, the Proposer will be responsible for submitting written justification to the State Attorney General detailing why particular information should be withheld, such as the exception applicable to certain commercial information. In order to ensure its ability to claim exemption from the release of information contained in a submitted Proposal, the Proposer should clearly designate within its Proposal and accompanying materials any information that it believes to be exempt from disclosure and provide legal justification for each instance. Information that is considered should be easily separable from the remainder of the RFP. Marking the whole Proposal “Confidential” is not acceptable.

By submitting a Proposal, the Proposer acknowledges its understanding and agreement that Port Freeport shall have no liability to the Proposer or any other person or entity for any disclosure of information made in accordance with the Act.

Further, publicity or news releases pertaining to the RFP, responses to this RFP, or discussions of any kind related to the RFP, or response documents may not be released without prior written approval of Port Freeport. This section applies regardless of whether or not a contract is awarded as a result of this RFP.

4.06 Pre-Contractual Expenses

Port Freeport shall not, in any event, be liable for any pre-contractual expense incurred by Proposer in the preparation of the proposal. Pre-contractual expenses are defined as expenses incurred by Proposer in:

- A. Preparing its proposal in response to this RFP
-  B. Submitting its proposal to Port Freeport
- C. Negotiating with Port Freeport on any matter related to its proposal
- D. Any other expenses incurred by Proposer prior to date of award of an agreement resulting from this RFP.

4.07 Conflict of Interest

The Proposer is required to complete the Conflict-of-Interest Form attached as Exhibit C and submit it within the Proposal (on Proposer’s Letterhead).

4.08 Texas Ethics Commission Rules

The successful Proposer will be required to comply with the provisions of Section 2252.908 of the Texas Government Code and Chapter 46 of the Texas Ethics Commission Rules by preparing and submitting Texas Form 1295, “Certificate of Interested Parties” and submitting the signed form to Port Freeport at the time the contract is executed for any agreement that requires Approval of the Port Commission. The successful Proposer will be required to submit the Texas Form 1295 using Port Freeport provided project number and description in Box 3 on the form.

Information on Form 1295 and associated code and rules can be found at: <https://www.ethics.state.tx.us>

4.09 Agreement

It is anticipated that the Agreements resulting from this solicitation, if awarded, will be a Master Services Agreement between Port Freeport and the selected Proposer and a Joint Use Track Agreement between Port Freeport, the Union Pacific Railroad and the selected Proposer.

The entire RFP document, technical specifications, exhibits, addenda (if any), Operator proposal and response document(s), and the executed agreement between Port Freeport and Operator shall constitute the entire contract and agreement. All work shall be performed in accordance with these documents for the duration of the Contract.

End of Section



SECTION 5 PROPOSAL CONTENT

5.01 Proposal Content Submittals

Respondents are asked to furnish the Port Freeport with six (6) bound copies of its proposal along with an uploaded electronic version of said proposal and all addenda.

Proposals shall be typed and submitted on 8 ½ inch by 11-inch size paper, using a single method of fastening. Elaborate promotional material is not requested and should not be included. Lengthy narrative is discouraged, and proposals should be brief, clear and concise. **Submittals shall be limited to 35 total pages, excluding resumes, exhibits, appendices and copies of existing documents or forms.**

To expedite proposal evaluation and to assure that each proposal receives the same orderly review, all proposals must follow the format described in this section. Proposals shall include a Table of Contents and all sections and pages appropriately numbered. Proposals shall contain all elements of information requested without exception. Instructions regarding the required scope and content of the proposal are given in this section. Port Freeport reserves the right to include any part of the selected proposal response in the final contract.

Within the Proposal, please include the following information that is preceded by a Table of Contents which specifies page numbers:

- A. Letter of Transmittal.** A Letter of Transmittal shall be addressed to Phyllis Saathoff, Executive Director and CEO, and must, at a minimum, contain the following information:
1. Identification of Proposer who will have contractual responsibility with the Port Freeport. Identification shall include the legal name of company, its corporate address, its telephone number and the email address of the Proposer's contact person;
 2. Proposed working relationship between Proposer and any subcontractor(s), if applicable;
 3. Acknowledgment of receipt of all addenda, if any;
 4. A statement to the effect that the proposal shall remain valid for a period of not less than 180 days from the date of submittal;
 5. Signature of the official authorized to bind Proposer to the terms of the proposal;

6. Signed statement attesting that all information submitted with the proposal is true and correct.
7. Letter of Transmittal shall not exceed two (2) pages in length.

B. Introduction and Executive Summary. An Executive Summary should be prepared describing the major facts or features of the proposal, the attributes of the Proposal that set it apart from all others and any conclusions, assumptions, and generalized recommendations the Proposer desires to make. Proposers are requested to make every effort to limit the length of the Executive Summary to a maximum of two (2) pages.

C. Company Profile. Provide the information listed below relative to the Proposer's firm. If the Proposer chooses to subcontract some of the proposed work to another firm(s), similar information must be provided for each subcontractor. Proposers are requested to limit the length of each Company Profile to one (1) page per firm.

1. Name of firm and business address, including telephone number(s).
2. Year established (include former firm names and year established, if applicable).
3. Type of ownership and parent company, if any.
4. Entity that will run the operation and where that fits within the overall corporate structure, if applicable.
5. Proposal Manager's name, address, telephone, e-mail, if different from firm listed in (1).

D. Description of Proposer. This section of the Proposal shall establish the operating "bona fides" of the Proposer to perform the services required by citing experience in performing work of a similar nature; proven competence in the services to be provided; strength and stability of the firm; staffing capability; proven success record of providing similar services on other projects and supportive client references.

1. Proposers are requested to address the following specifically and succinctly:

- a. Safety record and philosophy including any quantified statistics, accolades or awards received
- b. Description of existing current or past operations and their size and scale

- c. Description of the Proposer's financial wherewithal and backing, and demonstration of ability to withstand challenges.
- d. Experience working with Class I operating and commercial departments.
- e. Management team's experience including the team who would manage Port Freeport Rail Terminal Switching operation on site. Please attach references of the key managers.
- f. Description of the entity that will run the Port Freeport Rail Terminal Switching operation and where that entity fits within the overall corporate structure.
- g. References from customers, shippers and Class Is showing evidence of partnership.

E. Proposers Plan for Port Freeport Rail Terminal Switching Operations. This section of the Proposal should describe how the Proposer will operate, maintain, provide equipment, and staff the rail terminal.

1. Proposers are requested to address the following specifically and succinctly:

- a. Describe the safety and training plan for the rail terminal, who will have responsibility for execution of that plan and what resources will be used. This should include fulfillment of regulatory requirements.
- b. Describe the operating and service plan for the rail terminal.
- c. Describe the Proposer's long-term track maintenance plan including the expected units to be installed/replaced on a year-by-year basis (ties, ballast, rail, etc.), who will perform the track work (self-perform or utilizing contractors), what track equipment the Proposer expects to have on site.
- d. Describe the plan for locomotives including whether they will be leased or owned, how many and what type the Proposer plans to have, how and where they will be maintained and by whom. Please also describe how the Proposer will support service to Port Freeport in the event of breakdowns.
- e. Describe who will run the operation at Port Freeport, how it will be staffed, both management and labor and include an organization chart. Describe how the Proposer will retain employees. Please clearly indicate the employee in charge, on-site management (by name where known) and any supporting staff and whether they will be on site or off.

- f. Describe how the Proposer will manage through unexpected situations such as sudden management or labor shortages, catastrophic equipment failures or other unforeseen but operationally impactful events.
- g. Describe the Proposer's experience with operations transitions giving examples of large operations the Proposer has taken over, how the Proposer managed through the process and how hiring was done.

F. Proposers Switch and Maintenance Fee.

1. Proposers are requested to address the following specifically and succinctly:

- a. Switch Fee per Autorack.
- b. Switch Fee per gondola car.
- c. Track Maintenance Fee per railcar.
- d. Fee per ancillary service(s) as described in the Exhibit B

H. Conflicts. Port Freeport is interested in understanding any potential conflicts of interest if the Proposer is awarded the opportunity to operate the short line railroad at Port Freeport.

1. Proposers are required to respond to the following:

- a. Describe whether the Proposer has any other operations, leases or ownership at other Gulf of Mexico ports.
- b. Describe how any of these could be perceived as a conflict in any way.
- c. Describe how will a conflict or the appearance of a conflict be handled if either were to arise.

I. Appendices. Information considered by the Proposer to be pertinent to this RFP and which has not been specifically solicited in any of the foregoing sections may be placed in a separate appendix section. Proposers are cautioned, however, that this does not constitute an invitation to submit large amounts of extraneous materials. Appendices must be relevant and brief.

J. Exceptions and Deviations. State any exceptions or deviations from the requirements of this RFP. Where the Proposer wishes to propose alternative approaches to meeting the Port

Freeport's requirements, these shall be thoroughly explained. Proposer should identify any exceptions to the Marine Terminal Services Agreement.

End of Section

SECTION 6 EVALUATION AND AWARD

6.01 Evaluation Criteria

Proposals shall be evaluated by the Port Freeport’s evaluation team and shall be based upon the responses in Section 5 and weighted as listed in this section. Although some of the criteria may be given more weight than others, each Proposer is expected to provide Port Freeport with a comprehensive proposal that allows Port Freeport to do a complete evaluation against the criteria.

- A. Description of the Proposer (Weight: 30)** – Responses by the Proposer to Section 5.01D.
- B. Proposers Plan for Port Freeport Rail Terminal Operations (Weight: 30)** – Responses by the Proposer to Section 5.01E.
- C. Rail Shipper Switch Fee (Weight: 40)** – Responses by the Proposer to Section 5.01F.

6.02 Evaluation Procedure

An Evaluation Committee will be appointed by the Port Commission to review all proposals. The Evaluation Committee will be comprised Port Freeport Staff and advised by Port Freeport’s Rail Shippers. The Evaluation Committee members will review and evaluate the proposals based on the evaluation criteria outlined herein. The Evaluation Committee will recommend to the Port Commission the Proposer whose proposal is most advantageous to the Port Freeport and its Rail Shippers.

6.03 Interviews and Short Listing

Port Freeport reserves the right to conduct interviews or to proceed with the evaluation process without conducting interviews. The purpose of interviews, if conducted, would be to allow Proposers the opportunity to clarify and expand upon aspects of their proposal. Interviews also present an opportunity to evaluate key personnel and discuss and clarify written proposals. Proposer(s) (either all or a short list) may be subsequently re-interviewed for final evaluation.

Port Freeport reserves the right to interview only a short list of Proposers or to short list proposals without conducting interviews. If Port Freeport elects to establish a short list among the proposers, Port Freeport reserves the right for the Evaluation Committee to determine the number of short-listed proposers during the evaluation process.

Proposers who submit a proposal in response to this RFP shall be notified (by email) of the selection for shortlist and invitation (if any) to interview with Port Freeport Evaluation Committee.

6.04 Selection and Negotiation

Port Freeport may negotiate contract terms with the highest ranked Proposer prior to award, and expressly reserves the right to negotiate with several Proposers simultaneously. However, since the selection and award may be made without discussion or interview with any Proposer, the proposal submitted should contain the Proposer's most favorable terms and conditions.

6.05 Notification of Award

Proposers who submit a proposal in response to this RFP shall be notified by email regarding the Firm who was awarded the contract. Such notification shall be made within seven (7) days of the date of the contract award.

End of Section

EXHIBIT A
LETTER OF INTENT TO PROPOSE

Port Freeport
Phyllis Saathoff
Executive Director & CEO
1100 Cherry St.
Freeport, TX 77541
USA

Reference: **RFP NO. 23-P14-PTRS**

This is to notify you that it is our present intent to {submit /*not submit} information in response to the above referenced RFP. The Individual to whom all information regarding this RFP should be transmitted is:

Name: _____

Address: _____

City, State, & Zip: _____

Phone Number: _____ Fax Number: _____

Email address: _____

***If declining to bid, please state reason(s) why:**

Sincerely,

Name (Signature)

Typed Name

Company Name

Phone

Email

**EXHIBIT B
SCOPE OF WORK**

Volkswagen Group of America

A. Description of Deliverables

1. To provide safe and reliable switching of empty/loaded auto-rack railcars into & out of VWGoA's terminal at Port Freeport
2. Operationally focused with constant and consistent trained/approved labor, safety toolbox meetings, ability to evolve with multiple operations and stakeholders (internally and externally)
3. Well thought-out and effective communications on plans of action, reviews and issues with all stakeholders (internally and externally) will be paramount for the success of all parties involved.

B. Required Timeline and Expectations:

1. The terminal will consist of 3 x Spurs that will allow for 15 railcars per spur (45 x railcars total)
 - a. All things being equal, the terminal will unload ~ 30 // load ~ 20 railcars per day (typically 5 days a week)
2. High percentage of railcars coming in will be loaded, which leads to the ability to unload and load freight to ship outbound
3. Hours of operation will be predicated on the job type, some jobs will be in tandem with terminal hours (0630 – 1445) and the majority of the others will be off hours (1500 – 0600)
 - a. Pull and spot may be possible during normal operational hours as well, but is subject to review and restrictions

C. Operational expectations for the Operator would be:

1. External to Terminal

- a. Report any issues with safety, railcars or terminal directly to terminal management team
- b. Coordinating inbound and outbound railcars with Class I railroad
- c. Completing safety/security check on all railcars to ensure they are in good working order (and communicating severity of bad orders)

- d. Checking direction vehicles are facing inbound (via seals and opening doors) to ensure all railcars are spotted in terminal the same direction
- e. Identifying and safely removing/disposing of any wiring on railcar doors
- f. Working with VWGoA contracted 3rd party inspector to identify damages/overspray on storage tracks (to help limit issues before railcars are spotted on the terminal)
- g. Examining inbound rail equipment to ensure railcars properly functioning and flagging bad order railcars (to ensure these are not loaded out by the terminal)

2. **Internal to Terminal**

- a. Report any issues with safety, railcars or terminal directly to terminal management team
- b. Ensure no personnel are working on tracks before pull and spot (signage will be on tracks)
- c. Ensure the requested railcars are spotted on the tracks (will come via a daily report)
- d. Correct spacing between railcars (and placement of some deck plates)
- e. Work with stakeholders onsite chock bins (damaged or in need of repair, as well as good order fixable?)

D. Collateral Services Required (e.g., performance reporting, post-project operational support, etc.):

- 1. Dependable equipment and properly trained/certified personnel (meeting all Federal, State, Local and AAR requirements)
- 2. Access to a computer/office to effectively communicate with stakeholders (office space is a possibility VWGoA Terminal)
- 3. Printed AAR manual available (stored at VWGoA) onsite and AAR accreditation (if necessary)
- 4. Tracking and reporting statistics for: pulls/spots, available time studies for all operational needs, safety issues/concerns, and any KPI's to be established by Port Freeport and/or VWGoA
- 5. Frequently updated personnel and points of contact log

- a. Personnel accessing the terminal will need to coordinate and keep names on file with processor security team
6. Visible good housekeeping practices on external and internal tracks, as well as in equipment and on personnel

E. Additional Information and/or Parameters:

1. Identify Stakeholders: Class I railroad, Port Freeport, Port Security, VWGoA (corporate office and at terminal)
2. Set up bi-weekly meetings to review issues, concerns and pass along information

Vulcan Construction Materials

A. Description of Deliverables

1. Freeport Rail Set Up and Offload
2. Trains are released from the quarry and notifications are sent to all parties.
3. Once an ETA is established the ON CALL Rail Supervisor will send updates out on the train's arrival.
4. Upon arrival the train is pulled into the yard and parked, and crews are dispatched.
5. A typical offload consists of 95-120 rail cars and will have 3 excavator operators dispatched to unload.
6. Before operators arrive, Vulcan yard crews will split the train in equal parts of 1/3 at the crossings.
7. Excavator operators will install ramps at each crossing and board the train for offload.
8. Trucks are assigned to each operator and these truck transport the material to the yard and stockpile it.
9. Once completed the train is released to UPRR, UPRR's crew will come pick the train up and depart.

EXHIBIT C
CONFLICT ON INTEREST STATEMENT

_____ (Proposing Entity) acknowledges that the Port is a governmental authority and, as such, the Port is firmly committed to making any business decisions based solely on evaluation of offers that the Port believes will provide the Port the best value and greatest return. Basic business integrity dictates that the Port's business decisions be objective, be in the best interest of the Port, and be in no way connected to or influenced by any other relationship. The undersigned, as a duly authorized representative of the Proposing Entity represents, warrants and certifies on behalf of the Proposing Entity that (a) Proposing Entity has not directly or indirectly paid, offered, promised to pay, contributed, or promised to contribute any money or any other thing of value or benefit (including employment, contracts or subcontracts relating to Proposing Entity's business) to any Commissioner, official or employee of the Port, (b) no Commissioner, official or employee of the Port has (directly or indirectly) solicited any such payment or contribution, and (c) Proposing Entity does not have any Relationship (as that term is hereinafter defined) with any Commissioner, official or employee of the Port. For the purposes of this Contract, a Relationship is defined as (1) a Commissioner, official or employee of the Port or an affiliate of a Commissioner, official or employee of the Port owns ten percent (10%) of the ownership of the Proposing Entity or ownership in the Proposing Entity with a fair market value of \$15,000 or more; or (2) a Commissioner, official or employee of the Port or an affiliate of a Commissioner, official or employee of the Port has an employment or other business relationship with the Proposing Entity that results in taxable income or receipt of something of value by a Commissioner, official or employee of the Port or an affiliate of a Commissioner, official or employee of the Port; or (3) a Commissioner, official or employee of the Port or an affiliate of a Commissioner, official or employee of the Port receives one or more gifts from the Proposing Entity that have a total value of more than \$250 in one 12-month period. An "affiliate" of a person is (1) a family member of the person, related within the first degree by consanguinity or affinity, as defined by Subchapter B, Chapter 573 of the Texas Government Code, or (2) an entity owned in whole or in part by the person or by a family member of the person related within the first degree by consanguinity or affinity. The representations, warranties and certifications made in this statement are ongoing and will remain in effect for the term of this Contract. If any of the representations, warranties or certifications made by Proposing Entity herein cease to be correct during the term of this Contract, and in any event prior to making any payment or contribution to or forming a Relationship with a Commissioner, official or employee of the Port, Proposing Entity will notify the Port by filing a written statement with the Secretary of the Port Commission through the office of the Executive Port Director. Proposing Entity will be in default under the terms of this Contract if (i) any of the representations, warranties or certifications made herein are false or misleading in any material respect as of the effective date, (ii) Proposing Entity fails to disclose any matter required to be disclosed hereunder, or (iii) Proposing Entity makes a payment or contribution to a Commissioner, official or employee of the Port without first disclosing the nature of the payment to be made as provided herein.

(cont'd)

Authorized Representative Signature

Printed Name

Date

**EXHIBIT D
INSURANCE REQUIREMENTS**