Notice of Meeting of the Port Commission of the Port of Corpus Christi Authority of Nueces County, Texas, on Tuesday, May 15, 2018, at 8:00 AM At the Solomon P. Ortiz International Center 402 North Harbor Drive, Corpus Christi, Texas

The Agenda for this meeting of the Port Commission ("Commission") of the Port of Corpus Christi Authority ("PCCA") is set forth below.

Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services are requested to contact Sherry DuBois at 885-6174 at least 48 hours in advance so that appropriate arrangements can be made.

Si usted se dirige a la junta y cree que su inglés es limitado, habrá un intéprete inglés español en la reunión de la junta para ayudarle.

Members of the audience will be provided an opportunity to address the Port Commission. Please speak into the microphone located at the podium and state your name and address. Your presentation will be limited to three minutes.

PUBLIC NOTICE is given that the Commission may go into executive session at any time during the meeting to discuss matters listed on the agenda when authorized to do so by the provisions of Section 418.183 or Chapter 551 of the Texas Government Code. In the event the Commission elects to go into executive session regarding any agenda item, the presiding officer will publicly announce the section or sections of the Texas Government Code authorizing the executive session.

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1. **Call to Order**
2. **Safety Briefing**
3. **Pledge of Allegiance**
4. **Invocation**
5. **Receive Conflict of Interest Affidavits**
6. **Minutes**

6.a. Approve minutes of the April 17, 2018 Port Commission meeting.
April 17, 2018 Minutes

7. Public Comment (Each speaker is limited to 3 minutes.)

8. Committee Reports

8.a. Receive report from the Audit Committee.

8.b. Receive report from Capital Finance Committee.

8.c. Receive report from Long-Range Planning Committee.

8.d. Receive report from Office Building Committee.

8.e. Receive report from Security Committee.

9. Presentations

9.a. Receive update from the Corpus Christi Regional Economic Development Corporation.
CCREDC Update

9.b. Receive presentation from the Air Quality Committee.

9.c. Receive presentation from South Texas Military Facilities Task Force.

10. Open Agenda

10.a. Approve a Master Services Agreement and Service Order No. 1 in the Amount of $92,000 with HDR Engineering, Inc., for Engineering Services Associated with New Oil Dock 22.

HDR MSA OD22 - 1-Memo.docx
HDR MSA OD22 - 2-Exhibit.pdf
HDR MSA OD22 - 3-MSA.pdf
HDR MSA OD22 - 4-SO rev.PDF

10.b. Approve Master Services Agreement No. 18-06 and Service Order No. 1 in the Amount of $283,000 with Wood Environment & Infrastructure Solutions, Inc., for Planning and Engineering Services Associated with Harbor Island.

MSA - Wood FINAL 5.8.18.pdf
WOOD - Service Order
Wood - Memo
Harbor Island County Lines.pdf

10.c. Approve a Master Services Agreement and Service Order No. 1 in the Amount of $724,000 with Terracon Consultants, Inc., for Geotechnical Investigation Services for the Corpus Christi Ship Channel Associated with the Corpus Christi Ship Channel - Channel Improvement Project.
Terracon MSA - 1-Memo.docx
Terracon MSA - 2-Exhibit.pdf
Terracon MSA - 3-MSA.pdf
Terracon MSA - 4-SO.pdf

10.d. Approve a Master Services Agreement and Service Order No. 1 in the Amount of $1,488,515 with Rock Engineering and Testing Laboratory, Inc., for Geotechnical Investigation Services for the Beneficial Use and Dredged Material Placement Area Sites Associated with the Corpus Christi Ship Channel - Channel Improvement Project.
Rock MSA - 1-Memo.docx
Rock MSA - 2-Exhibit.pdf
Rock MSA - 3-MSA.pdf
Rock MSA - 4-SO.pdf

10.e. Award a Design-Build Contract to Orion Construction LP in an Amount Up to $19,000,000, providing the Best Value Based Proposal based on Proposals Received on April 27, 2018 for Design and Construction of the New North Bank Cargo Dock (Cargo Dock 16) Project.
Orion DB - 1-Memo.docx
Orion DB - 2-Exhibit.pdf

10.f. Approve 2017 Comprehensive Annual Financial Report.
2017_CAFR-Draft.pdf

10.g. Approve 1st Quarter Investment Report.
InvestmentReport_03-31-18_-Condensed.pdf

10.h. Approve entities to serve as members of the Underwriting Syndicate in connection with the issuance of obligations under PCCA's Revenue financing system, including the designation of the Senior Managing Underwriter.

10.i. Approve an engagement letter with The Rangel Law Firm, P.C. to represent PCCA in the matter of PCCA v. The Port of Corpus Christi, LP.

11. Consent Agenda - *The Port Commissioners have been furnished with supporting documentation and staff's recommendation for each of the following items. All Consent Agenda items will be approved, in accordance with the respective staff recommendations, by one vote without being discussed separately unless a Port Commissioner requests otherwise.*

11.a. Approve the Third Amendment of Lease Agreement with voestalpine Texas Holding, LLC to Change the Termination Date and Restoration Obligations Pertaining to Corpus Christi Liquefaction, LLC 110-Acre Laydown Site Located in San Patricio County, Texas.

voestalpine Amendment CCL Laydown - CM.docx
voestalpine Amendment CCL Laydown - Memo Exhibit.pdf
voestalpine_Third Amendment of Lease.pdf

11.b. Approve a Second Amendment of Lease Agreement with Corpus Christi Liquefaction, LLC to Extend the Term of the 110-Acre Laydown Construction Lease located at La Quinta Terminal to December 31, 2024.
CCL 110-Acre Laydown Lease -CM.docx
Corpus Christi Liquefaction-Memo Exhibit.pdf
Cheniere_Second Amendment of Lease _110 Acres.pdf

11.c. Award a Construction Contract in the Amount of $69,167.00 to Russell Marine LLC, the Lowest and Best Bidder Based on Bids Received May 8, 2018, for the Cargo Dock 15 Fender Replacement Project.
CD15 Fender - 1-Memo.docx
CD15 Fender - 2-Exhibit.pdf
CD15 Fender - 3-Bid Tab.pdf

11.d. Approve Amendment to Professional Engineering Services Contract for Additional Services with W&M Environmental Group, LLC. in an Amount Not to Exceed $15,000 for Additional Services.
AMENDMENT W&M COM MEMO MAY 15.docx
WM Amendment 1 executed 05.07.18.pdf

11.e. Approve the Purchase of 2018 Backhoe Loader in the amount of $75,064 from Doggett Heavy Machinery Using Government Pricing From the State of Texas Buy Board Cooperative Program
Comm Memo - 2018 Equipment (Backhoe Loader).docx

11.f. Approval of Texas Commission on Environmental Quality Air Permit

Amendment Application Fee in the Amount of $75,000 for the Bulk Terminal.

TCEQ Air Permit Amendment Fee Memo.docx

11.g. Approve Amendment No. 1 to Consulting Services Contract for Additional Services with Professional Services Industries, Inc.
Comm Memo PSI 051518
Amendment_No._1.pdf

11.h. Approve Consulting Services Agreement with Starcrest Consulting Group, LLC in an amount of $127,000 for development of a 2017 Port emissions inventory update.
Starcrest Emissions Inventory - Memo
Starcrest - Agreement

11.i. Approve an Increase in Contingency in the amount of $200,000 and a Change Order with J.M. Davidson, Ltd in the Amount of $145,881.68 associated with the Construction of the Bulk Liquid Handling Facilities at Bulk Terminal Dock 3.
BD3 CO - 1-Memo.docx
BD3 CO - 2-CO.pdf

11.j. Approve a Utility Easement with AccuTRANS Fleeting Services, LLC for an 8-inch Waterline to AccuTRANS Fleeting Services, LLC Leased Premises Located to the North Side of Avery Point Turning Basin, Nueces County, Texas.
Accutrans Waterline - CM.docx
Accutrans Waterline - Memo Exhibit.pdf
Accutrans Waterline - Utility Easement.pdf

11.k. Approve Freight Handler License for Pe Ben USA, Inc.
Commissioners Memo - Freight Handlers License Pe Ben USA.docx
Pe Ben USA Inc. - May 9 2018.pdf

11.l. Approve a Temporary Access Easement for a Dredge Pipeline to the Tule Lake Dredge Material Placement Area in connection with the Tule Lake Lift Bridge Foundation Removal Project
Citgo Temp Access Easement - CM.docx
Citgo Temp Access Easement - Memo Exhibit.pptx
Citgo Temp Access Easement - Agreement.pdf

12. Executive Director, Chief Executive Officer and Commissioners' Comments

12.a. Receive Executive Director and Chief Executive Officer's Reports on upcoming community events, PCCA events and the activities of the following PCCA departments during the preceding month: business development,

communications, community relations, engineering services, environmental management, government affairs, operations, security, and finance.

12.b. Receive Commission comments on any of the agenda items for the meeting, the Port's activities during the preceding month, upcoming PCCA events, and suggestions for future agenda items.

13. Recess Open Meeting and Convene Executive Session - *The Port Commissioners will deliberate the purchase, exchange, lease or value of real property in executive session only if deliberation in an open meeting would have a detrimental effect on PCCA's position in negotiations with a third person.*

13.a. The Commission will go into executive session pursuant to 551.072 of the Texas Government Code to deliberate purchasing four separate tracts of land in San Patricio County from four different sellers.

13.b. The Commission will go into executive session pursuant to 551.072 of the Texas Government Code to receive legal advice from its counsel in connection with PCCA v. The Port of Corpus Christi. LP.

13.c. The Commission will go into Executive Session pursuant to 551.087 of the Texas Government Code to deliberate offering financial or other incentives to certain business prospects that PCCA is encouraging to locate or expand in PCCA's territory and with which PCCA is conducting economic development negotiations.

14. Reconvene in Open Session

14.a. Approve a Master Services Agreement and Service Order No. 1 with AECOM Technical Services, Inc. for a feasibility study for a 75-foot Deepening Project for the Corpus Christi Ship Channel.
AECOM-MSA.docx

15. Adjourn

OFFICIAL MINUTES OF PORT COMMISSION MEETING
APRIL 17, 2018

The Port Commissioners of the Port of Corpus Christi Authority convened at the Solomon P. Ortiz International Center, 402 Harbor Drive, Corpus Christi, Texas, on Tuesday, April 17, 2018 at 8:30 a.m., for the regular monthly meeting of the Port Commission.

Present:
Mr. Charles Zahn
Mr. Wayne Squires
Ms. Barbara Canales
Mr. David P. Engel
Mr. Richard Valls
Mr. Richard L. Bowers
Mr. Wes Hoskins

Present:
Mr. John P. LaRue
Mr. Sean Strawbridge
Mr. Dennis DeVries
Mr. Jarl Pedersen
Mr. Kent Britton
Mr. Darrin Aldrich
Ms. Patricia Cardenas
Mr. Russell Cordo
Mr. Tyler Fuhrken
Ms. Sarah Garza
Mr. David Krams
Mr. Ruben Medina
Ms. Sandra Terrell-Davis
Mr. Gilbert Acevedo
Ms. Lynn Angerstein
Mr. Eric Battersby
Mr. Bland Chamberlain
Ms. Audre Debler
Ms. Sherry DuBois
Mr. Sam Esquivel
Mr. Brett Flint
Ms. Natasha Fudge
Mr. James Haley
Mr. T.J. Gonzalez
Mr. Erin Hall
Ms. Donna James-Spruce
Mr. Dan Koesema
Ms. Sonya Lopez
Mr. Dave Michaelsen
Ms. Leslie Ruta

Mr. David Villarreal
Mr. Bennie Benavides
Ms. Jennifer Powell
Mr. Jesse Samu
Ms. Pamela Mota

Others Present: Mr. Leo J. Welder, Jr.
Mr. Dane Bruun

Others Present: Mr. Bob Paulison
Mr. Terry Arnold
Consultant
Mr. Xavier Valverde, Sr.
G&H Towing
Capt. Hahn
Cmdr. Picket
US Coast Guard
Capt. Mike Kershaw
Consultant
Mr. Roger TenNapel
Flint Hills Resources
Mr. William Goldston
ALEL
Ms. Darcy Schroeder
Valero
Mr. Tom Moore
Consultant
Mr. John Pasch
Cheniere
Ms. Michelle Morlan
Ingleside On The Bay
Mr. Kevin Miller
Mr. David Cave
CITGO
Capt. Jay Rivera
Aransas/CC Pilots
Mr. Richard Whiting
G&W
Mr. Rob Tully
ExxonMobil
Mr. Joelle Francois
AECOM
Ms. Colette Walls
GCGV
Mr. John Layton
DataVox

Mr. Robert Swize
Gulf Compress
Ms. Nancy Zuniga
Mr. Fred Dotts
MDR
Ms. Chelsea Cook
ZJZ Hospitality
Mr. Nick Cecava
FNI
Mr. Bob Schirw
Bay-Houston Towing
Mr. Sidney Faas
CH2M Hills
Mr. John Webb
Wood
Ms. Doreen Harrell
KCS/PR
Mr. Kerry Fulton
LAN
Mr. Daniel Korrs
Del Mar College
Ms. Melissa Pear
Welder Leshin
Mr. Kevin Gibson
Signet Maritime
Mr. Rick Ott
San Patricio County
Mr. Kyle McElroy
Mr. Aaron Horine
Mott MacDonald
Ms. Sue Zimmerman
Zimmermann Consulting
Mr. Ronald Berglund
Robstown Improvement District
Mr. Robert Morris
Security Title
Mr. Larry Meyers
Meyers & Associates
Mr. Gary Moore
City of Portland
Mr. Joey Williams
Coastal Dock and Survey
Ms. Catrina Wilson
United Way
Mr. Matthew Moore
PC Ben

1. Meeting called to order.

2. Safety briefing presented.

3. Pledge of Allegiance recited.

4. Invocation given.

5. Conflict of Interest Affidavits: Mr. Valls submitted affidavits for Items 10c and 10i

6. Minutes.

6a. ***Action:*** On motion made by Mr. Valls and seconded by Mr. Bowers, the Commission approved the minutes of the March 20, 2018 Commission meeting in the form presented to the meeting.

7. Public Comments: Michelle Morlan, Ingleside on the Bay resident, brought to the attention of the Port Commission problems of vessels traveling at an excessive rate of speed. Catrina Wilson and Stephanie Jordan of United Way thanked the Port for its contributions to the United Way campaign and presented the Port with the Pillar Award.

8. Committee Reports:

8a. Audit Committee Report: The Chairman of the committee reported that the committee had not met since the last regular Commission meeting.

8b. Capital Finance Committee: The Chairman of the committee reported that the committee had not met since the last regular Commission meeting

8c. Long-Range Planning Committee: The Chairman of the committee reported on the committee's activities since the last regular Commission meeting.

8d. Office Building Committee: The Chairman of the committee reported on the committee's activities since the last regular Commission meeting.

8e. Security Committee: The Chairman of the committee reported on the committee's activities since the last regular Commission meeting.

9. Presentations:

9a. The Commission received a project update from Gulf Coast Growth Ventures (GCGV).

9b. The Commission received a presentation from the City of Corpus Christi on SEA District.

9c. The Commission received an update on the Channel Improvement Project.

10. Open Session Agenda:

10a. ***Resolution of Appreciation for US Coast Guard Captain Richard A. Hahn:*** Staff recommended approval of a Resolution of Appreciation for Captain Hahn.

Action: On motion made by Mr. Valls and seconded by Mr. Engel, the following resolution was adopted:

RESOLUTION OF APPRECIATION
FOR
CAPTAIN RICHARD A. "TONY" HAHN
UNITED STATES COAST GUARD

WHEREAS, Captain Richard A. "Tony" Hahn assumed the duties of Commander, Coast Guard Sector/Air Station Corpus Christi on June 5, 2015. As Sector Commander & Captain of the Port, Captain Hahn led the coordination and execution of U.S. Coast Guard Sector Corpus Christi missions which include Search & Rescue, Maritime Security Operations, Maritime Law Enforcement, Response Operations, Defense Operations, Maritime Transportation System Management, and Maritime Prevention.

WHEREAS, as Sector Commander, Captain Hahn has been responsible for 1,031 total personnel, 6 aircraft and 14 separate commands/detachments with 17 mission response boats and 5 Coast Guard cutters. He has led the management and leadership for all Coast Guard operations throughout the Southern Texas Coast from the Colorado River to the Mexican border to include over 400 miles of waterways and three deep draft port complexes, including the Port of Corpus Christi, which is a military strategic port and the nation's fourth largest port in tonnage, as well as the 1st ranked port in the United States for crude exports. As Sector Commander Corpus Christi, Captain Hahn led the execution of 832 search and rescue missions that resulted in 285 lives saved, 1,057 lives assisted, and over $15.8 million in property protected.

WHEREAS, Captain Hahn was federal incident commander for Sector Corpus Christi through the preparedness, readiness, execution and recovery from the August 2017 Hurricane Harvey. Through that event, Captain Hahn served as incident commander providing leadership for over 300 incident command posts along the Texas Coast. The response effort resulted in 209 lives saved/assisted, the completion of the survey of over 400 miles of waterways, over 500 commercial & recreational vessels salvaged including the 14,000 ton, 500' derelict drill ship aground at the Port Aransas jetties. His efforts and leadership directly contributed to the efficient reopening of the Corpus Christi Ship Channel, thereby facilitating the flow of commerce to and from Port Corpus Christi.

Additionally, Captain Hahn led the response and recovery efforts for the allision of the freight ship OCEAN FREEDOM with three hazardous cargo barges that resulted in a major marine casualty involving damages of over $500,000. Captain Hahn also led the response and recovery efforts for the Bouchard barge #255 explosion at the Corpus Christi anchorage, which resulted in two fatalities, and a 79,506 gallon oil spill and subsequent recovery effort.

NOW THEREFORE BE IT RESOLVED that Captain Hahn's service to his country, to this community, and to the Port of Corpus Christi has exemplified the highest traditions of the U.S. Coast Guard. The leadership and partnership that Captain Hahn has provided and shared with Port staff and our Coastal Bend community is greatly appreciated and recognized by this Commission. This Commission expresses its' sincerest gratitude and appreciation for the decades of service that Captain Hahn has given to the United States Coast Guard, the citizens of the United States, and to the maritime industry; and

BE IT FURTHER RESOLVED that this resolution be made a part of the permanent minutes of this Port Commission and that a signed original of this Resolution be furnished to Captain Hahn, and his wife, Marta.

10b. ***Tariff 100-A Item 678 (Three Hour Notice to Harbormaster):*** Staff recommended the adoption of Tariff Item 100-A Item 678 (Three Hour Notice) requiring three hours' notice be given to the Harbormaster for vessel movements at deep draft docks effective April 17, 2018.

Action: On motion made by Mr. Bowers and seconded by Mr. Valls, the Commission approved Staff's recommendation.

10c. ***Amendment to Bulk Terminal Tariff 1-A Item 200 (WHARFAGE):*** Staff recommended the approval of an amendment to Tariff 1-A: Item 200 (WHARFAGE), in the form presented to the meeting, adding Subsection E incorporating a wharfage rate of $0.15 per barrel and an operator fee of $0.02 per barrel for liquid bulk cargo loaded and unloaded at Bulk Terminal Dock 3.

Action: On motion made by Mr. Bowers and seconded by Mr. Squires, the Commission approved Staff's recommendation. Mr. Valls abstained from voting on this item.

10d. ***Audio and Visual System at the Ortiz Center:*** Staff recommended that a Purchase Order in the amount of $678,699.64 be issued to Data Vox for the replacement of the audio and visual system at the Ortiz Center. Mr. Bowers voted against this motion.

Action: On motion made by Ms. Canales and seconded by Mr. Engel, the Commission approved Staff's recommendation.

10e. ***Master Services Agreement and Service Order No. 1 with Cardno:*** Staff recommended approval, in the form presented to the meeting, of a three-year Master Services Agreement with Cardo for Professional Engineering Services on

a Service Order Basis and Service Order No. 1 in the amount of $554,391 for engineering services to conduct a structural assessment of the existing Bulk Dock 1, analyze the dock's capacity to accommodate anticipated new mobile harbor crane loads on the dock with consideration of current and future dock berth depths, and initiate preliminary design of improvements to Bulk Dock 1 to support future, improved bulk dock operations.

Action: On motion made by Mr. Valls and seconded by Ms. Canales, the Commission approved Staff's recommendation.

10f. ***Master Services Agreement No. 18-03 and Service Order No. 1 with Mott MacDonald, LLC:*** Staff recommended approval, in the form presented to the meeting, of a three-year Master Services Agreement with Mott MacDonald, LLC for Professional Engineering Services on a Service Order Basis and Service Order No. 1 in an amount not to exceed $175,000 to provide consulting engineering services for the Corpus Christi Ship Channel Pipeline Removal and Relocation project.

Action: On motion made by Mr. Valls and seconded by Mr. Engel, the Commission approved Staff's recommendation.

10g. ***Master Services Agreement No. 18-08 and Service Order No. 1 with CH2M Hill Engineers, Inc.*** Staff recommended approval, in the form presented to the meeting, of a three-year Master Services Agreement with CH2M Hill Engineers, Inc., for Professional Engineering Services on a Service Order Basis and Service Order No. 1 in the amount of $176,447 for design phase engineering services for dredging a berth for the GCGV Asset Holding LLC's (GCGV) multi-purpose dock at PCCA's La Quinta property.

Action: On motion made by Mr. Engel and seconded by Ms. Canales, the Commission approved Staff's recommendation. Mr. Valls was not present at the meeting during consideration of this item.

10h. ***Amendment to Del Richardson & Associates Contract:*** Staff recommended approval, in the form presented to the meeting, of the Third Amendment to PCCA's Agreement with Del Richardson & Associates for Real Property Acquisition and Relocation Assistance Services in connection with the Harbor Bridge Replacement Project. The amendments would include reduction of the following: Community Outreach fee from $30,800 to $22,800 per month; the Administration fee from $60,500 to $51,425 per month; the Program Manager's time would be reduced from 65% to 40%; Project Manager's time from 85% to 75%; the Acquisition Manager's and Relocation Manager's times from 100% to 90%. The combined monthly fee reduction totals $17,075. In addition, the Program Manager's monthly travel cost will be reduced accordingly. The fee reductions will be effective June 1, 2018.

Action: On motion made by Mr. Engel and seconded by Mr. Squires, the Commission approved Staff's recommendation. Mr. Valls was not present at the meeting during the consideration of this item.

10i. ***Operator Agreement with Coastal Dock and Terminal LLC for Bulk Terminal Dock 3.*** Staff recommended approval, in the form presented to the meeting, of an Operator Agreement with Coastal Dock and Terminal LLC to serve as the marine terminal operator of PCCA's Bulk Terminal Dock 3. Mr. Welder explained that these services were necessary to preserve and protect the public health and safety of the residents of the navigation district.

Action: On motion made by Mr. Squires and seconded by Ms. Canales, the Commission approved Staff's recommendation. Mr. Valls was not present at the meeting during the consideration of this item.

11. Consent Agenda: Individual Commissioners requested that Consent Agenda Items 11a and 11h be considered separately, and Staff requested that Consent Agenda Items 11g, 11i and 11j not be considered at this meeting. Then Mr. Engel moved the approval of the remaining Consent Agenda Items by one vote (the "Consent Agenda Motion"), in accordance with the respective staff recommendations and agreements furnished to the Commission at the meeting. Ms. Canales seconded the motion and the motion passed without objection. Mr. Valls was not present at the meeting during consideration of the Consent Agenda Items.

11a. Staff recommended approval, in the form presented to the meeting, of Amendment No. 1 to PCCA's 2018 Consulting Services Contract with Meyers & Associates, LLC in an amount not-to-exceed $140,000. On a separate motion made by Ms. Canales and seconded by Mr. Hoskins, the Commission approved Staff's recommendation.

11b. By approval of the Consent Agenda Motion, the Commission approved Amendment No. 1 to 2018 Consulting Services Contract with Crosswind Communications, LLC in an amount not to exceed $75,000.

11c. By approval of the Consent Agenda Motion, the Commission approved an Engagement of Services with Shey-Harding for General Executive Recruitment.

11d. By approval of the Consent Agenda Motion, the Commission approved and Engagement of Services with Odgers Berndtson for Chief Operating Officer search.

11e. By approval of the Consent Agenda Motion, the Commission approved grant applications for various Port security projects under the Port Security Grant Program FY-2018.

11f. By approval of the Consent Agenda Motion, the Commission approved solicitation by request for competitive sealed proposals for Unarmed Security Guard Services.

11g. The Commission did not consider the authorization of a solicitation for competitive sealed proposals for Interior and Exterior Painting at the Ortiz Center.

11h. Staff recommended approval of (1) a Change Order in the amount of $138,611.18 to PCCA's construction contract with Haas-Anderson Construction, Ltd., for the Mike Carrell Road Entrance and Roadway Project to provide additional utility casings and conduits along the Roadway to serve future PCCA customers, and (2) a $140,000 increase in the contingency amount for this contract. On a separate motion made by Mr. Squires and seconded by Ms. Canales, the Commission approved Staff's recommendations.

11i. The Commission did not consider the Second Amendment of Lease with Corpus Christi Liquefaction, LLC to extend the term of the 110-acre Laydown Construction Lease located at La Quinta Terminal to December 31, 2024.

11j. The Commission did not consider the Third Amendment of Lease Agreement with voestalpine Texas Holding, LLC to change the termination date and restoration obligations pertaining to Corpus Christi Liquefaction, LLC 110-acre laydown site located in San Patricio County, Texas.

12. Executive Director Report, Chief Executive Officer Report, and Commissioners' Comments:

12a. The Executive Director and Chief Executive Officer submitted their reports on upcoming community events, PCCA events and activities of the following PCCA departments during the preceding month – Safety, Community Relations, Communications, Government Affairs, Business Development, Foreign Trade Zone, Ortiz Center, Human Resources, Security, Operations, Engineering Services, Finance, Real Estate, and Environmental.

12b. Mr. Zahn then asked for comments from the Commissioners.

13. Recess Open Session and Convene Executive Session: At 10:59 a.m., Mr. Zahn announced the Commission would go into executive session pursuant to §551.072, and §551.074 of the Texas Government Code to deliberate agenda items 13a, and 13b which were described in the agenda of the meeting as follows:

13a. The Port Commission will go into executive session pursuant to §551.072 of the Texas Government Code to deliberate purchasing property in Nueces and San Patricio Counties.

13b. The Commission will go into executive session pursuant to §551.074 of the Texas Government Code to deliberate the evaluation of the Chief Executive Officer in 2018.

14. **Reconvene Open Session:** The Chairman reconvened the meeting in open session at 12:03 p.m.

15. **Adjourn:** On motion duly made and seconded, the meeting was adjourned at 12:03 p.m.

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: David L. Krams, P.E.
Director of Engineering Services
Krams@pocca.com
(361) 885-6134

ANTICIPATED STAFF PRESENTER: Carlos Martinez, P.E.
Senior Design Engineer

Approve a Master Services Agreement and Service Order No. 1 in the Amount of $92,000 with HDR Engineering, Inc., for Engineering Services Associated with New Oil Dock 22.

SUMMARY: Staff recommends approval of the attached Master Services Agreement with HDR Engineers, Inc. (HDR) and approval of Service Order No. 1 in an amount with a ceiling price of $92,000 to provide engineering services for Phase I of New Oil Dock 22.

BACKGROUND: Per the terms of PCCA's Lease Agreement (Lease) with CCI Corpus Christi Infrastructure LLC (CCI) to develop a petroleum liquids terminal on the north side of the ship channel just east of the PCCA's Oil Dock 14 (see attached map exhibit), the PCCA is required to engage the services of a design engineer to develop a cost estimate for the development of the new Oil Dock 22 to be constructed on the Lease Premises. The proposed Oil Dock 22 will include a marine dock platform with a 1,100-foot long berth, breasting structures, mooring structures, loading arms, piping with related equipment, lighting, and a parking area.

Staff negotiated a scope of work and cost for Service Order No. 1 with HDR to perform conceptual level engineering and studies to develop the dock layout and the associated cost estimate. The scope under Service Order No. 1 will only cover the initial study and cost estimate phase of the Oil Dock 22 project, which consists of reviewing site conditions, performing an evaluation of dock construction type alternatives, providing a recommendation for the preferred alternative, providing a construction schedule, and providing an opinion of probable construction costs.

Phase II for final design engineering service is anticipated to be brought to the Commission in the coming months.

ALTERNATIVES: N/A

CONFORMITY TO PORT POLICY: The project conforms to the PCCA's Strategic Plan (Strategic Goal #2 – Provide Facilities and Services to Meet Customer Needs, Strategic Objective #2B – Provide Public Docks and Support Private Facilities to Facilitate Maritime and Industrial Development, Action #4 – Develop Process to Support Private Customer Projects).

EMERGENCY: Although this is not an emergency action, the terms of the Lease require this work to be performed early within the initial term of the Lease.

FINANCIAL IMPACT: The PCCA's cost to design and construct the proposed dock will be recovered through recovery costs included in the lease agreement.

STAFF RECOMMENDATION: Staff recommends approval of the attached Master Services Agreement and Service Order No. 1 with a ceiling price of $92,000 with HDR Engineering, Inc., to provide engineering services for Phase I of New Oil Dock 22.

DEPARTMENTAL CLEARANCES:

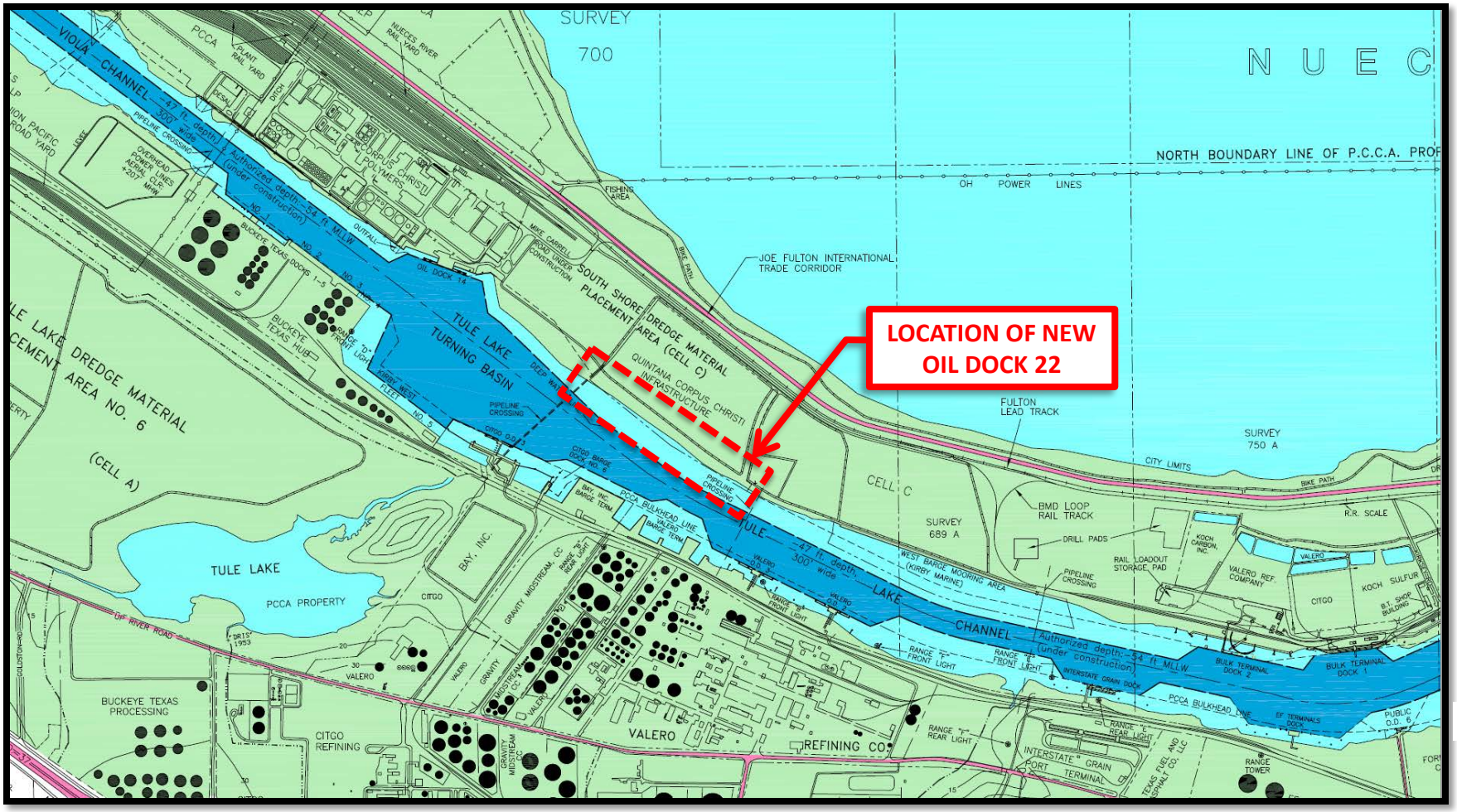
Originating Department	Engineering Services
Reviewed & Approved	David Krams Carlos Martinez
Legal	Staff will use PCCA's standard Master Services Agreement
Senior Staff	John LaRue Sean Strawbridge Dennis DeVries

LIST OF SUPPORTING DOCUMENTS:

Map Exhibit
Master Services Agreement
Service Order No. 1

PORT CORPUS CHRISTI®
Moving America's Energy

Engineering Services Associated with Oil Dock 22



MASTER SERVICES AGREEMENT
BETWEEN THE
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS,
AND
HDR ENGINEERING, INC.
FOR
PROFESSIONAL ENGINEERING SERVICES
ON A
SERVICE ORDER BASIS

MASTER SERVICES AGREEMENT NO. 18-04

EFFECTIVE DATE MAY 15, 2018

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PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER SERVICES AGREEMENT NO. 18-04
FOR PROFESSIONAL ENGINEERING SERVICES

THIS MASTER SERVICES AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES ("**Agreement**") is made effective as of the 15th day of May 2018, ("**Effective Date**") between the Port of Corpus Christi Authority of Nueces County, Texas, ("**PCCA**") and HDR Engineering, Inc. ("**Engineer**"), each a "**Party**" and collectively the "**Parties**".

RECITALS

(a) From time to time PCCA may request that the Engineer provide professional services for Specific Projects. Each engagement will be documented by a Service Order.

(b) This Agreement sets forth the general terms and conditions which shall apply to all Service Orders duly executed under this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

Section 1.01 Certain Definitions

A. Wherever used in this Agreement (including the Exhibits hereto) and printed with initial or all capital letters, the terms listed below shall have the meanings set forth in this Section, which are applicable to both the singular and plural thereof:

1. *Addenda*. Written or graphic instruments issued prior to the opening of Bids that clarify, correct, or change the Bid Documents or the proposed Construction Contract Documents.

2. *Agreement.* This "Master Services Agreement between PCCA and Engineer for Professional Engineering Services," including all Attachments and Exhibits attached hereto.

3. *Bid*. The offer or proposal of the bidder submitted on the PCCA-prescribed form setting forth the prices and schedule for the Work to be performed.

4. *Bid Documents*. The notice or invitation to submit bids or proposals for construction of a Specific Project, including the instructions to bidders, the Bid form and attachments, the bid bond, if any, the Construction Contract Documents, and all Addenda, if any.

5. *Business Day*. means any day other than Saturday or Sunday or any other day on which banks in Texas are permitted or required to be closed.

6. *Change Order*. A document which is signed by a Contractor and PCCA and authorizes an addition, deletion, or revision in the Work or an adjustment in the Construction Contract Price or the Construction Contract Times, or other revision to the Construction Contract, issued on or after the effective date of the Construction Contract.

7. *Change Proposal.* A written request by a Contractor, duly submitted in compliance with the procedural requirements set forth in the Construction Contract, seeking an adjustment in Construction Contract Price or Construction Contract Times, or both; contesting an initial decision by Engineer concerning the requirements of the Construction Contract Documents or the acceptability of Work under the Construction Contract Documents; challenging a set-off against payments due; or seeking other relief with respect to the terms of the Construction Contract.

8. *Ceiling Price*. The maximum amount PCCA will pay for the Work or phases of Work described in a Service Order.

9. *Commencement Date of a Service Order*. The date indicated in a Service Order on which the Service Order becomes effective; but if no such date is indicated, it means the date on which this Service Order is signed and delivered by the last of the two Parties to sign and deliver.

10. *Constituent of Concern*—Asbestos, petroleum, radioactive material, polychlorinated biphenyls (PCBs), hazardous waste, and any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to (a) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq. ("CERCLA"); (b) the Hazardous Materials Transportation Act, 49 U.S.C. §§5101 et seq.; (c) the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq. ("RCRA"); (d) the Toxic Substances Control Act, 15 U.S.C. §§2601 et seq.; (e) the Clean Water Act, 33 U.S.C. §§1251 et seq.; (f) the Clean Air Act, 42 U.S.C. §§7401 et seq.; or (g) any other federal, state, or local statute, law, rule, regulation, ordinance, resolution, code, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.

11. *Construction Contract*. The entire and integrated written contract between PCCA and Contractor concerning the Work.

12. *Construction Contract Documents*. The documents described in the Construction Contract as the "Contract Documents."

13. *Construction Contract Price*—The money that PCCA has agreed to pay Contractor for completion of the Work in accordance with the Construction Contract Documents.

14. *Construction Contract Times*—The numbers of days or the dates by which a Contractor shall: (a) achieve milestones, if any, in the Construction Contract; (b) achieve Substantial Completion, and (c) complete the Work.

15. *Construction Cost*. The cost to PCCA of the construction of those portions of an entire Specific Project designed or specified by or for Engineer under this Agreement and the specific Service Order, including construction labor, services, materials, testing, equipment, insurance, and bonding costs, and allowances for contingencies. The Construction Cost does not include costs of Services of Engineer or other design professionals and Consultants; costs of land, rights-of-way, or compensation for damages to properties; or PCCA's costs for legal, accounting, insurance counseling or auditing services, or interest and financing charges incurred in connection with a Specific Project; or the cost of services to be provided to PCCA by others. Construction Cost is one of the items comprising Total Project Costs.

16. *Constructor*. Any person or entity (not including the Engineer, its employees, agents, representatives, and Consultants), performing or supporting construction activities relating to the Specific Project, including but not limited to Contractors, Subcontractors, Suppliers, PCCA's work forces, utility companies, other contractors, construction managers, testing firms, shippers, and truckers, and their employees, agents, and representatives.

17. *Consultants*—Individuals or entities having a contract with Engineer to furnish services with respect to a Specific Project as Engineer's independent professional associates, consultants, subcontractors, or vendors.

18. *Contractor*. The individual or entity with which PCCA enters into a Construction Contract.

19. *Correction Period*. The time after Substantial Completion during which Contractor must correct, at no cost to PCCA, any Defective Work; normally one year after the date of Substantial Completion or such longer period of time as may be prescribed by Laws or Regulations or by the terms of any applicable special guarantee or specific provision of the Construction Contract Documents.

20. *Day*. For purposes of this Agreement and associated Service Orders, the term "day" means a calendar day of 24 hours.

21. *Defective Work*. Any part of the Work the Engineer or the RPR believes is defective under the terms and standards set forth in the Construction Contract Documents.

22. *Documents*. Data, reports, Drawings, Specifications, Record Drawings, and other deliverables, whether in printed or electronic media format, generated, provided or furnished in appropriate phases by Engineer to PCCA pursuant to this Agreement and any attached Service Orders.

23. *Drawings*. That part of the Construction Contract Documents prepared or approved by Engineer that graphically shows the scope, extent, and character of the Work to be performed by Contractor. Shop drawings are not Drawings as so defined.

24. *Effective Date*. The date indicated in this Agreement on which it becomes effective; but if no such date is indicated, it means the date on which this Agreement is signed and delivered by the last of the two Parties to sign and deliver it.

25. *Engineer*. The individual or entity named as such in this Agreement.

26. *Engineer's Contract Representative*. The Engineer's Contract Representative is the person appointed to represent the Engineer's interests in this Agreement as more particularly described in Section 8.01(B).

27. *Field Order*. A written order issued by Engineer which directs minor changes in the Work but which does not involve a change in the Contract Price or the Contract Times.

28. *Final Acceptance*. That point in a Specific Project wherein PCCA considers the Project complete and PCCA issues a Certificate of Final Acceptance.

29. *General Conditions*. That part of the Construction Contract Documents that sets forth the terms, conditions, and procedures that govern the Work to be performed or furnished by Contractor with respect to a Specific Project.

30. *Hourly Rates Service Order*. A Service Order under which PCCA agrees to pay Engineer based on the amount of time spent by the Engineer's employees in performing the Work described in the Service Order and for the Reimbursable Expenses incurred by Engineer in performing the services, but limited to the Ceiling Price specified in the Service Order.

31. *Laws and Regulations; Laws or Regulations*. Any and all applicable laws, rules, regulations, ordinances, codes, standards, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.

32. *Lump Sum Service Order*. A Service Order under which PCCA agrees to pay Engineer a specified agreed amount for the services described in the Service Order regardless of the number hours it takes to complete the work.

33. *Named Reimbursable Expenses*. Only the Reimbursable Expenses expressly listed, if any, in a Lump Sum Service Order.

34. *PCCA's Contract Representative*. PCCA's Contract Representative is the person appointed to represent PCCA's interests in this Agreement as more particularly described in Section 8.01(A).

35. *PCCA Parties.* PCCA and its agents, servants, representatives, employees, officers, directors, and Port Commissioners.

36. *Proposal*. Document representing technical qualifications, approach to specific work, and costs associated with construction of a Specific Project or project specific services.

37. *Record Drawings*. Drawings depicting the completed Specific Project, or a specific portion of the completed Specific Project, prepared by Engineer and based solely on Contractor's record copy of all Drawings, Specifications, Addenda, Change Orders, Work Change Directives, Field Orders, and written interpretations and clarifications, as delivered to Engineer and annotated by Contractor to show changes made during construction and to depict the final state of work.

38. *Reimbursable Expenses*. The expenses incurred directly by Engineer in connection with performing or furnishing Services for a Specific Project for which PCCA will pay Engineer as indicated in the Service Order and **Exhibit C**.

39. *Resident Project Representative.* The authorized representative, if any, of Engineer assigned to assist Engineer at the Site of a Specific Project during the Construction Phase. As used herein, the term Resident Project Representative or "**RPR**" includes any assistants or field staff of the RPR.

40. *Samples*. Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and which establish the standards by which such portion of the Work will be judged.

41. *Scope of Services.* The scope of the professional engineering services to be provided by Engineer for any Specific Project as outlined in the Service Order for that Project.

42. *Services*. The professional engineering services to be provided by Engineer under any Service Order.

43. *Service Order*. A document in the form of **Attachment One** executed by PCCA and Engineer pursuant to this Agreement, including amendments if any, stating the scope of services, Engineer's compensation, times for performance of services, deliverables, and other relevant information for a Specific Project.

44. *Shop Drawings*. All drawings, diagrams, illustrations, schedules, and other data or information that are specifically prepared or assembled by or for Contractor and submitted by Contractor to PCCA or Engineer to illustrate some portion of the Work.

Shop Drawings, whether approved or not, are not Drawings and are not Construction Contract Documents.

45. *Site*. Lands or areas indicated in the Construction Contract Documents for a Specific Project as being furnished by PCCA upon which the Work is to be performed, including rights-of-way and easements, and such other lands furnished by PCCA which are designated for use of a Contractor for the construction of a Specific Project.

46. *Specific Project*. The total specific undertaking to be accomplished for PCCA by engineers, contractors, and others, including planning, study, design, construction, testing, commissioning, and start-up, and of which the services to be performed or furnished by Engineer under a specific Service Order are a part.

47. *Specifications*. That part of the Construction Contract Documents consisting of written technical descriptions of materials, equipment, systems, standards, and workmanship as applied to the Work and certain administrative details applicable thereto.

48. *Standard Hourly Rates*. The Standard Hourly Rates listed in Engineer's Standard Hourly Rates Schedule attached hereto as **Exhibit B**.

49. *Subcontractor*. An individual or entity having a direct contract with a Contractor or with any other Subcontractor for the performance of a part of the Work.

50. *Substantial Completion*. The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of PCCA or Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Construction Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms "substantially complete" and "substantially completed" as applied to all or part of the Work refer to Substantial Completion thereof.

51. *Special Conditions*. That part of the Construction Contract Documents which amends or supplements the General Conditions.

52. *Term* or *Term of this Agreement.* The Term of this Agreement is the period from the Effective Date until the date on which this Agreement expires or is terminated in accordance with the provisions of this Agreement.

53. *Total Project Costs*. The total cost of planning, permitting, studying, designing, constructing, testing, commissioning, and start-up of the Specific Project, including Construction Cost and all other Specific Project labor, services, materials, equipment, insurance, and bonding costs, allowances for contingencies, the total costs of services of Engineer or other design professionals and consultants, cost of land, rights-of-way, or compensation for damages to properties, or PCCA's costs

for legal, accounting, insurance counseling, and auditing services, interest and financing charges incurred in connection with the Specific Project, and the cost of other services to be provided by others to PCCA.

54. *Work*. The entire construction or the various separately identifiable parts thereof required to be provided by Construction Contract Documents for a Specific Project. Work includes and is the result of performing or providing all labor, equipment, materials, services, and documentation necessary to produce such construction; furnishing, installing, and incorporating all materials and equipment into such construction; and may include related services such as testing, start-up, and commissioning; all as required by such Construction Contract Documents.

55. *Work Change Directive*. A written directive to a Contractor issued on or after the effective date of the Construction Contract, signed by PCCA and recommended by Engineer, ordering an addition, deletion, or revision in the Work.

B. Capitalized terms in this Agreement which are not defined in Section 1.01 are defined in the text of this Agreement the first time they occur.

Section 1.02 Terminology and Interpretation

A. The terms defined in Section 1.01 or in the text of this Agreement shall apply throughout this Agreement. All references in this Agreement to "Section" or "Article" shall refer to a section or article of this Agreement, unless otherwise expressly stated. All references in this Agreement to "Paragraph" shall refer to a paragraph of a Service Order or a paragraph of an Exhibit to this Agreement, unless otherwise expressly stated. All references to "Exhibits" shall mean the exhibits attached to this Agreement. All such Exhibits and any other attachments to this Agreement are incorporated in this Agreement by this reference. All references to herein, hereof, hereto, hereunder or similar terms shall be deemed to refer to this Agreement in its entirety. As used in this Agreement, the term "including" shall mean "including but not limited to." The headings of Articles and Sections in this Agreement and the headings of Paragraphs in the Service Order and the Exhibits to this Agreement shall be for convenience only and shall not affect the interpretation hereof.

B Words used in the singular number shall include the plural, and vice-versa, and any gender shall be deemed to include each other gender. Reference to any agreement means such agreement as amended or modified and in effect from time to time in accordance with the terms thereof.

C. Unless otherwise indicated, for purposes of this Agreement, a period of days shall be deemed to begin on the first day after the event that began the period and to end at 5:00 p.m. on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall be deemed to end at 5:00 p.m. on the next Business Day. All references to time herein are to time in Corpus Christi, Texas.

ARTICLE 2
SERVICES OF ENGINEER AND REPORTS

Section 2.01 Scope of Services

A. Engineer's Services will be detailed in a duly executed Service Order for each Specific Project. The general format of a Service Order is shown in **Attachment One** to this Agreement. This Agreement shall be referred to in any Service Order issued pursuant hereto as "Master Services Agreement No. 18-04." Each Service Order will indicate the specific services to be performed, deliverables to be provided, schedule and specific compensation terms.

B. Engineer shall not be obligated to perform work under a prospective Service Order unless and until PCCA and Engineer agree as to the particulars of the scope of Engineer's services, time for performance, Engineer's compensation, and all other appropriate matters and the specific Service Order is executed by both parties.

Section 2.02 Service Order Procedure

A. PCCA and Engineer shall agree on the scope, time for performance, and method of compensation for each Service Order. With respect to the scope of Engineer's services, each specific Service Order shall either (1) be accompanied by and incorporate a customized **Exhibit A**, "Engineer's Services for Service Order," prepared for the Specific Project, (2) state the scope of services in the Service Order document itself, or (3) incorporate by reference all or portions of **Exhibit A**, "Engineer's Services for Service Order," as attached to this Agreement. Each duly executed Service Order shall be subject to the terms and conditions of this Master Services Agreement, unless specifically modified within the Service Order.

B. Engineer shall provide, or cause to be provided, the services set forth in the fully executed Service Order.

Section 2.03 Times for Rendering Services

A. Engineer is not authorized to begin work or to incur costs under a Service Order until the time set forth in the Service Order.

B. The Commencement Date of each Service Order and the times for completing services or providing deliverables will be stated in each Service Order. Engineer is authorized to begin rendering services under a Service Order as of the Commencement Date of the Service Order unless otherwise specified in the Service Order.

C. Unless specific periods of time or specific dates for providing Services are specified in a Service Order, Engineer's obligation to render Services hereunder will be for a period which may reasonably be required for the completion of the Services.

D. If PCCA has requested changes in the scope, extent, or character of the Specific Project, the time of performance and completion of Engineer's Services may be adjusted equitably as agreed by the Parties.

E. If, through no fault of Engineer, the orderly and continuous progress of Engineer's services is impaired, or Engineer's services are delayed or suspended, then the time for performance and completion of Engineer's services shall be adjusted equitably.

Section 2.04 PCCA Project Manual

In addition to the terms and conditions set forth herein and in associated Service Orders, the Engineer will perform Services in accordance with the latest version of the PCCA Project Manual issued prior to the date of the Service Order.

Section 2.05 No Guaranteed Amount of Services

Services pursuant to this Agreement will be required on an irregular and as needed basis during the Term of this Agreement, and PCCA has not made nor does it make any representation of any kind or guarantee regarding the amount of services PCCA will require from Engineer under this Agreement.

Section 2.06 Progress Reports

A. Unless otherwise provided in a Service Order, Engineer will provide PCCA with a monthly progress report ("***Monthly Progress Report***") on the services being performed or furnished by Engineer under each Service Order. At a minimum, the report shall cover the following items:

1. The percentage of Work performed during the previous month.
2. The total percentage of the Specific Project completed.
3. Significant findings, problems, delays, inclusions, events, trends, etc. of the reporting period which result from or affect the performance of the Construction Contract.
4. Specific actions required of PCCA, to assist in the resolution of a problem or to affect the timely progression of the Work
5. The percentage of the Service Order budget expended during the reporting period and total expended to-date.
6. A statement that Services are on schedule, or an explanation of variance and proposed corrective actions.

B. The Monthly Progress Report for each Specific Project shall be delivered to the PCCA Project Manager within ten working days following the end of the month being reported.

ARTICLE 3
CHANGES TO SERVICE ORDERS AND PERSONNEL

Section 3.01 Changes to Service Orders Requested by PCCA

PCCA may change the Scope of Services set forth in a Service Order, by sending written notice to Engineer. Should Engineer believe that such changes require an equitable adjustment in Engineer's agreed compensation and/or schedule for the Services or other terms of the Services, Engineer shall notify PCCA in writing of its request for such adjustments no later than fourteen (14) calendar days following its receipt of such requested changes from PCCA. Except as otherwise instructed in writing by PCCA, Engineer shall not commence the changed Services until PCCA and Engineer have mutually accepted Engineer's timely requested adjustments, if any, to its compensation or schedule for its Services or other terms of the Services and a written amendment to Service Order is executed by the Parties.

Section 3.02 Changes to Service Orders Requested by Engineer

Should an event or condition occur after the initiation of a Service Order, that in the opinion of the Engineer, will result in a change in scope, schedule and/or budget, the Engineer will provide timely written notice to PCCA stating: the nature of the event or condition; detailing the impact on scope, schedule and/or, budget; and providing the Engineer's recommendation or request for modification of the affected Service Order. Such notice will be provided upon recognition of the event or condition and prior to the completion of the services stated in the Service Order. PCCA will not consider a request for an increase in the Ceiling Price of a Service Order that is submitted after completion of the services stated in the Service Order, if PCCA determines, in its sole discretion, that the event or condition cited as the cause for the increase in the Ceiling Price was, or could reasonably have been, known in time to submit a change request prior to completion of the services stated in the Service Order. PCCA will review the Engineer's recommendation or request and provide a written response agreeing with the requested recommendation or request or not accepting said recommendation or request. Any changes or modification to the scope, schedule and/or budget will be detailed in a written modification to the Service Order. No changes to the Services shall be made by Engineer except with PCCA's prior written agreement.

Section 3.03 Replacement of Personnel

PCCA, in its sole discretion, shall have the right to demand that Engineer replace any personnel providing Services to PCCA under the terms of a Service Order. Upon receipt of PCCA's demand, Engineer will immediately replace the specified personnel with personnel substantially equal in ability and qualifications. The criteria for demanding replacement of an individual will be based on, but not limited to, the following: technical incompetence, inability to meet the position qualifications, failure to perform an assignment, poor attendance, ethics violation, unsafe work habits, damage to PCCA property, or reasonable PCCA dissatisfaction.

ARTICLE 4
PAYMENTS TO ENGINEER FOR SERVICES AND REIMBURSABLE EXPENSES

Section 4.01 Methods of Compensation

A. The method of compensation for Services (including, if applicable, the method of compensation for individual phases of Services) shall be identified in each specific Service Order. PCCA shall pay Engineer for Services in accordance with the applicable method of compensation.

B. The method of compensation for services under a Service Order will be specified in that Service Order. The possible methods of compensation are as follows:

1. Lump Sum plus Named Reimbursable Expenses, if any;
2. Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price.

Section 4.02 Explanation of Compensation Methods

A. Lump Sum plus Named Reimbursable Expenses

1. PCCA shall pay Engineer a Lump Sum amount for the specified services or category of services stated in a Service Order regardless of the amount of time it takes to complete the services.
2. The Lump Sum will include compensation for Engineer's services and services of Consultants, if any. The Lump Sum constitutes full and complete compensation for Engineer's services in the specified category, including labor costs, overhead, profit, expenses (other than those expenses expressly eligible for reimbursement, if any), and Consultant charges. In other words, Engineer will only be reimbursed for the Named Reimbursable Expenses (see Section 4.02(A)(3)).
3. In addition to the Lump Sum, Engineer shall also be entitled to reimbursement from PCCA for the Named Reimbursable Expenses explicitly listed in the Service Order, if any, that are reasonably and necessarily incurred by Engineer in connection with the performing or furnishing of the services (see **Exhibit C** for rates or charges for these specific expenses).
4. Progress payments may be allowed in a Lump Sum Service Order. If so, the portion of the Lump Sum amount billed for Engineer's services will be based upon Engineer's estimate of the proportion of the total services actually completed during the billing period, subject to acceptance and approval of PCCA.

B. Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price

1. For the specified services or category of services, the PCCA shall pay Engineer an amount equal to the cumulative hours charged to the Specific Project by each class of Engineer's employees times the Standard Hourly Rates for each applicable billing class. Under this method, Engineer shall also be entitled to reimbursement

from PCCA for the Reimbursable Expenses identified in **Exhibit C**, as the same may be modified in the individual Service Order. But the total amount payable to Engineer for the services rendered under the Service Order plus the Reimbursable Expenses shall not exceed the Ceiling Price stated in the Service Order.

2. The Ceiling Price will be stated in the Service Order. It may be called the Ceiling Price or the "Not-to-Exceed Amount."

3. Standard Hourly Rates include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.

4. Each Standard Hourly Rates Schedule attached hereto as **Exhibit B** shall remain in effect until changed in accordance with Section 4.03.

5. The Reimbursable Expenses Schedule attached hereto as **Exhibit C** shall remain in effect for the Term of this Agreement.

6. The total estimated compensation for the specified category of services shall be stated in the Service Order. This total estimated compensation will incorporate all labor at Standard Hourly Rates, and Reimbursable Expenses (including Consultants' charges, if any).

7. The amounts billed by Engineer will be based on the cumulative hours charged to the specified category of services on the Specific Project during the billing period by each class of Engineer's employees times Standard Hourly Rates for each applicable billing class, plus Reimbursable Expenses (including Consultant's charges, if any), but PCCA shall not be required to pay more than the Ceiling Price stated in the applicable Service Order without a duly executed amendment to the Service Order.

8. For Service Orders that included definable deliverables to be provided to the PCCA, Engineer will continue to prosecute work necessary to provide those deliverables even when the Ceiling Price has been reached, at no additional cost to PCCA unless the parties agree in writing to modify the Ceiling Price.

9. Where no definable deliverable exists, the Engineer's services will terminate when the Ceiling Price is reached.

Section 4.03 Standard Hourly Rates for Service Orders

A. Engineer's Standard Hourly Rates Schedule are in **Exhibit B.** Engineer hereby certifies by its execution of this Agreement that the hourly rates in **Exhibit B** for each class of Engineer's employees are less than or equal to the lowest hourly rates Engineer is currently charging any of its other clients. Engineer agrees that if during the Term of this Agreement it charges any of its clients lower hourly rates than the rates in **Exhibit B**, then Engineer shall charge PCCA such lower hourly rate or rates for the services under any Service Order, current or future, for the remainder of the Term of this Agreement and such lower hourly rate or rates will be standard for the remaining Term of this Agreement.

B. The Engineer may adjust its Standard Hourly Rates as of the first day of each calendar year during the Term of this Agreement by submitting to PCCA a new **Exhibit B** with Engineer's new Standard Hourly Rates on or before January 15th of such calendar year; provided, however, that the new Standard Hourly Rate for each class of Engineer's employees may not be more than five percent (5%) higher than previous Standard Hourly Rates for that class. The new Standard Hourly Rates will apply to all services performed by each class of Engineer's employees on and after the effective date of such new rates, but these adjustments will not affect the Ceiling Prices stated in the Service Orders executed under this Agreement.

C. Generally, the compensation method specified in a Service Order executed under this Agreement will be Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price. PCCA reserves the right, however, to issue Lump Sum Services Orders when they are deemed to be in the best interest of PCCA

Section 4.04 Reimbursable Expenses

A. Under the Lump Sum method of compensation to Engineer, unless expressly indicated otherwise, the following categories of expenses are included in the Lump Sum amount: transportation (including mileage), lodging, and subsistence incidental thereto; providing and maintaining field office facilities including furnishings and utilities; providing field and office equipment necessary for the prosecution of the work; toll telephone calls, mobile phone services, and courier charges; reproduction of reports, Drawings, Specifications, bidding-related or other procurement documents, Construction Contract Documents, and similar Specific Project-related items; and Consultant charges. **These expenses are not reimbursable under the Lump Sum method, unless expressly indicated otherwise in the specific Service Order.**

B. Expenses eligible for reimbursement under the Standard Hourly Rates method of compensation include the following expenses reasonably and necessarily incurred by Engineer in connection with the performing or furnishing of the services under a specific Service Order: transportation (including mileage), lodging, and subsistence incidental thereto; providing and maintaining field office facilities including furnishings and utilities; providing field and office equipment necessary for the prosecution of the work; toll telephone calls, mobile phone services, and courier services; reproduction of reports, Drawings, Specifications, bidding-related or other procurement documents, Construction Contract Documents, and similar Specific Project-related items; Consultant charges; and any other expenses identified in **Exhibit C**. Whenever Engineer is entitled to compensation for the charges of its Consultants, those charges shall be the amount billed by such Consultants to Engineer times a factor of one hundred five percent (105%). In other words, the markup for Consultant services shall be five percent (5%).

C. Reimbursement for lodging and meals may not exceed the maximum allowable per diem rates for domestic or foreign travel as set by the U.S. Department of Defense, Defense Travel Management Office. Lodging and meal per diem rates for specific locations (foreign and domestic) may be found on the Defense Travel Management Office's website. Engineer shall submit proper documentation of any such approved travel expenses to PCCA from time to time, and such costs and expenses shall be billed to PCCA at Engineer's actual cost.

Section 4.05 Invoice Procedure and Payment

A. Engineer shall submit invoices monthly to PCCA for work performed during the preceding calendar month. Such invoices shall be due and payable by PCCA within thirty (30) days after receipt and acceptance of the invoice by PCCA. Monthly compensation will be for the Services actually performed during the billing period, invoiced in accordance with the prices in the Fee Schedules. On a Lump Sum Service Order, monthly billing will be based on the percentage of work completed. Invoices shall also describe any work performed by subcontractors retained by Engineer and Reimbursable Expenses. Engineer will provide sufficient detail with each invoice to substantiate the requested amount of monthly payment. At PCCA's request, Engineer will provide additional backup such as signed time sheets, invoices for materials and subcontracted service or other documentation sufficient to establish the accuracy of the invoices. Invoices are to be submitted in a format previously approved by PCCA. The Engineer's fees will cover all of Engineer's overhead costs, including office rent, long distance telephone charges, postage, and payroll.

B. Engineer will provide written notice to PCCA when the sum of previous payments and a current invoice meet or exceed 70% of the approved Ceiling Price of a Service Order. Engineer will include a statement that the remaining budget will be sufficient to complete the services, or provide an estimate of cost to complete, an explanation of the need for additional funding, and a request for a modification to the Service Order.

ARTICLE 5
RESPONSIBILITIES AND STANDARDS OF PERFORMANCE

Section 5.01 PCCA's Responsibilities

A. PCCA shall pay Engineer as set forth in each Service Order and Article 4.

B. PCCA shall be responsible for the requirements and instructions that it furnishes to the Engineer pursuant to this Agreement, and for the accuracy and completeness of the programs, reports, data, and other information furnished by PCCA to Engineer pursuant to this Agreement or any Service Order for use of Engineer in performing or furnishing services under any Service Order, subject to any express limitations or reservations applicable to the furnished items

C. PCCA shall give prompt written notice to Engineer whenever PCCA observes or otherwise becomes aware of: (1) any development that affects the scope or time of performance of Engineer's services; (2) the presence at the Site of a Specific Project of any Constituent of Concern; or (3) any relevant, material defect or nonconformance in Engineer's services, the Work or the performance of any Constructor or consultant managed by the Engineer.

D. PCCA shall:

1. Provide Engineer with criteria and information as to PCCA's requirements for each Specific Project, including design objectives and constraints, space, capacity and

performance requirements, flexibility, and expandability, and any budgetary limitations.

2. Furnish Engineer with copies of design and construction standards that PCCA will require to be included in the Drawings and Specifications; and furnish copies of PCCA's standard forms, conditions, and related documents to be included in the Bid Documents and Construction Documents, as applicable.

3. Following the Engineer's assessment of initially available Specific Project information and data and upon Engineer's request, furnish or otherwise make available such additional Project-related information and data as is reasonably required to enable Engineer to complete its Services, unless the Service Order requires Engineer to obtain this information from other sources. Such additional information or data would generally include the following:

   a. Property descriptions.

   b. Zoning, deed, and other land-use restrictions.

   c. Property, boundary, easement, right-of-way, and other special surveys or data, including establishing relevant reference points.

   d. Explorations and tests of subsurface conditions at the Site, drawings of physical conditions in or relating to existing surface or subsurface structures at the Site, or hydrographic surveys with appropriate professional interpretation thereof.

   e. Environmental assessments, audits, investigations, impact statements, and other environmental or cultural studies relevant to the Specific Project and the Site.

   f. Data or consultations as required for the Specific Project but not otherwise identified in this Agreement or the Exhibits thereto.

4. Arrange for access to and make provisions for Engineer to enter upon PCCA property as required for Engineer to perform Services under the Service Order.

5. Examine alternate solutions, studies, reports, sketches, Drawings, Specifications, proposals, and other documents required by the terms of the Service Order which are presented by the Engineer and render, in writing, timely decisions pertaining thereto.

6. Provide reviews, approvals, and permits from governmental authorities having jurisdiction to approve phases of the Specific Project designed or specified by Engineer, and such reviews, approvals, and consents from others as may be necessary for completion of each phase of the Project, unless the Service Order requires Engineer to obtain these reviews, approvals, or consents from other sources.

7. Place and pay for advertisement of Bids in appropriate publications, as required, for a Specific Project.

8. Advise Engineer of the identity and scope of services of any independent consultants employed by PCCA to perform or furnish Services in regard to the Project, including cost estimating, project peer review, value engineering, and constructability review unless such Services are related to an issue under legal review or are included in the Engineer's Scope of Services.

9. Furnish to Engineer data as to PCCA's anticipated costs for Services to be provided by others for PCCA so that Engineer may make the necessary calculations to develop and periodically adjust Engineer's opinion of Total Project Costs as required by a specific Service Order.

Section 5.02 Standards of Performance

A. *Standard of Care:* Engineer shall perform the professional engineering and related services required by each Service Order issued under this Agreement with the professional skill and care ordinarily provided by competent engineers practicing under the same or similar circumstances and professional license, and as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer.

B. *Technical Accuracy:* PCCA shall not be responsible for discovering deficiencies in the technical accuracy of Engineer's services. Engineer shall correct deficiencies in technical accuracy without additional compensation, unless such corrective action is directly attributable to deficiencies in PCCA-furnished information or an identifiable and documented change in conditions or circumstances impacting the Engineer's work.

C. *Consultants:* Engineer may retain such Consultants as Engineer deems necessary to assist in the performance or furnishing of the services, subject to reasonable, timely, and substantive objections by PCCA.

D. *Reliance on Others:* Subject to the standard of care set forth in Section 5.02(A), Engineer and its Consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.

E. *Compliance with Laws and Regulations, and Policies and Procedures*

1. Engineer and PCCA shall comply with applicable Laws and Regulations.

2. Engineer shall comply with the policies, procedures, and instructions of PCCA that are applicable to Engineer's performance of services under this Agreement and that PCCA provides to Engineer in writing, subject to the standard of care set forth in Section 5.02(A), and to the extent compliance is not inconsistent with professional practice requirements.

3. Each Service Order is based on Laws and Regulations and PCCA-provided written policies and procedures as of the Commencement Date of the Service Order. The following may be the basis for modifications to PCCA's responsibilities or to Engineer's scope of services, times of performance, or compensation:

   a. changes after the Commencement Date of the Service Order to Laws and Regulations; or

   b. the receipt by Engineer after the Commencement Date of the Service Order of PCCA-provided written policies and procedures or changes to PCCA-provided policies or procedures.

F. Engineer shall not be required to sign any document, no matter by whom requested, that would result in Engineer having to certify, guarantee, or warrant the existence of conditions whose existence Engineer cannot ascertain within its services for that Specific Project. PCCA agrees not to make resolution of any dispute with Engineer or payment of any amount due to the Engineer in any way contingent upon Engineer signing any such document.

G. Engineer shall not at any time supervise, direct, control, or have authority over any Constructor's work, nor shall Engineer have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, or the safety precautions and programs incident thereto, for security or safety at the Site of a Specific Project, nor for any failure of a Constructor to comply with Laws and Regulations applicable to such Constructor's furnishing and performing of its work. Engineer shall not be responsible for the acts or omissions of any Constructor.

H. Engineer neither guarantees the performance of any Constructor nor assumes responsibility for any Constructor's failure to furnish and perform the Work in accordance with the Construction Contract Documents.

I. Engineer shall not be responsible for any decision made regarding the Construction Contract Documents, or any application, interpretation, clarification, or modification of the Construction Contract Documents, other than those made by Engineer or its Consultants.

J. Engineer is not required to provide and does not have any responsibility for surety bonding or insurance-related advice, recommendations, counseling, or research, or for enforcement of construction insurance or surety bonding requirements.

K. Engineer's services do not include providing legal advice or representation.

L. While at a Site, Engineer, its Consultant, and their employees and representatives shall comply with the applicable requirements of Contractor's and PCCA's safety programs of which Engineer has been informed in writing.

Section 5.03 Design without Construction Phase Services

It is understood and agreed that if Engineer's Services under this Agreement do not include Project observation, review of Contractor's performance, or any other construction phase services, and that such services will be provided by PCCA, then PCCA assumes responsibility for interpretation of the Construction Contract Documents and for construction observation or review except where such interpretation is attributable to the design are an obvious design error or omission and requires correction by the Engineer of record.

Section 5.04 Inspection and Acceptance

Deliverables and/or services furnished under this Agreement shall be subject to review and inspection and, as applicable, test by PCCA at times and places covered under the period of performance for Services and the applicable Service Order. PCCA reserves the right to reject deliverables which do not conform to the Specifications, Drawings, and/or other data or which do not comply with the terms and conditions of this Agreement and individual Service Orders. If rejected after delivery, rejected deliverables will be returned to Engineer at Engineer's risk and expense. Payment for any Services or deliverables shall not be deemed acceptance thereof, and if such Services or deliverables are rejected after payment, PCCA shall be entitled to an equitable refund. Additional or varying acceptance terms may be mutually agreed under individual Service Orders.

ARTICLE 6
TERM, RENEWAL, SUSPENSION OR TERMINATION

Section 6.01 Term

A. This Agreement shall be effective and applicable to Service Orders issued hereunder for three (3) years from the Effective Date of this Agreement.

Section 6.02 Renewal

A. The Parties may extend or renew this Agreement, with or without changes, by written instrument establishing a new term, provided the terms and conditions, including insurance coverages, hourly and reimbursable rates and other particulars remain unchanged.

Section 6.03 Termination

A. PCCA may terminate a Service Order or this Agreement for convenience with seven (7) days prior written notice to Engineer of such action. Upon termination of this Agreement in accordance with this paragraph, PCCA will have no further obligation to the Engineer hereunder except to pay the Engineer unpaid fees and expenses which the Engineer can reasonably show to have been earned under this Agreement. **Under no circumstances may Engineer claim or recover consequential damages from PCCA.**

B. Either Party may terminate this Agreement by giving written notice to the other Party if the other Party ("***Defaulting Party***"): (a) materially breaches any term, condition or provision of this Agreement and fails to cure the breach to the satisfaction of the notifying Party within ten (10) days after the Defaulting Party receives a written notice of the breach from the notifying Party, or (b) becomes the subject of any proceedings under state or federal law for the relief of debtors or

otherwise becomes insolvent, or bankrupt, or makes any assignments for the benefit of one or more creditors.

Section 6.04 Suspension

A. PCCA may suspend a Service Order for convenience with seven (7) days prior written notice to Engineer of such action.

B. If PCCA fails to give prompt written authorization to proceed with any phase of Services after completion of the immediately preceding phase, or if Engineer's Services are delayed through no fault of Engineer, Engineer may, after giving seven (7) days written notice to PCCA, suspend Services under this Agreement.

C. PCCA may, upon written notice to the Engineer, suspend work on a Service Order until such time that PCCA determines that it is in the best interest of PCCA to resume the work or to terminate the Service Order.

D. In the event of suspension of Services, the Engineer shall resume the full performance of the Services when directed in writing to do so by PCCA. Suspension of the Services for reasons other than the Engineer's negligence or failure to perform shall not affect the Engineer's compensation as provided for in this Agreement. The schedule for performance of the Services shall be amended by a mutually agreed, written modification to the Service Order in progress to reflect the suspension.

E. If Engineer's Services are delayed or suspended in whole or in part by PCCA for more than ninety (90) days after the date of the beginning of the delay or suspension through no fault of Engineer, Engineer may be entitled to an equitable adjustment of compensation provided for elsewhere in this Agreement to reflect reasonable costs incurred by Engineer in connection with, among other things, such delay or suspension and reactivation and the fact that the time for performance under this Agreement has been revised, to the extent that the Engineer can demonstrate that an actual increase in cost has been incurred and is equitable and compensable.

ARTICLE 7
OPINIONS OF COST

Section 7.01 Opinions of Probable Construction Cost

A. Engineer's opinions (if any) of probable Construction Cost are to be made on the basis of Engineer's experience and qualifications and represent Engineer's best judgment as an experienced and qualified professional generally familiar with the industry. However, since Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over the Contractor's methods of determining prices, or over competitive bidding or market conditions, Engineer cannot and does not guarantee that proposals, Bids, or actual Construction Cost will not vary from opinions of probable Construction Cost prepared by Engineer.

B. PCCA reserves the right to request that the Engineer provide a written explanation of significant variations between the Engineer's opinion of probable Construction Cost and the actual Construction Cost.

Section 7.02 Opinions of Total Project Costs

A. The services, if any, of Engineer with respect to Total Project Costs for a Specific Project shall be limited to assisting the PCCA in tabulating the various categories that comprise Total Project Costs. Engineer's opinions (if any) of probable Total Project Costs are to be made on the basis of Engineer's experience and qualifications and represent Engineer's best judgment as an experienced and qualified professional generally familiar with the industry. However, since Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over methods of determining prices, or over competitive bidding or market conditions, Engineer cannot and does not guarantee that Total Project Costs will not vary from opinions of probable Total Project Costs prepared by Engineer.

Section 7.03 Designing to Construction Cost Limit

A. If a Construction Cost Limit for a Specific Project is established between PCCA and Engineer in a Service Order, then such Construction Cost Limit and a statement of Engineer's rights and responsibilities with respect thereto will be specifically set forth in the applicable Service Order.

B. If a Construction Cost Limit is set forth in a Service Order, then the Service Order will also specify a percentage bidding or negotiating contingency to be added to such Construction Cost Limit.

C. Should an opinion of Probable Construction Cost or a revised Opinion of Probable Construction Cost be provided by the Engineer during the execution of the Services that is in excess of the then established Construction Cost Limit, PCCA shall have the option of increasing the Construction Cost Limit, modifying the design criteria and Engineer's Scope of Services, or suspending or terminating the Service Order in accordance with terms herein. Alternately, PCCA may direct the Engineer to separate the work into a Base Bid with alternative or additive bid items that can be awarded at PCCA's discretion.

D. Engineer will be permitted to determine what types of materials, equipment and component systems, and the types and quality thereof, are to be included in the Drawings and Specifications and to make reasonable adjustments in the scope, extent, and character of the Project to the extent consistent with the Project requirements and sound engineering practices to bring the Project within the Construction Cost Limit, subject to final approval and acceptance of PCCA. Engineer will present proposed changes in materials, equipment and component systems to PCCA for review and approval prior to incorporating such into the design.

E. If PCCA does not request Bids for a Project within six months after completion of the final design of the Project or if industry-wide prices are changed because of unusual or unanticipated events affecting the general level of prices or times of delivery in the construction industry, the established Construction Cost Limit will not be binding on Engineer, and PCCA (i) may consent

to an adjustment in such Construction Cost Limit commensurate with any applicable change in the general level of prices in the construction industry between the date of completion of the final design of the Project and the date on which Bids are requested, or (ii) may, at PCCA's sole discretion, terminate the Service Order in accordance with terms and conditions herein.

F. If the lowest *bona fide* Bid exceeds the established Construction Cost Limit, PCCA will: (1) give written approval to increase such Construction Cost Limit, (2) cooperate in revising the Project's scope, extent, or character to the extent consistent with the Project's requirements and with sound engineering practices and re-advertise or re-bid the Project, or (3) provide direction to the Engineer to revise contract documents to include additive or alternative bid items or add such additive or alternative bid items and re-bid the project, or (4) elect not to award additive or alternative bid items to keep the Project within the Construction Cost Limit. In the case of (2), above, Engineer will modify the Drawings and Specifications as necessary to bring the Construction Cost within the Construction Cost Limit at no cost to PCCA, and the providing of such Services will be the limit of Engineer's responsibility in this regard; and, having done so, Engineer will not otherwise be liable for damages attributable to the lowest *bona fide* Bid exceeding the established Construction Cost Limit.

ARTICLE 8
REPRESENTATIVES AND MANAGERS

Section 8.01 Contract Representatives

A. PCCA shall designate a Contract Representative on the signature page of this Agreement who will, on behalf of PCCA, coordinate with the Engineer and administer this Contract. It shall be the responsibility of the Engineer to coordinate all assignment-related activities under this Agreement with PCCA's Contract Representative. PCCA may change its Contract Representative at any time by giving the Engineer written notice of such change.

B. Engineer shall designate a Contract Representative on the signature page of this Agreement who will, on behalf of Engineer, coordinate with PCCA and administer this Contract. The Engineer's Contract Representative and PCCA's Contract Representative will coordinate all assignment-related activities under this Agreement. Engineer may change its Contract Representative at any time by giving PCCA written notice of such change, provided the recommended replacement has similar qualification and experience as the original contract representative.

Section 8.02 Designated Project Managers

A. Contemporaneously with the execution of each Service Order, Engineer and PCCA will each designate a specific individual to act on its behalf as Project Manager with respect to the Services to be performed or furnished by Engineer and the responsibilities of PCCA under such Service Order. The Project Managers for each Project will have authority to transmit instructions, receive information, and render decisions relative to the Project on behalf of the Party appointing the Project Manager. Either Party may change that Party's designated Project Manager by giving the other Party written notice of the change as provided in Article 9.

Section 8.03 Resident Project Representative

A. The Service Order for a Specific Project shall state whether Engineer must furnish a Resident Project Representative ("**RPR**") to assist Engineer in observing progress and quality of the Work on the Specific Project. The duties and responsibilities of the RPR, if any, will be as set forth in each Service Order.

ARTICLE 9
NOTICES

A. All notices, demands or requests from Engineer to PCCA shall be given to PCCA's Contract Representative named on the signature page of this Agreement at (i) PCCA's address for notice provided on the signature page, or (ii) the facsimile number for PCCA's Contract Representative stated on the signature page, or to such other person, address or facsimile number as PCCA shall request in writing.

B. All payments, notices, demands or requests from PCCA to Engineer shall be given to Engineer's Contract Representative named on the signature page of this Agreement at (i) Engineer's address for notice provided on the signature page, or (ii) the facsimile number for Engineer's Contract Representative stated on the signature page, or to such other person, address or facsimile number as PCCA shall request in writing.

C. Notices required to be given to either Party may be given by certified first-class mail, by overnight delivery or by fax, to the appropriate Party at its address or fax number stated on the signature page of this Agreement. Notice may also be given by personal service. Any notice given by mail shall be deemed to have been given one day after such notice was deposited in the United States mail, certified and postage prepaid, properly addressed to the Contract Representative of the Party to be served. In all other cases, notice to a Party will be considered delivered when actually received by the Party's Contract Representative.

ARTICLE 10
DOCUMENTS

Section 10.01 Use of Documents

A. Upon payment of all fees owed for a Service Order, all Documents relative to that Service Order are the property of PCCA, including native files for each software package used.

B. Copies of PCCA-furnished data that may be used by Engineer are limited to the printed copies (also known as hard copies) that are delivered to Engineer by PCCA. Files in electronic media format of text, data, graphics, or of other types that are furnished by PCCA to the Engineer are only for convenience of Engineer. Any conclusion or information obtained or derived from such files, written or electronic, will be at the user's sole risk. Engineer will review documents provided by PCCA and determine applicability and usability of information. Engineer will request additional information as necessary.

C. Copies of Documents that may be relied upon by PCCA are limited to the printed copies (also known as hard copies) that are signed or sealed by Engineer. Files in electronic media format of text, data, graphics, or of other types that are furnished by Engineer to PCCA are only for convenience of PCCA. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk.

D. Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the Party receiving electronic files agrees that it will perform acceptance tests or procedures within 90 days, after which the receiving Party will be deemed to have accepted the data thus transferred. Any errors detected within the 90-day acceptance period will be corrected by the Party delivering the electronic files. Engineer is not responsible to maintain documents stored in electronic media format after acceptance by PCCA.

E. When transferring documents in electronic media format, neither PCCA nor Engineer make any representation to the other as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by PCCA or Engineer on the Effective Date.

F. Documents provided by Engineer are not intended or represented to be suitable for reuse by PCCA or others on extensions of the Project or on any other project. PCCA may, however, reuse such documents without any payment to Engineer. Any such reuse or modification without written verification or adaptation by Engineer, as appropriate for the specific purpose intended, will be at PCCA's sole risk and without liability or legal exposure to Engineer or to Engineer's Consultants.

G. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.

Section 10.02 Records Retention

A. Engineer shall maintain on file in legible form, for a period of five years following completion or termination of its services under each Service Order, all Documents, records (including cost records), and design calculations related to Engineer's services or pertinent to Engineer's performance under the Service Order. Upon PCCA's request, Engineer shall provide a copy of any such item to PCCA at cost.

ARTICLE 11
INSURANCE

Section 11.01 Standard Insurance Policy Requirements

A. Without limiting the indemnity obligations or liabilities of Engineer or its insurers, provided herein, Engineer agrees to carry and maintain at its sole expense during the Term of this Agreement the following policies of insurance (individually, a "***Policy***" and, collectively, the "***Policies***") in at least the minimum amounts specified below.

B. At least five (5) days prior to execution of this Agreement by PCCA, Engineer will provide to PCCA's Risk Program Manager certificates of insurance issued by each insurance company providing any of the required insurance coverage, and the text entered in each certificate must be acceptable to PCCA. The requirement to provide acceptable certificates of insurance is a material condition of this Agreement, and work under this Agreement and any associated Service Order may not commence until such certificates of insurance have been received, reviewed, and accepted by PCCA.

	TYPE OF INSURANCE	LIMITS OF LIABILITY
1.	Workers' Compensation	Statutory
2.	Employer's Liability	$1,000,000 per Occurrence $1,000,000 Aggregate
3.	Commercial General Liability	$1,000,000 per Occurrence $2,000,000 Aggregate

The CGL Policy will provide contractual liability coverage at the aforementioned limits.

4.	Business Automobile Liability	$1,000,000 per Occurrence

Automobile liability insurance coverage will include all owned, non-owned, and hired vehicles.

5.	Professional Liability	$2,000,000

Engineer will procure and maintain professional liability insurance for protection from claims arising out of performance of its Services under this Agreement caused by any negligent act, error or omission for which the Engineer is legally liable. Policies written on a claims-made basis shall be maintained or have an extended reporting period of at least two (2) years beyond termination of the Agreement.

6.	Umbrella Liability	$5,000,000 per Occurrence

Umbrella liability coverage will apply to Employer's Liability, Commercial General Liability, and Business Automobile Liability.

Section 11.03 General Insurance Requirements

A. Each Policy, except Professional Liability, must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the PCCA Parties. Additionally, the PCCA Parties shall be designated as an additional insured either by a blanket

additional insured or a specific endorsement on all Policies, except for Worker's Compensation, Employer's Liability, and Professional Liability.

B. In the event that the work of Engineer's employees falls within the purview of the United States Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or the Federal Employer's Liability Act, Engineer shall extend its insurance coverage to provide insurance against the liabilities imposed under the applicable Act or Acts even if not specifically required by the PCCA.

C. Each Policy, except Workers' Compensation and Professional Liability, must contain an endorsement that the Policy is primary to any other insurance available to the additional insureds with respect to claims arising under this Agreement.

D. The insurance required as listed above, shall apply to any Consultant performing for or on behalf of Engineer, and Engineer shall ensure that any such Consultant is aware of and complies with the insurance requirements during any period such Consultant is performing work under this Agreement.

E. The minimum insurance required may be increased periodically upon request by PCCA to commercially reasonable limits. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least "A-, VII".

F. Engineer's liability shall not be limited to the specified amounts of insurance required herein.

ARTICLE 12
RELEASE, INDEMNIFICATION AND MUTUAL WAIVER

Section 12.01 Release by Engineer

A. To the fullest extent permitted by Laws and Regulations, Engineer hereby releases and discharges the PCCA Parties from liability for and assumes the risk of loss or damage to the property of Engineer and the injury or death of any person employed by Engineer.

Section 12.02 Indemnification by Engineer

A. To the fullest extent permitted by Laws and Regulations, Engineer shall indemnify and hold harmless the PCCA Parties from all damages, losses, costs and expenses, of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including reasonable consultants' and attorneys' fees) (collectively, "*Damages*") arising from third-party claims or actions relating to this Agreement, any Service Order, or any Specific Project, but only to the extent that the Damages are caused by or result from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by the Engineer or the Engineer's agent, consultant under contract, or another entity over which the Engineer exercises control.

B. Engineer's indemnity obligations under this Article 12 shall not be limited by a limitation on the amount or type of damages, compensation or benefits owed by Engineer to any employee of Engineer under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts.

C. The obligations of the Engineer under this Article 12 shall survive the end of the Term of this Agreement.

Section 12.03 Percentage Share of Negligence

A. The Engineer's total liability to the PCCA Parties for any Damages caused in part by the negligence of the Engineer Parties and in part by the negligence of the PCCA Parties or any other negligent entity or individual, shall not exceed the percentage share that the negligence of the Engineer Parties bears to the total negligence of all negligent parties.

Section 12.04 Mutual Waiver

A. To the fullest extent permitted by law, PCCA and Engineer waive against each other, and the other's employees, officers, Port Commissioners, directors, members, agents, insurers, partners, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to this Agreement, any Service Order, or a Specific Project, from any cause or causes.

ARTICLE 13
DISPUTE RESOLUTION

A. In the event a dispute arises between the Parties regarding the application or interpretation of, or in any way relating to, this Agreement, the Parties agree to attempt to resolve all such disputes arising hereunder promptly, equitably and in a good faith manner. If the Parties shall have failed to resolve the dispute within the ten (10) Business Days after any written notice of the dispute has been received by the other Party, then either Party may elect to refer the dispute to the respective upper management of the Parties by notice in writing to the other Party, and the appropriate upper management of the Parties shall meet within the ten (10) Business Days after the date of the notice, to resolve the dispute. If the dispute is not resolved within five (5) Business Days after such a meeting has commenced (but in any event within ten (10) Business Days after the date of the letter referring the matter to upper management), then either Party may at any time thereafter resort to mediation, under the remaining provisions of this Article.

B. PCCA and Engineer agree they will, before taking any other legal action, including the filing of an action in State or Federal Court, attempt in good faith, to mediate in Corpus Christi, Texas, any controversy or claim arising out of or related to this Agreement before a mediator to be agreed upon by PCCA and Engineer. PCCA and Engineer must use their best efforts to agree upon a mediator within fifteen (15) Business Days after a written request for mediation by either Party, and if PCCA and Engineer are unable to agree upon a mediator within such time either Party may request that the American Arbitration Association appoint a mediator. The mediator will schedule a mediation meeting at a time and place determined by the mediator. PCCA and Engineer

will each pay one-half of the costs of mediation to the mediator. Any mediation shall not extend beyond thirty (30) days after the appointment of the mediator, and should the Parties fail to resolve any dispute by mediation within such 30-day period, the Parties shall have all rights available under this Agreement and at law or in equity.

ARTICLE 14
GENERAL PROVISIONS

Section 14.01 Severability

If any part of this Agreement is held to be invalid, illegal, or unenforceable in any respect, such determination shall not affect any other provision of this Agreement, and this Agreement shall then be construed as if the invalid, illegal, or unenforceable provision had not been included in this Agreement.

Section 14.02 No Waiver

Any waiver, expressed or implied, by either PCCA or Engineer to any breach of any agreement, covenant or obligation contained in this Agreement shall operate as such only in the specific instance, and shall not be construed as waiver to any subsequent breach of such agreement, covenant or obligation.

Section 14.03 Applicable Law

THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. PCCA and Engineer agree that if any controversy or claim arising out of or related to this Agreement cannot be resolved pursuant to and in accordance with the deadlines set forth in Article 13, then either Party may elect to resolve the controversy or claim though litigation filed and maintained in the federal or state courts located in Corpus Christi, Nueces County, Texas. PCCA and Engineer each submits to the exclusive jurisdiction of said courts and waives the right to change venue.

Section 14.04 Agreement and Service Orders Control

In the event of a conflict between the wording of a Service Order and any purchase order issued by PCCA in connection with the Service Order, the wording of the Service Order will control.

Section 14.05 Amendment of Agreement

This Agreement may be changed or modified at the request of either the Engineer or PCCA, provided both Parties agree to the requested change, and a written amendment of this Agreement is prepared and executed by the Parties.

Section 14.06 Assignment

Neither PCCA nor Engineer may assign or transfer any rights under or interest in this Agreement without the written consent of the other.

Section 14.07 No Third-Party Beneficiaries

This Agreement will be for the sole and exclusive benefit of PCCA and Engineer and not for the benefit of any other party, person, or entity. Nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by PCCA or Engineer to any Consultant, Contractor, Contractor's subcontractor, supplier, other individual or entity, or to any surety for or employee of any of them.

Section 14.08 Force Majeure

In the event either Party shall be delayed or hindered in or prevented from the performance required hereunder by reason of *force majeure*, which includes strikes, lockouts, labor troubles, failure of power, riots, insurrection, war, acts of God, or other reason of like nature not the fault of the Party delayed in performing work or doing acts (herein "***force majeure***"), such Party shall be excused for the period of time equivalent to the delay caused by such *force majeure*, or the Agreement may be terminated in accordance with terms herein should such delay be sufficient that termination is in the best interest of the PCCA.

Section 14.09 Public Disclosure

PCCA is a political subdivision of the state of Texas subject to the requirements of the Texas Open Meetings Act and the Texas Public Information Act (Texas Government Code, Chapters 551 and 552), and as such, PCCA is required to disclose to the public (upon request) this Agreement, the Service Orders issued hereunder, and certain other information and documents relating to the services contemplated hereby. In this regard, Engineer agrees that the disclosure of this Agreement, the Service Orders issued hereunder, or any other information or materials related to the services contemplated hereby, to the public by PCCA as required by the Texas Open Meetings Act, the Texas Public Information Act, or any other law will not expose PCCA (or any party acting by, through or under PCCA) to any claim, liability, or action by Engineer.

Section 14.10 Confidentiality

Engineer will keep confidential all information in whatever form produced, prepared, observed or received from PCCA to the extent that such information is: (a) confidential by law; (b) marked or designated "Confidential" or words to that effect; or (c) information that Engineer is otherwise required to keep confidential by this Agreement. Notwithstanding the above, Engineer will be permitted to disclose any information required by law or court order.

Section 14.11 Certificate of Interested Parties

Engineer will comply with the provisions of Section 2252.908 of the Texas Government Code and Chapter 46 of the Texas Ethics Commission Rules by preparing a Texas Form 1295, "Certificate of Interested Parties" and submitting the signed and notarized form to PCCA at the time Engineer submits the signed Agreement to PCCA. A separate Form 1295 may be required for subsequent Service Orders, as required by the referenced code and rules issued thereunder.

Section 14.12 Engineer's Certificate

Engineer certifies that it has not engaged in corrupt, fraudulent, or coercive practices in competing for or in executing this Agreement. For the purposes of this Section 14.12:

1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the selection process or in the execution of the Agreement;

2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the selection process or the execution of the Agreement to the detriment of PCCA, or (b) to deprive PCCA of the benefits of free and open competition;

3. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the selection process or affect the execution of the Agreement.

Section 14.13 No Organizational Conflict of Interest

Engineer hereby certifies that it has no actual or potential Organizational Conflict of Interest. "***Organizational Conflict of Interest***" means that because of other activities or relationships with other persons or entities, the Engineer is unable or potentially unable to render impartial assistance or advice to PCCA or the Engineer's objectivity in performing the services under this Agreement and related Service Orders is or might otherwise be impaired. Engineer agrees to immediately notify PCCA of any actual or potential Organizational Conflict of Interest that develops during the Term of this Agreement. Engineer agrees that PCCA may terminate this Agreement immediately if it becomes aware of any Organizational Conflict of Interest during the term of the Agreement.

Section 14.14 Defamation

The Parties covenant and agree that in no event, and at no time during the Term of this Agreement or at any time thereafter, shall either of them disparage, denigrate, slander, libel or otherwise defame the other or the other's businesses, services, properties or assets, or employees, personnel, agents, or representatives.

Section 14.15 Parties Bound

This Agreement binds and inures to the benefit of the Parties and their respective legal representatives, heirs, distributees, successors and assigns, where assignment is permitted by this Agreement.

Section 14.16 Attorneys' Fees; Default

In the event Engineer or PCCA breach any of the terms of this Agreement and the Party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting Party agrees to pay reasonable attorney's fees and costs incurred by the prevailing Party.

ARTICLE 15
EXHIBITS

Section 15.01 Suggested Form of Service Order

The Suggested Form of Service Order is attached as Attachment One, and shall be used as the basis for preparing a specific Service Order for each Specific Project under this Agreement.

Section 15.02 Exhibits Included

A. **Exhibit A**, *Engineer's Services for Service Order*. Services, tasks, and terms in **Exhibit A** as included with this Agreement are for reference in preparing the scope of services for specific Service Orders, and are contractually binding only to the extent expressly incorporated in a specific Service Order.

B. **Exhibit B**, *Engineer's Standard Hourly Rates for Work performed under the Service Order.* This Exhibit, as updated from time to time, applies to all Service Orders.

C. **Exhibit C**, *Engineer's Reimbursable Expenses Schedule for costs incurred by Engineer when performing Work under the Service Order.* The terms of **Exhibit C** that will be applicable to and govern compensation under a specific Service Order will be determined by the selection of compensation methods made in Paragraph 5, "*Payments to Engineer*," of the specific Service Order.

D. **Exhibit D**, *Duties, Responsibilities and Limitations of Authority of Resident Project Representative.* This Exhibit is not contractually binding except when expressly incorporated in a specific Service Order.

E. **Exhibit E**, *Notice of Acceptability of Work*. Engineer shall use this Notice of Acceptability of Work form at the conclusion of construction on a Specific Project if the form is expressly incorporated by reference in a specific Service Order, and Engineer's scope of services in the specific Service Order includes providing such a Notice.

F. **Exhibit E**, *Amendment to Service Order*. PCCA and Engineer may use this form during a Specific Project to modify the specific Service Order.

[Signature page follows this page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Effective Date.

PCCA:	**Engineer:**
Port of Corpus Christi Authority of Nueces County, Texas	**HDR Engineering, Inc.**
By:_____	By: Arthur B. Colwell
Name: Sean C. Strawbridge	Name: Arthur B. Colwell
Title: Executive Director	Title: Vice President
Date Signed:_____	Date Signed: MARCH 8, 2018
Address for giving notice: 222 Power Street Corpus Christi, Texas 78401 Attention: Director of Engineering Services	**Address for giving notice:** 555 N. Carancahua St. #1600 Corpus Christi, Texas 78401
PCCA's Contract Representative:	**Engineer's Contract Representative:**
David L. Krams, P.E.	Brent Moore, PE
Title: Director of Engineering Services	Title: VP / HDR Ports Program Manager
Phone Number: 361-885-6134	Phone Number: 361-696-3374
Facsimile Number: 361-881-5161	Facsimile Number: 361-696-3385
E-Mail Address: krams@pocca.com	E-Mail Address: brent.moore@hdrinc.com

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ATTACHMENT ONE
TO MASTER SERVICES AGREEMENT NO. 18-04

SERVICE ORDER
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER SERVICES AGREEMENT NO. 18-04

PROJECT NAME ***(Insert Project name)***
PROJECT NO. ***(Insert Project number)***
SERVICE ORDER NO. ***(Insert Service Order number)***
COMMENCEMENT DATE ***(Insert Commencement Date of Service Order)***

This Service Order is executed by any between the Port of Corpus Christi Authority of Nueces County, Texas ("**PCCA**") and HDR Engineering, Inc. ("**Engineer**"). PCCA and Engineer agree that all of the Services authorized by this Service Order shall be subject to the terms and conditions of PCCA's Master Services Agreement No. 18-04 between PCCA and Engineer, as amended ("**Agreement**"). Upon execution of this Service Order, the Agreement shall be incorporated into and be considered part of this Service Order as if set forth herein in its entirety. Any capitalized terms in this Service Order that are not defined herein shall have the meanings given to them in the Agreement. If there is any inconsistency between the terms of this Service Order and the terms of the Agreement, the terms of this Service Order will control.

Engineer will provide the Services described in the Services of Engineer below in connection with the Specific Project described below.

1. Description of Specific Project:

[Insert a paragraph that describes the Specific Project that is the subject of this Service Order.]

2. Services of Engineer (Scope of Services)

A. The specific services to be provided or furnished by Engineer under this Service Order are: ***[Select one of the following options and delete the other.]***

☐ set forth in "Part 1—Services" of **Exhibit A**, "*Engineer's Services for Service Order*," modified for this specific Service Order, and attached to and incorporated as part of this Service Order.

[or]

☐ as follows: [ ] ***[Note: Insert detailed scope of services here.]***

B. Resident Project Representative (RPR) Services

If the scope of services established in Paragraph 2.A above includes RPR services, then **Exhibit D** of the Agreement is expressly incorporated in this Service Order by reference. The RPR shall provide ***[Select one of the following options]*:**

☐ full time representation; or
☐ part time representation as follows: _____.

[1. If RPR services are not in the scope of this Service Order, do not include any references to RPR services in Exhibit A (Paragraph A1.05(A)(1)) for this Service Order (or state "Does not apply" or similar), or in any other scope of services text or document.

2. If appropriate, modify Exhibit D for this specific Service Order, and attach it, rather than incorporating the Exhibit D that is included with the Agreement.]

C. Designing to a Construction Cost Limit

[If the design under this Service Order will be governed by a Construction Cost Limit, then include the following clause, with blanks filled in; if not, then delete the clause or indicate "Does not apply" or similar.]

Under this Service Order, Engineer will design to a Construction Cost Limit, subject to the terms of Section 7.03 of the Agreement. The Construction Cost Limit is $_____. The bidding or negotiating contingency to be added to the Construction Cost Limit is _____ percent per PCCA's Contingency Guidelines for General or Marine or Rehabilitation projects accordingly.

D. Other Services

Engineer shall also provide the following services:

[Summarize or provide a brief description of other services (if any) that are to be provided by Engineer, but have not been addressed in Paragraphs 2.A through 2.C.]

3. PCCA's Responsibilities

PCCA shall have those responsibilities set forth in Section 5.01 of the Agreement, subject to the following: ***[State any additions or modifications to Section 5.01 for this Specific Project here.]***

4. Service Order Schedule

In addition to any schedule provisions provided in **Exhibit A** or elsewhere, the parties shall meet the following schedule: ***[Revise and amend for each specific Service Order.]***

Party	Action	Schedule
Engineer	**Furnish [ ] review copies of the Report and other Study and Report Phase deliverables to PCCA.**	**Within [ ] days of the Commencement Date of the Service Order.**
PCCA	**Submit comments regarding Report and other Study and Report Phase deliverables to Engineer.**	**Within [ ] days of the receipt of Report and other Study and Report Phase deliverables from Engineer.**
Engineer	**Furnish [ ] copies of the revised Report and other Study and Report Phase deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the Report and other Study and Report Phase deliverables.**
Engineer	**Furnish [ ] review copies of the Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to PCCA.**	**Within [ ] days of PCCA's authorization to proceed with Preliminary Design Phase services.**
PCCA	**Submit comments regarding Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to Engineer.**	**Within [ ] days of the receipt of Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables from Engineer.**
Engineer	**Furnish [ ] copies of the revised Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables.**
Engineer	**Furnish [ ] copies of the 60% Design documents, updated opinion of probable Construction Cost, and other 60% Design deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the 60% Design documents, updated opinion of probable Construction Cost, and other 60% Design deliverables.**

Engineer	**Furnish [ ] copies of the 90% Design documents, updated opinion of probable Construction Cost, and other 90% Design deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the 90% Design documents, updated opinion of probable Construction Cost, and other 90% Design deliverables.**
Engineer	**Furnish [ ] copies of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design deliverables, to PCCA.**	**Within [ ] days of PCCA's authorization to proceed with Final Design Phase Services.**
PCCA	**Submit comments and instructions regarding the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, to Engineer.**	**Within [ ] days of the receipt of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables from Engineer.**
Engineer	**Furnish [ ] copies of the revised final Drawings and Specifications, assembled Construction Contract Documents, bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, to PCCA.**	**Within [ ] days of the receipt of PCCA's comments and instructions regarding the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables**

Should PCCA not return comments and/or instructions in the time listed in the schedule, the Engineer's schedule for subsequent items will be extended by the same number of days by which PCCA comments or instructions exceed the scheduled review with no further recourse by the Engineer against PCCA.

5. Method of Compensation

A. PCCA shall pay Engineer for services rendered under this Service Order using the following method of compensation: ***[Select one of the following options.]***

☐ Lump Sum plus Named Reimbursable Expenses, if any; or
☐ Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price.

B. If this is a Lump Sum Service Order, PCCA shall pay Engineer the following lump sum amount for the services described in this Service Order: $_____. In addition, PCCA shall reimburse Engineer for the following Named Reimbursable Expenses (if any): _____.

C. If this is an Hourly Rates Service Order, the Ceiling Price for this Service Order is $_____.

D. If this is an Hourly Rates Service Order, the estimated amount of compensation payable for each category of services rendered under this Service Order is as follows:

[Notes: 1. Delete line items that do not apply to this Service Order. 2. Cross-references are to Exhibit A. Revise if necessary, or delete cross-references if Exhibit A is not used to establish the scope of services under this Service Order.]

Description of Service	Amount
Study and Report Phase (*A1.01 of Ex. A*)	$[ ]
Preliminary Design Phase (*A1.02 of Ex. A*)	$[ ]
Final Design Phase (*A1.03 of Ex. A*)	$[ ]
Bidding or Negotiating Phase (*A1.04 of Ex. A*)	$[ ]
Construction Phase (*A1.05 of Ex. A*)	$[ ]
Resident Project Representative Services (*A1.05(A)(1) of Ex. A*)	$[ ]
Post-Construction Phase (A1.06 of Ex. A)	$[ ]
Commissioning Phase (*A1.07 of Ex. A*)	$[ ]
Other Services (list as appropriate) (*A2.01 of Ex. A*)	$[ ]
ESTIMATED TOTAL COMPENSATION	$[ ]

E. The terms of payment are set forth in Article 4 of the Agreement.

6. Consultants retained or that will be retained as of the Commencement Date of the Service Order: ***[List name of Consultants, if any]***

7. Other Modifications to the Agreement or the Exhibits to the Agreement:

[Supplement or modify the Agreement and Exhibits, if appropriate.]

8. Exhibits or Attachments to this Service Order:

9. Documents (other than the Agreement) Incorporated by Reference:

10. Terms and Conditions

Execution of this Service Order by PCCA and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Service Order signed by PCCA.

[Signature page follows this page]

IN WITNESS WHEREOF, each Party has executed this Service Order effective for all purposes as of the Commencement Date.

PCCA:	**Engineer:**
Port of Corpus Christi Authority of Nueces County, Texas	**HDR Engineering, Inc.**
By:_____	By:_____
Name: _____	Name:_____
Title: _____	Title:_____
Date Signed:_____	Date Signed:_____
Address for giving notice: 222 Power Street Corpus Christi, Texas 78401 Attention: Director of Engineering Services	**Address for giving notice:** ***(Insert address of Engineer)***
PCCA's Designated Representative:	**Engineer's Designated Representative:**
_____	_____
Title:	Title:_____
Phone Number:	Phone Number:_____
Facsimile Number:	Facsimile Number:_____
E-Mail Address:	E-Mail Address:_____

EXHIBIT A
ENGINEER'S SERVICES FOR SERVICE ORDER

[Introductory Note to User: The parties should prepare a specific, modified Exhibit A for each specific Service Order, state the scope of services for the Specific Project directly in the specific Service Order, or incorporate all or portions of Exhibit A by reference.

The following text as published describes a variety of services that may be included, in whole or in part, in a specific Service Order issued under the Agreement. Until this exhibit is customized for inclusion in a specific Service Order, or some or all of the exhibit is incorporated in a specific Service Order by reference, it has no legal or contractual effect.

Not all possible services are included in this exhibit. Language provided is intended to provide a basic framework, ideas for inclusion, and to avoid omissions; none, any, or most of this language may be applicable to a Specific Project. The user should revise and supplement the descriptions of services provided here for purposes of drafting the scope of Engineer's Services for each specific Service Order.]

PART 1—SERVICES

A1.01 *Study and Report Phase Services*

A. As Study and Report Services, Engineer shall:

1. If PCCA has already identified one or more potential solutions to meet its Specific Project requirements, Engineer will proceed with the study and evaluation of: ***[List the specific potential solutions here.]***

2. If PCCA has not identified specific potential solutions to meet its Specific Project requirements, Engineer will identify up to ____ potential solution(s) and then proceed with the study and evaluation of these potential solution(s).

3. Visit the Site, or potential Specific Project sites, to review existing conditions and facilities, unless such visits are not necessary or applicable to meeting the objectives of the Study and Report Phase.

4. Advise PCCA of any need for PCCA to obtain, furnish, or otherwise make available to Engineer additional Specific Project-related data and information, for Engineer's use in the study and evaluation of potential solution(s) to PCCA's Specific Project requirements, and preparation of a related report.

5. After consultation with PCCA, recommend to PCCA the solution(s) which in Engineer's judgment meet PCCA's requirements for the Specific Project.

6. Identify, consult with, and analyze requirements of governmental authorities having jurisdiction to approve the portions of the Specific Project to be designed or

specified by Engineer, including but not limited to mitigating measures identified in an environmental assessment for the Specific Project.

7. Prepare a report (the "***Report***") which will, as appropriate, contain schematic layouts, sketches, and conceptual design criteria with appropriate exhibits to indicate the agreed-to requirements, considerations involved, and Engineer's recommended solution(s). For each recommended solution Engineer will provide the following, which will be separately itemized: opinion of probable Construction Cost; proposed allowances for contingencies; the estimated total costs of design, professional, and related services to be provided by Engineer and its Consultants; and, on the basis of information furnished by PCCA, a tabulation of other items and services included within the definition of Total Project Costs.

8. Review available survey, geotechnical, environmental, and other data and recommend additional investigations, studies, tests, professional services that may be required to support design of the alternatives.

9. When mutually agreed, assist PCCA in evaluating the possible use of building information modeling; civil integrated management; geotechnical baselining of subsurface site conditions; innovative design, contracting, or procurement strategies; or other strategies, technologies, or techniques for assisting in the design, construction, and operation of PCCA's facilities.

10. If requested to do so by PCCA, assist PCCA in identifying opportunities for enhancing the sustainability of the Specific Project, and pursuant to PCCA's instructions plan for the inclusion of sustainable features in the design.

11. Pursuant to the Service Order schedule, furnish the required number of review copies of the Report and any other Study and Report Phase deliverables to PCCA, and review it with PCCA. PCCA shall submit to Engineer any comments regarding the furnished items within the time established in the Service Order schedule.

12. Pursuant to the Service Order schedule, revise the Report and any other Study and Report Phase deliverables in response to PCCA's comments, as appropriate, and furnish the required number of copies of the revised Report and any other Study and Report Phase deliverables to the PCCA.

B. Engineer's services under the Study and Report Phase will be considered complete on the date when Engineer has delivered to PCCA the revised Report and any other Study and Report Phase deliverables.

A1.02 ***Preliminary Design Phase***

A. Engineer shall:

1. Prepare Preliminary Design Phase documents consisting of final design criteria, preliminary drawings, outline specifications, and written descriptions of the Specific Project.

2. In preparing the Preliminary Design Phase documents, use any specific applicable Specific Project Strategies, Technologies, and Techniques authorized by PCCA during or following the Study and Report Phase, and include sustainable features, as appropriate, pursuant to PCCA's instructions.

3. Provide necessary field surveys and topographic and utility mapping for Engineer's design purposes. Comply with the scope of work and procedure for the identification and mapping of existing utilities selected and authorized by PCCA pursuant to advice from Engineer based on ASCE 38, "Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data," as set forth in Paragraph A1.01.A.12 above. If no such scope of work and procedure for utility mapping has been selected and authorized, then at a minimum the utility mapping will include Engineer contacting utility owners and obtaining available information.

4. Visit the Site as needed to prepare the Preliminary Design Phase documents.

5. Advise PCCA if additional reports, data, information, or services necessary so support final design and assist PCCA in obtaining such reports, data, information, or services. Include as appropriate scope for:

   (a) geotechnical for investigation

   (b) topographical surveys

   (c) utility mapping

6. Continue to assist PCCA with Specific Project Strategies, Technologies, and Techniques that PCCA has chosen to implement.

7. Based on the information contained in the Preliminary Design Phase documents, prepare a revised opinion of probable Construction Cost, and assist PCCA in tabulating the various cost categories which comprise Total Project Costs.

8. Pursuant to the Service Order schedule, furnish the required number of review copies of the Preliminary Design Phase documents, opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables to PCCA, and review them with PCCA. Within the time established in the Service Order schedule, PCCA shall submit to Engineer any comments regarding the furnished items.

9. Pursuant to the Service Order schedule, revise the Preliminary Design Phase documents, opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables in response to PCCA's comments, as appropriate, and furnish to PCCA the required number of copies of the revised Preliminary Design Phase documents, revised opinion of probable Construction Cost, and revised estimate of design and related professional services, and any other Preliminary Design Phase deliverables.

B. Engineer's services under the Preliminary Design Phase will be considered complete on the date when Engineer has delivered to PCCA the revised Preliminary Design Phase documents, revised opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables.

A1.03 ***Final Design Phase***

A. Engineer shall:

1. Prepare final Drawings and Specifications indicating the scope, extent, and character of the Work to be performed and furnished by Contractor.

2. Visit the Site as needed to assist in preparing the final Drawings and Specifications.

3. Provide technical criteria, written descriptions, and design data for PCCA's use in filing applications for permits from or approvals of governmental authorities having jurisdiction to review or approve the final design; assist PCCA in consultations with such authorities; and revise the Drawings and Specifications in response to directives from such authorities, as appropriate.

4. Advise PCCA of any recommended adjustments to the opinion of probable Construction Cost as design progresses.

5. Assist PCCA in assembling known reports and drawings of Site conditions, and in identifying the technical data contained in such reports and drawings upon which bidders or other prospective contractors may rely.

6. In addition to preparing the final Drawings and Specifications, assemble drafts of other Construction Contract Documents based on specific instructions and contract forms, text, or content received from PCCA.

7. Prepare or assemble 60% Design documents (or requests for proposals or other construction procurement documents), based on the specific bidding or procurement-related instructions and forms, text, or content provided by PCCA. As directed by PCCA, organize the proposed work and related construction documents to provide for additive or alternative bids.

8. Prepare or assemble 90% Design and bidding-related documents (or requests for proposals or other construction procurement documents), based on the specific bidding or procurement-related instructions and forms, text, or content provided by PCCA. As directed by PCCA, organize the proposed work and related construction documents to provide for additive or alternative bids.

9. Prepare or assemble draft bidding-related documents (or requests for proposals or other construction procurement documents), based on the specific bidding or procurement-related instructions and forms, text, or content provided by PCCA. As directed by PCCA, organize the proposed work and related construction documents to provide for additive or alternative bids.

10. Pursuant to the Service Order schedule, furnish for review by PCCA, the required number of copies of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, and review them with PCCA. Within the time required by the Service Order schedule, PCCA shall submit to Engineer any comments regarding the furnished items, and any instructions for revisions sealed by Registered Professional Engineer licensed to practice in the State of Texas.

11. Pursuant to the Service Order schedule, revise the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables in accordance with comments and instructions from the PCCA, as appropriate, and submit the required number of final copies of such documents to PCCA after receipt of PCCA's comments and instructions.

B. Engineer's services under the Final Design Phase will be considered complete on the date when Engineer has delivered to PCCA the final Drawings and Specifications, other assembled Construction Contract Documents, bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables.

A1.04 ***Bidding or Negotiating Phase***

A. Engineer shall:

1. Attend pre-bid conference and provide a presentation of the technical aspect of the project.

2. Prepare and issue Addenda as appropriate, and as requested by PCCA, to clarify, correct, or change the issued documents.

3. Provide information or assistance needed by PCCA in the course of any review of proposals or negotiations with prospective contractors.

4. Consult with PCCA as to the qualifications of prospective contractors.

5. Consult with PCCA as to the qualifications of Subcontractors, suppliers, and other individuals and entities proposed by prospective contractors, for those portions of the Work as to which review of qualifications is required by the issued documents.

6. If the issued documents require, the Engineer shall evaluate and determine the acceptability of "or equals" and substitute materials and equipment proposed by prospective contractors, provided that such proposals are allowed by the bidding-related documents (or requests for proposals or other construction procurement documents) prior to award of contracts for the Work. Services under this paragraph are subject to the provisions of Paragraph A2.01(A)(16) of this **Exhibit A**.

7. Attend the bid opening, and assist PCCA in evaluating bids or proposals, assembling final contracts for the Work for execution by PCCA and Contractor, and in issuing notices of award of such contracts.

8. If PCCA engages in negotiations with bidders or proposers, assist PCCA with respect to technical and engineering issues that arise during the negotiations.

9. Engineer shall prepare and submit issued for construction drawings and specifications incorporating addenda issued during the Bid phase. Issued for Construction Drawings shall be sealed by Registered Professional Engineer licensed to practice in the State of Texas.

B. The Bidding or Negotiating Phase will be considered complete upon commencement of the Construction Phase or upon cessation of negotiations with prospective contractors (except as may be required if a Construction Cost limit is a part of this Service Order).

A1.05 ***Construction Phase***

A. Engineer shall:

1. *Resident Project Representative (RPR)*: Provide the services of an RPR at the Site to assist the Engineer and to provide more extensive observation of Contractor's work. Duties, responsibilities, and authority of the RPR are as set forth in **Exhibit D**. The furnishing of such RPR's services will not limit, extend, or modify Engineer's responsibilities or authority except as expressly set forth in **Exhibit D.** **[*If Engineer will not be providing the services of an RPR, then delete this Paragraph 2 by inserting the word "DELETED" after the paragraph title, and do not include Exhibit D in the Task Order.*]**

2. *Selection of Independent Testing Laboratory:* Assist PCCA, as requested, in the selection of an independent testing laboratory to perform the testing services identified in the contract documents.

3. *Pre-Construction Conference:* Participate in a pre-construction conference prior to commencement of Work at the Site.

4. *Electronic Transmittal Protocols:* If the Construction Contract Documents do not specify protocols for the transmittal of Project-related correspondence, documents, text, data, drawings, information, and graphics, in electronic media or digital format, either directly, or through access to a secure Project website, then together with PCCA and Contractor jointly develop such protocols for transmittals between and among PCCA, Contractor, and Engineer during the Construction Phase and Post-Construction Phase.

5. *Schedules:* Receive, review, and determine the acceptability of any and all schedules that Contractor is required to submit to Engineer, including the Progress Schedule, Schedule of Submittals, and Schedule of Values.

6. *Baselines and Benchmarks:* As appropriate, establish baselines and benchmarks for locating the Work which in Engineer's judgment are necessary to enable Contractor to proceed.

7. Visits *to Site and Observation of Construction:* In connection with observations of Contractor's Work while it is in progress:

   (a) Make visits to the Site at intervals appropriate to the various stages of construction, as Engineer deems necessary, to observe as an experienced and qualified design professional the progress of Contractor's executed Work. Based on information obtained during such visits and observations, Engineer will determine in general if the Work is proceeding in accordance with the Construction Contract Documents, and Engineer shall keep PCCA informed of the progress of the Work.

   (b) The purpose of Engineer's visits to the Site, and representation by the Resident Project Representative, if any, at the Site, will be to enable Engineer to better carry out the duties and responsibilities assigned to and undertaken by Engineer during the Construction Phase, and, in addition, by the exercise of Engineer's efforts as an experienced and qualified design professional, to provide for PCCA a greater degree of confidence that the completed Work will conform in general to the Construction Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Construction Contract Documents. Engineer shall not, during such visits or as a result of such observations of the Work, supervise, direct, or have control over the Work, nor shall Engineer have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, for security or safety at the Site, for safety precautions and programs incident to any Constructor's work in progress, for the coordination of the Constructors' work or schedules, nor for any failure of any Constructor to comply with Laws and Regulations applicable to furnishing and performing of its work. Accordingly, Engineer neither guarantees the performance of any Constructor nor assumes responsibility for any Constructor's failure to furnish or perform the Work, or any portion of the Work, in accordance with the Construction Contract Documents.

8. *Defective Work:* Recommend rejection of Work if, on the basis of Engineer's observations, Engineer believes that such Work is defective under the terms and standards set forth in the Construction Contract Documents. Provide recommendations to PCCA regarding whether Contractor should correct such Work or remove and replace such Work, or whether PCCA should consider accepting such Work as provided in the Construction Contract Documents.

9. *Compatibility with Design Concept:* If Engineer has express knowledge that a specific part of the Work that is not defective under the terms and standards set

forth in the Construction Contract Documents is nonetheless not compatible with the design concept of the completed Project as a functioning whole, then inform PCCA of such incompatibility, and provide recommendations for addressing such Work.

10. *Clarifications and Interpretations:* Accept from Contractor and PCCA submittal of all matters in question concerning the requirements of the Construction Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Construction Contract Documents. With reasonable promptness, render a written clarification, interpretation, or decision on the issue submitted, or an amendment or supplement to the Construction Contract Documents.

11. *Change Orders and Work Change Directives:* Recommend Change Orders and Work Change Directives to PCCA, as appropriate, and support preparation of Change Orders and Work Change Directives as required.

12. *Differing Site Conditions:* Respond to any notice from Contractor of differing site conditions, including conditions relating to underground facilities such as utilities, and hazardous environmental conditions. Promptly conduct reviews, obtain information, and prepare findings, conclusions, and recommendations for PCCA's use, subject to the limitations and responsibilities under the Agreement and the Construction Contract.

13. *Shop Drawings, Samples, and Other Submittals:* Review and approve or take other appropriate action with respect to Shop Drawings, Samples, and other required Contractor submittals, but only for conformance with the information given in the Construction Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated by the Construction Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Engineer shall meet any Contractor's submittal schedule that Engineer has accepted.

14. *Substitutes and "or-equal":* Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor.

15. *Inspections and Tests:*

    (a) Receive and review certificates of inspections, tests, and approvals required by Laws and Regulations or the Construction Contract Documents. Engineer's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Construction Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Construction Contract Documents. Engineer shall be entitled to rely on the results of such inspections and tests.

(b) Pursuant to the terms of the Construction Contract, recommend additional inspections or testing of the Work, whether or not the Work is fabricated, installed, or completed.

16. *Change Proposals and Claims:* (a) Review and respond to Change Proposals. Review each duly submitted Change Proposal from Contractor and, within 30 days after receipt of the Contractor's supporting data, either deny the Change Proposal in whole, approve it in whole, or deny it in part and approve it in part. Such actions shall be in writing, with a copy provided to PCCA and Contractor. If the Change Proposal does not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters, then Engineer will notify the parties that the Engineer will not resolve the Change Proposal. (b) Provide information or data to PCCA regarding engineering or technical matters pertaining to Claims.

17. Applications *for Payment:* As requested by PCCA, review Contractor's applications for payment and provide PCCA with a recommendation to pay, partially pay, or request a revised pay application.

18. *Contractor's Completion Documents:* As required and directed by PCCA, review, and transmit to PCCA maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance required by the Construction Contract Documents, certificates of inspection, tests and approvals, and Shop Drawings, Samples, and other data approved as provided from Contractor. Review, and transmit to PCCA the annotated record documents which are to be assembled by Contractor in accordance with the Construction Contract Documents to obtain final payment.

19. *Substantial Completion:* Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with PCCA and Contractor, visit the Site to review the Work and determine the status of completion. Follow the procedures in the Construction Contract regarding the preliminary certificate of Substantial Completion, punch list of items to be completed, PCCA's objections, notice to Contractor, and issuance of a final certificate of Substantial Completion. Assist PCCA regarding any remaining engineering or technical matters affecting PCCA's use or occupancy of the Work following Substantial Completion.

20. *Final Notice of Acceptability of the Work:* Conduct a final visit to the specific Project to determine if the Work is complete and acceptable so that Engineer may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, Engineer shall also provide a notice to PCCA and Contractor in the form attached hereto as **Exhibit E** ("**Notice of Acceptability of Work**") that the Work is acceptable.

21. *Standards for Certain Construction-Phase Decisions:* Engineer will render decisions regarding the requirements of the Construction Contract Documents, and

judge the acceptability of the Work, pursuant to the specific procedures set forth in the Construction Contract for initial interpretations, Change Proposals, and acceptance of the Work. In rendering such decisions and judgments, Engineer will not show partiality to PCCA or Contractor.

22. Preparing Record Drawings, and furnishing such Record Drawings to PCCA.

23. Supplementing Record Drawings with information regarding the completed Project, Site, and immediately adjacent areas obtained from field observations, PCCA, utility companies, and other reliable sources.

24. Conducting surveys, investigations, and field measurements to verify the accuracy of Record Drawing content obtained from Contractor, PCCA, utility companies, and other sources; revise and supplement Record Drawings as needed.

B. *Duration of Construction Phase:* The Construction Phase will commence with the execution of the first Construction Contract for the Specific Project or any part thereof and will terminate upon written recommendation by Engineer for final payment to Contractors. If the specific Project involves more than one prime contract then Construction Phase services may be rendered at different times in respect to the separate contracts.

A1.06 ***Post-Construction Phase***

A. Upon written authorization from PCCA during the Post-Construction Phase, Engineer shall:

1. Together with PCCA, visit the Project to observe any apparent defects in the Work, make recommendations as to replacement or correction of Defective Work, if any, or the need to repair of any damage to the Site or adjacent areas, and assist PCCA in consultations and discussions with Contractor concerning correction of any such Defective Work and any needed repairs.

2. Together with PCCA, visit the Project within one month before the end of the Construction Contract's Correction Period to ascertain whether any portion of the Work or the repair of any damage to the Site or adjacent areas is defective and therefore subject to correction by Contractor.

B. The Post-Construction Phase services may commence during the Construction Phase and will terminate twelve months after the commencement of the Construction Contract's Correction Period.

A1.07 ***Commissioning Phase***

A. Engineer shall:

1. Assist PCCA in connection with the adjusting of Specific Project equipment and systems.

2. Assist PCCA in training PCCA's staff to operate and maintain Specific Project equipment and systems.

3. Prepare operation and maintenance manuals.

4. Assist PCCA in developing procedures for (a) control of the operation and maintenance of Specific Project equipment and systems, and (b) related record-keeping.

5. Prepare and furnish to PCCA, in the format agreed to, Record Drawings showing appropriate record information based on Project annotated record documents received from Contractor.

PART 2—OTHER SERVICES

A2.01 *Other Services Required to be Listed in the Service Order*

A. Each specific Service Order may include Services that do not fit into the categories described in Part 1, such as the types of Services listed in this Part 2. Such services should be expressly stated in the specific Service Order itself.

1. Preparation of applications and supporting documents (in addition to those furnished under Services) for private or governmental grants, loans, or advances in connection with the Specific Project; preparation or review of environmental assessments and impact statements; review and evaluation of the effects on the design requirements for the Specific Project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Specific Project.

2. Services to make measured drawings of existing conditions or facilities, to conduct tests or investigations of existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by PCCA or others.

3. Services resulting from significant changes in the scope, extent, or character of the portions of the Specific Project designed or specified by Engineer, or the Specific Project's design requirements, including, but not limited to, changes in size, complexity, PCCA's schedule, character of construction, or method of financing; and revising previously accepted studies, reports, Drawings, Specifications, or Construction Contract Documents when such revisions are required by changes in Laws and Regulations enacted subsequent to the Commencement Date of the Service Order or are due to any other causes beyond Engineer's control.

4. Providing renderings or models for PCCA's use, including services in support of building information modeling or civil integrated management.

5. Undertaking investigations and studies including, but not limited to:

    a) detailed consideration of operations, maintenance, and overhead expenses;

b) based on the engineering and technical aspects of the Project, the preparation of feasibility studies (such as those that include projections of output capacity, utility project rates, project market demand, or project revenues) and cash flow analyses, provided that such services do not include rendering advice regarding municipal financial products or the issuance of municipal securities;

c) evaluating processes available for licensing, and assisting PCCA in obtaining process licensing;

d) detailed quantity surveys of materials, equipment, and labor; and

e) audits or inventories required in connection with construction performed or furnished by PCCA.

6. Preparing for, coordinating with, participating in and responding to structured independent review processes, including, but not limited to, construction management, cost estimating, project peer review, value engineering, and constructability review requested by PCCA; and performing or furnishing services required to revise studies, reports, Drawings, Specifications, or other documents as a result of such review processes.

7. Assistance in connection with bid protests, rebidding, or renegotiating contracts for construction, materials, equipment, or services, except when such assistance is required to complete services required by Section 3.02.

8. Preparation of operation, maintenance, and staffing manuals.

9. Protracted or extensive assistance in refining and adjusting of Project equipment and systems (such as initial startup, testing, and balancing).

10. Assistance to PCCA in training PCCA's staff to operate and maintain Specific Project equipment and systems.

11. Assistance to PCCA in developing systems and procedures for (a) control of the operation and maintenance of Project equipment and systems, and (b) related recordkeeping.

12. Preparing to serve or serving as a consultant or witness for PCCA in any litigation, arbitration, mediation, lien or bond claim, or other legal or administrative proceeding involving the Project.

13. Providing construction surveys and staking to enable Contractor to perform its work other than as required under Paragraph A1.05(A)(6), and any type of property surveys or related engineering services needed for the transfer of interests in real property; and providing other special field surveys.

14. Provide assistance in responding to the presence of any Constituent of Concern at any Site, in compliance with current Laws and Regulations.

15. Services in connection with Work Change Directives and Change Orders to reflect changes requested by PCCA.

16. Services in making revisions to Drawings and Specifications occasioned by the acceptance of substitute materials or equipment other than "or equal" items; services after the award of the Construction Contract in evaluating and determining the acceptability of a proposed "or equal" or substitution which is found to be inappropriate for the Project; evaluation and determination of an excessive number of proposed "or equals" or substitutions, whether proposed before or after award of the Construction Contract.

17. Services resulting from significant delays, changes, or price increases occurring as a direct or indirect result of materials, equipment, or energy shortages.

18. Additional or extended services arising from (a) the presence at the Site of any Constituent of Concern or items of historical or cultural significance, (b) emergencies or acts of God endangering the Work, (c) damage to the Work by fire or other causes during construction, (d) a significant amount of defective, neglected, or delayed Work, (e) acceleration of the progress schedule involving services beyond normal working hours, or (f) default by Contractor.

19. Reviewing a Shop Drawing or other Contractor submittal more than three times, as a result of repeated inadequate submissions by Contractor.

EXHIBIT B
TO MASTER SERVICES AGREEMENT NO. 18-04

Standard Hourly Rates Schedule

The Standard Hourly Rates Schedule for Services performed under this Agreement is:

HDR

No. 1-18

SCHEDULE OF RATES
These rates are effective through December 31, 2018

PROFESSIONAL STAFF	HOURLY RATE
Engineer I	$ 117.00
Engineer II	$ 128.00
Engineer III	$ 143.00
Engineer IV	$ 159.00
Engineer V	$ 174.00
Engineer VI	$ 194.00
Engineer VII	$ 214.00
Engineer VIII	$ 235.00
Principal Engineer	$ 255.00
Sr. Principal Engineer	$ 274.00
Program Director	$ 295.00
Project Biologist /GIS Specialist	$ 139.00
Environmental Biologist	$ 159.00
Sr. Environmental Biologist	$ 179.00
Environmental Manager	$ 198.00

PARA-PROFESSIONAL STAFF	HOURLY RATE
Administrative Assistant	$ 85.00
Drafter	$ 88.00
Technician I	$ 101.00
Technician II	$ 113.00
Technician III	$ 125.00
Designer Tech IV	$ 137.00

EXPENSES	RATE	
Automobile (other than Rental Car)	IRS Rate +	5%
In-house production...prevailing commercial rates		
Outside consultants, cost plus	5	% handling
Outside technical services, cost plus	5	% handling
All other expenses, cost plus	5	% handling

~~* (Includes All Equipment, Vehicles & Stakes)~~
~~** (Includes Boat & Equipment)~~

EXHIBIT C
TO MASTER SERVICES AGREEMENT NO. 18-04

Reimbursable Expenses Schedule

The Reimbursable Expenses Schedule for Services performed under the Agreement is:

Fax	$0.00 /Page
Copies 8½" x 11"	$0.038 /Page
Copies of Drawings 24" x 36"	$2.70 /Sheet
Copies of Drawings 11" x 17"	$0.076 /Sheet
Colored	
Copies 8½" x 11"	$ 0.135 / Page
Copies of Drawings 24" x 36"	$ 5.40 / Sheet
Copies of Drawings 11" x 17"	$ 0.270 / Sheet
Mileage	$0.60 /Mile
Confined Space Equipment	$ NA / Day + Expenses
CAD Charge	$ NA / Hour
Soil Gas Kit	$ NA / Day
Soil Sampling	$ NA / Sample
Groundwater Sampling	$ NA / Sample
Consultants	1.05 x Cost
Long Distance Phone Calls	1.05 x Cost
Meals & Lodging	At Cost
Travel Expenses (other than mileage)	At Cost

EXHIBIT D
TO MASTER SERVICES AGREEMENT NO. 18-04

SCHEDULE OF DUTIES, RESPONSIBILITIES, AND LIMITATIONS OF AUTHORITY OF RESIDENT PROJECT REPRESENTATIVE

The following duties, responsibilities, and limitations of authority may be incorporated in the Service Order for a Specific Project:

Resident Project Representative

A. Engineer shall furnish a Resident Project Representative ("**RPR**") to assist Engineer in observing progress and quality of the Work. The RPR shall provide full-time or part-time representation as indicated in the Service Order. RPR is Engineer's representative at the Site, will act as directed by and under the supervision of Engineer, and will confer with Engineer regarding RPR's actions.

B. Through RPR's observations of the Work, including field checks of materials and installed equipment, Engineer shall endeavor to provide further protection for PCCA against defects and deficiencies in the Work. However, Engineer shall not, as a result of such RPR observations of the Work, supervise, direct, or have control over the Work, nor shall Engineer (including the RPR) have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, for security or safety at the Site, for safety precautions and programs incident to the Work or any Constructor's work in progress, for the coordination of the Constructors' work or schedules, or for any failure of any Constructor to comply with Laws and Regulations applicable to the performing and furnishing of its work. The Engineer (including RPR) neither guarantees the performances of any Constructor nor assumes responsibility for any Constructor's failure to furnish and perform the Work, or any portion of the Work, in accordance with the Construction Contract Documents.

C. The duties and responsibilities of the RPR are as follows:

1. *General:* RPR's dealings in matters pertaining to the Work in general shall be with Engineer and Contractor. RPR's dealings with Subcontractors shall only be through or with the full knowledge and approval of PCCA and the Contractor. RPR shall generally communicate with PCCA only with the knowledge of and under the direction of Engineer.

2. *Schedules:* Review the progress schedule, schedule of Shop Drawing and Sample submittals, schedule of values, and other schedules prepared by Contractor and consult with Engineer and PCCA concerning acceptability of such schedules.

3. *Conferences and Meetings:* Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences, and other Project-related meetings (but not including Contractor's safety meetings), and as appropriate prepare and circulate copies of minutes thereof.

4. *Safety Compliance:* Comply with Site safety programs, as they apply to RPR, and if required to do so by such safety programs, receive safety training specifically related to RPR's own personal safety while at the Site.

5. *Liaison*

    a. Serve as Engineer's and PCCA's liaison with Contractor. Working principally through Contractor's authorized representative or designee, assist in providing information regarding the provisions and intent of the Construction Contract Documents.

    b. Assist Engineer in serving as PCCA's liaison with Contractor when Contractor's operations affect PCCA's on-Site operations.

    c. Assist in obtaining from PCCA additional details or information, when required for proper execution of the Work.

6. *Clarifications and Interpretations:* Receive from Contractor submittal of any matters in question concerning the requirements of the Construction Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Construction Contract Documents. Report to Engineer and PCCA regarding such RFIs. Report to Engineer and PCCA when clarifications and interpretations of the Construction Contract Documents are needed, whether as the result of a Contractor RFI or otherwise. Transmit Engineer's and PCCA's clarifications, interpretations, and decisions to Contractor. ,

7. *Shop Drawings and Samples*

    a. Record date of receipt of Samples and Contractor-approved Shop Drawings.

    b. Receive Samples that are furnished at the Site by Contractor, and notify Engineer of availability of Samples for examination.

    c. Advise Engineer and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal, if RPR believes that the submittal has not been received from Contractor, or has not been approved by Contractor or Engineer.

8. *Proposed* M*odifications:* Consider and evaluate Contractor's suggestions for modifications to the Drawings or Specifications, and report such suggestions, together with RPR's recommendations, if any, to Engineer and PCCA. Transmit Engineer's and PCCA's response (if any) to such suggestions to Contractor.

9. *Review of Work; Defective Work*

    a. Report to Engineer and PCCA whenever RPR believes that any part of the Work is defective under the terms and standards set forth in the Construction Contract

Documents, and provide recommendations as to whether such Work should be corrected, removed and replaced, or accepted as provided in the Construction Contract Documents.

b. Inform Engineer and PCCA of any Work that RPR believes is not defective under the terms and standards set forth in the Construction Contract Documents, but is nonetheless not compatible with the design concept of the completed Project as a functioning whole, and provide recommendations to Engineer and PCCA for addressing such Work; and

c. Advise Engineer and PCCA of that part of the Work that RPR believes should be uncovered for observation, or requires special testing, inspection, or approval.

10. *Inspections, Tests, and System Start-ups*

a. Consult with Engineer and PCCA in advance of scheduled inspections, tests, and systems start-ups.

b. Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate PCCA's personnel, and that Contractor maintains adequate records thereof.

c. Observe, record, and report to Engineer and PCCA appropriate details relative to the test procedures and systems start-ups.

d. Observe whether Contractor has arranged for inspections required by Laws and Regulations, including but not limited to those to be performed by public or other agencies having jurisdiction over the Work.

e. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Work, record the results of these inspections, and report to Engineer and PCCA.

11. *Records*

a. Maintain at the Site orderly files for correspondence, reports of job conferences, copies of Construction Contract Documents including all Change Orders, Field Orders, Work Change Directives, Addenda, additional Drawings issued subsequent to the execution of the Construction Contract, RFIs, Engineer's clarifications and interpretations of the Construction Contract Documents, progress reports, Shop Drawing and Sample submittals received from and delivered to Contractor, and other Project-related documents.

b. Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site, Subcontractors present at the Site, weather conditions, data relative to questions of Change Orders, Field Orders, Work Change Directives, or changed conditions, Site visitors, deliveries of equipment or materials, daily activities, decisions, observations in general, and specific observations in more

detail as in the case of observing test procedures; and send copies to Engineer and PCCA.

c. As requested by PCCA to Engineer, photograph or video work in progress or Site conditions.

d. Record and maintain accurate, up-to-date lists of the names, addresses, fax numbers, e-mail addresses, websites, and telephone numbers (including mobile numbers) of all Contractors, Subcontractors, and major Suppliers of materials and equipment.

e. Maintain records for use in preparing Specific Project documentation.

f. Upon completion of the Work, furnish original set of all RPR Project documentation to Engineer and PCCA.

12. *Reports*

a. Furnish to Engineer and PCCA periodic reports as required of progress of the Work and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.

b. Draft and recommend to Engineer and PCCA proposed Change Orders, Work Change Directives, and Field Orders. Obtain backup material from Contractor.

c. Furnish to Engineer and PCCA copies of all inspection, test, and system start-up reports.

d. Immediately inform Engineer and PCCA of the occurrence of any Site accidents, emergencies, acts of God endangering the Work, possible force majeure or delay events, damage to property by fire or other causes, or the discovery of any potential differing site condition or Constituent of Concern.

13. *Payment Requests:* Review applications for payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to PCCA, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.

14. *Certificates, Operation and Maintenance Manuals:* During the course of the Work, verify that materials and equipment certificates, operation and maintenance manuals and other data required by the Construction Contract Documents to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Construction Contract Documents, and have these documents delivered to Engineer for review and forwarding to PCCA prior to payment for that part of the Work.

15. *Completion*:

a. Participate in Engineer's and PCCA's visits to the Site regarding Substantial Completion, assist in the determination of Substantial Completion, and prior to the issuance of a Certificate of Substantial Completion, submit a punch list of observed items requiring completion or correction.

b. Participate in Engineer's and PCCA's visit to the Site in the company of, PCCA, and Contractor, to determine completion of the Work, and prepare a final punch list of items to be completed or corrected by Contractor.

c. Observe whether all items on the final punch list have been completed or corrected, and make recommendations to Engineer and PCCA concerning acceptance and issuance of the Notice of Acceptability of the Work (**Exhibit E**).

D. Resident Project Representative shall not:

1. Authorize any deviation from the Construction Contract Documents or substitution of materials or equipment (including "or-equal" items).

2. Exceed limitations of Engineer's authority as set forth in this Agreement.

3. Undertake any of the responsibilities of Contractor, Subcontractors, or Suppliers, or any Constructor.

4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences or procedures of the Work, by Contractor or any other Constructor.

5. Advise on, issue directions regarding, or assume control over security or safety practices, precautions, and programs in connection with the activities or operations of PCCA or Contractor.

6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer and/or PCCA.

7. Accept Shop Drawing or Sample submittals from anyone other than Contractor.

EXHIBIT E
TO MASTER SERVICES AGREEMENT NO. 18-04

NOTICE OF ACCEPTABILITY OF WORK

PROJECT TITLE:

PCCA PROJECT NUMBER:

MASTER SERVICES AGREEMENT NO.:

SERVICE ORDER NO.:

DATE OF CONSTRUCTION AGREEMENT:

DATE OF NOTICE

To: Port of Corpus Christi Authority (PCCA)

And To: *(Insert name of Contractor)* (Contractor)

From: *(Insert name of Engineer)* (Engineer)

The undersigned (Engineer) hereby gives notice to PCCA and Contractor that the completed Work furnished and performed by Contractor under the above Contract is acceptable, expressly subject to the provisions of the related Construction Contract Documents and the terms and conditions set forth on the reverse side hereof. Engineer further recommends PCCA issue a Notice of Final Acceptance to the Contractor.

Engineer:_____

By:_____

Name:_____

Title:_____

Date:_____

(See Reverse Side of Notice)

CONDITIONS OF NOTICE OF ACCEPTABILITY OF WORK

The Notice of Acceptability of Work ("**Notice**") on the front side of this sheet is expressly made subject to the following terms and conditions to which all persons who receive said notice and rely thereon agree:

1. Said Notice is given with the skill and care ordinarily used by members of the engineering profession practicing under similar conditions at the same time and in the same locality.

2. Said Notice reflects and is an expression of the professional judgment of Engineer.

3. Said Notice is given as to the best of Engineer's knowledge, information, and belief as of the date hereof.

4. Said Notice is based entirely on and expressly limited by the Scope of Services Engineer has been employed by PCCA to perform or furnish during construction of the Project (including observation of the Contractor's Work) under Engineer's Agreement with PCCA and under the Construction Contract referenced on the reverse hereof, and applies only to facts that are within Engineer's knowledge or could reasonably have been ascertained by Engineer as a result of carrying out the responsibilities specifically assigned to Engineer under Engineer's Agreement with PCCA and the Construction Contract referenced on the reverse hereof.

5. Said Notice affirms Contractor's performance under the Construction Contract referenced on the reverse hereof but is not an assumption of responsibility for any failure of Contractor to furnish and perform the Work thereunder in accordance with the Construction Contract Documents.

6. Said Notice affirms that the design of the Project complies with all City of Corpus Christi building codes regardless of whether or not the Project is located within the city limits of the City of Corpus Christi.

EXHIBIT F
TO MASTER SERVICES AGREEMENT NO. 18-04

AMENDMENT TO SERVICE ORDER NO. 18-04

1. Background Data:

a. Commencement Date of Service Order:

b. PCCA:

c. Engineer:

d. Specific Project:

2. Description of Modifications

[Include the following paragraphs that are applicable and delete those not applicable to this amendment. Refer to paragraph numbers used in the Agreement or a previous amendment for clarity with respect to the modifications to be made. Use paragraph numbers in this document for ease of reference herein and in future correspondence or amendments.]

a. Engineer shall perform the following Services: [ ]

b. The Scope of Services currently authorized to be performed by Engineer in accordance with the Service Order and previous amendments, if any, is modified as follows: [ ]

c. The responsibilities of PCCA with respect to the Service Order are modified as follows: [ ]

d. For the additional services or the modifications to services set forth above, PCCA shall pay Engineer the following additional or modified compensation: [ ]

e. The schedule for rendering services under this Service Order is modified as follows: [ ]

f. Other portions of the Service Order (including previous amendments, if any) are modified as follows: [ ]

[List other Attachments, if any]

3. Service Order Summary (Reference only)

a.	Original Service Order amount:	$[ ]
b.	Net change for prior amendments:	$[ ]
c.	This amendment amount:	$[ ]
d.	Adjusted Service Order amount:	$[ ]

The foregoing Service Order Summary is for reference only and does not alter the terms of the Service Order.

PCCA and Engineer hereby agree to modify the above-referenced Service Order as set forth in this Amendment. All provisions of the Agreement and Service Order not modified by this or previous Amendments remain in effect. The effective date of this Amendment is _____.

PORT OF CORPUS CHRISTI AUTHORITY		ENGINEER:	
By:	_____	By:	_____
Title:	_____	Title:	_____
Date Signed:	_____	Date Signed:	_____

SERVICE ORDER
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER SERVICES AGREEMENT NO. 18-04

PROJECT NAME:	**New Oil Dock 22 – Initial Study & Cost Estimate**
PROJECT NO.:	**18-037A**
SERVICE ORDER NO.:	**1**
COMMENCEMENT DATE:	**May 15, 2018**

This Service Order is executed by any between the Port of Corpus Christi Authority of Nueces County, Texas ("**PCCA**") and HDR Engineering, Inc. ("**Engineer**"). PCCA and Engineer agree that all of the Services authorized by this Service Order shall be subject to the terms and conditions of PCCA's Master Services Agreement No. 18-04 between PCCA and Engineer, as amended ("**Agreement**"). Upon execution of this Service Order, the Agreement shall be incorporated into and be considered part of this Service Order as if set forth herein in its entirety. Any capitalized terms in this Service Order that are not defined herein shall have the meanings given to them in the Agreement. If there is any inconsistency between the terms of this Service Order and the terms of the Agreement, the terms of this Service Order will control.

Engineer will provide the Services described in the Services of Engineer below in connection with the Specific Project described below.

1. Description of Specific Project:

The PCCA has entered into a lease with CCI Corpus Christi Infrastructure, LLC (CCI) for the development of a 55-acre site in the Inner harbor that includes the possible construction of a new marine oil dock to support the loading and unloading of crude and petroleum products. The new dock will generally consist of a dock platform with space to accommodate loading arms, piping and equipment; dredging of a berth to accommodate various vessels from inland barges up to and including a Suezmax ship; breasting and mooring structures; parking and lighting; and associated equipment. CCI has obtained the U.S. Army Corps of Engineers (USACE) Regulatory Permit for dredging and construction of Oil Dock 22.

2. Services of Engineer (Scope of Services)

A. The specific services to be provided or furnished by Engineer under this Service Order are

☑ set forth in "Part 1—Services" of **Exhibit A**, "*Engineer's Services for Service Order*," modified for this specific Service Order, and attached to and incorporated as part of this Service Order.

B. Resident Project Representative (RPR) Services: Not Applicable

C. Designing to a Construction Cost Limit: Not Applicable

D. Other Services: Not Applicable

3. PCCA's Responsibilities

PCCA shall have those responsibilities set forth in Section 5.01 of the Agreement.

4. Service Order Schedule

In addition to any schedule provisions provided in **Exhibit A** or elsewhere, the parties shall meet the following schedule:

Submittal Activity	***Anticipated Schedule***
Draft Conceptual Layout and Opinion of Probable Cost	30 days after NTP
PCCA Provide Preliminary Comments to Engineer	15 days after Engineer submittal
Final Technical Memo & Attachments (Exhibit A, Item 14)	15 days after PCCA comments

Should PCCA not return comments and/or instructions in the time listed in the schedule, the Engineer's schedule for subsequent items will be extended by the same number of days by which PCCA comments or instructions exceed the scheduled review with no further recourse by the Engineer against PCCA.

5. Method of Compensation

A. PCCA shall pay Engineer for services rendered under this Service Order using the following method of compensation:

☐ Lump Sum plus Named Reimbursable Expenses, if any; or

☑ Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price.

B. If this is a Lump Sum Service Order, PCCA shall pay Engineer the following lump sum amount for the services described in this Service Order: $NA. In addition, PCCA shall reimburse Engineer for the following Named Reimbursable Expenses (if any): Not Applicable.

C. If this is an Hourly Rates Service Order, the Ceiling Price for this Service Order is $92,000.

Description of Service	Amount
Study and Report Phase (*A1.01 of Exhibit A*)	$92,000
CEILING PRICE	$92,000

D. The terms of payment are set forth in Article 4 of the Agreement.

6. **Consultants retained or that will be retained as of the Commencement Date of the Service Order: TBD. See A.101 A.4**

7. **Other Modifications to the Agreement or the Exhibits to the Agreement: Not Applicable.**

8. **Exhibits or Attachments to this Service Order:**

Exhibit A – Engineer's Services for Service Order

9. **Documents (other than the Agreement) Incorporated by Reference: Not Applicable.**

10. **Terms and Conditions**

Execution of this Service Order by PCCA and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Service Order signed by PCCA.

[Signature page follows this page]

IN WITNESS WHEREOF, each Party has executed this Service Order effective for all purposes as of the Commencement Date.

PCCA:

Port of Corpus Christi Authority

By:_____

Name: Sean C. Strawbridge

Title: Chief Executive Officer

Date Signed:_____

Address for giving notice:
222 Power Street
Corpus Christi, Texas 78401
Attention: Director of Engineering Services

PCCA's Designated Representative:

David L. Krams, P.E.

Title: Director of Engineering Services

Phone Number: 361.885.6134

Facsimile Number: 361.881.5164

E-Mail Address: krams@pocca.com

Engineer:

(NAME)

By: Arthur B. Colwell

Name: Arthur B. Colwell, P.E.

Title: Vice President

Date Signed: _____

Address for giving notice:
555 Carancahua, Suite 1600
Corpus Christi, Texas 78401

Engineer's Designated Representative:

Brent Moore, P.E.

Title: Ports Program Manager

Phone Number: 361.696.3374

Facsimile Number: 361.696.3385

E-Mail Address: brent.moore@hdrinc.com

EXHIBIT A
ENGINEER'S SERVICES FOR SERVICE ORDER

PART 1—SERVICES

A1.01 *Study and Report Phase Services*

A. As Study and Report Services, Engineer shall:

1. HDR to determine whether Oil Dock 22 and berth can be constructed by PCCA under the CCI provided USACE permit without further approval by USACE.

2. Coordinate a kick-off meeting with PCCA staff, CCI, LLC, and Aransas-Corpus Christi Pilots at PCCA offices to discuss information requirements, access for site visits, general scope of work, and process for developing the cost estimate. As needed progress meetings will be via teleconference.

   HDR has assumed two (2), two-hour follow up meetings will be required for this task.

3. Review any available bathymetric survey, geotechnical reports, geological surveys, topographic surveys, record drawings, permits, or relevant studies or information that may pertain to the project. Existing 30% FEED drawings have been prepared for CCI and shall be part of the existing information to be reviewed.

4. Perform a one day hydrographic survey of the project area to support the development of the dredge plan, contours and dredge volumes required for the study.

5. Directly, or through a sub-consultant, obtain additional topographic survey information as necessary to support design work. Topographic survey shall be provided in Texas Lambert Grid Coordinates NAD 83-Texas South Zone 4205 and both NAVD 88 and MLLW datums and shall be tied to the PCCA's horizontal and vertical benchmark network as presented in the current PCCA Project Manual.

6. Prepare a Design Basis Document to identify operational needs and systems of the dock.

7. Determine the extent and volume of dredging necessary for the slip options.

8. Prepare and evaluate construction type alternatives and provide a recommended alternative for Suezmax ship per the following Design Criteria with construction schedule.

General Design Criteria for Oil Dock 22 components will include, but not necessarily be limited to:

a. Marine structures will be designed to accommodate the future construction of a berth/slip having a dredged depth of a minimum -60 feet MLLW (-54 feet MLLW plus 4 feet of advanced maintenance and 2 feet of allowable overdepth)

b. Primary dock platform will be designed to efficiently accommodate Lessee's operational needs with breasting line approximately 250 foot offset from the Corpus Christi Ship Channel.

c. Dock will have space for up to four (4) loading arms up to 16" diameter, piping, and equipment and ship gangway landing area, and may include prefabricated dock house/enclosed covered shelter (approx. 10' x10'). Lessee's routine dock operational and maintenance functions will be accommodated in the design of dock.

d. Dock approach or ramp capable of supporting an 18 ton mobile crane (minimum) and H20 truck loading with space for petroleum based liquid bulk cargo, vapor and utility piping, conduits, and dock access.

e. Breasting structures and fenders designed for various vessels from inland barges up to and including a Suezmax ship (approximately 950-foot LOA by 180-foot beam).

f. Shore protection consisting of articulated concrete block mattress revetment or sheet pile bulkhead, or combination thereof.

g. Ship mooring structures to be near–shore and access ladders, as necessary, and shall have design capacity for minimum 400 kip line loads.

h. Limestone base parking area (approximate 50 foot x 50 foot area).

i. Catwalks from dock platform to the breasting structures.

9. Prepare and submit a conceptual site layout and present to the Authority, to include, but not limited to, location map, existing site conditions, site improvement plan illustrating coordination with adjacent improvements, dredging plan, dock structure, limited details and sections.

10. Evaluate alternative uses of dock as requested by PCCA.

11. Prepare and submit Opinion of Probable Construction Cost and with appropriate contingency for each primary cost item for the recommended alternative. Prepare and submit AACE Class 5 Budget Authorization level Opinion of Probable Construction Cost for one alternative selected by PCCA to accommodate Suezmax ship.

12. Prepare and submit AACE Class 3 Budget Authorization level Opinion of Probable Construction Cost for "30% Submittal of New Terminal 1 and Barge Dock Phase 1, Design-Build drawings as prepared by Schneider Engineering and Consulting, dated July 1, 2014."

13. Participate in pre-submission meeting at PCCA offices to discuss and finalize comments provided during reviews.

14. Generate a Technical Memorandum to summarize the work performed and provide attachments which include the following:

    a. Technical memorandum regarding USACE regulatory opinion

    b. Design Basis Document to be used for final design of dock and berth (future phase)

    c. Conceptual Dock exhibits with dredge volume summary table

    d. Opinions of Project Cost for HDR alternative

    e. Opinion of Project Cost for CCI 30% Plan Set

A1.02 ***Preliminary Design Phase. Not Applicable***

A1.03 ***Final Design Phase. Not Applicable***

A1.04 ***Bidding or Negotiating Phase. Not Applicable***

A1.05 ***Construction Phase. Not Applicable***

A1.06 ***Post-Construction Phase. Not Applicable***

A1.07 ***Commissioning Phase. Not Applicable***

PART 2—OTHER SERVICES. Not Applicable.

MASTER SERVICES AGREEMENT
BETWEEN THE
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS,
AND
WOOD ENVIRONMENT & INFRASTRUCTURE SOLUTIONS, INC.
FOR
PROFESSIONAL ENGINEERING SERVICES
ON A
SERVICE ORDER BASIS

MASTER SERVICES AGREEMENT NO. 18-06

EFFECTIVE DATE MAY 15, 2018

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PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER SERVICES AGREEMENT NO. 18-06
FOR PROFESSIONAL ENGINEERING SERVICES

THIS MASTER SERVICES AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES ("**Agreement**") is made effective as of the 15th day of March 2018 ("**Effective Date**") between the Port of Corpus Christi Authority of Nueces County, Texas, ("**PCCA**") and Wood Environment & Infrastructure Solutions, Inc. ("**Engineer**"), each a "**Party**" and collectively the "**Parties**".

RECITALS

(a) From time to time PCCA may request that the Engineer provide professional services for Specific Projects. Each engagement will be documented by a Service Order.

(b) This Agreement sets forth the general terms and conditions which shall apply to all Service Orders duly executed under this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

Section 1.01 Certain Definitions

A. Wherever used in this Agreement (including the Exhibits hereto) and printed with initial or all capital letters, the terms listed below shall have the meanings set forth in this Section, which are applicable to both the singular and plural thereof:

1. *Addenda*. Written or graphic instruments issued prior to the opening of Bids that clarify, correct, or change the Bid Documents or the proposed Construction Contract Documents.

2. *Agreement.* This "Master Services Agreement between PCCA and Engineer for Professional Engineering Services," including all Attachments and Exhibits attached hereto.

3. *Bid*. The offer or proposal of the bidder submitted on the PCCA-prescribed form setting forth the prices and schedule for the Work to be performed.

4. *Bid Documents*. The notice or invitation to submit bids or proposals for construction of a Specific Project, including the instructions to bidders, the Bid form and

attachments, the bid bond, if any, the Construction Contract Documents, and all Addenda, if any.

5. *Business Day*. means any day other than Saturday or Sunday or any other day on which banks in Texas are permitted or required to be closed.

6. *Change Order*. A document which is signed by a Contractor and PCCA and authorizes an addition, deletion, or revision in the Work or an adjustment in the Construction Contract Price or the Construction Contract Times, or other revision to the Construction Contract, issued on or after the effective date of the Construction Contract.

7. *Change Proposal.* A written request by a Contractor, duly submitted in compliance with the procedural requirements set forth in the Construction Contract, seeking an adjustment in Construction Contract Price or Construction Contract Times, or both; contesting an initial decision by Engineer concerning the requirements of the Construction Contract Documents or the acceptability of Work under the Construction Contract Documents; challenging a set-off against payments due; or seeking other relief with respect to the terms of the Construction Contract.

8. *Ceiling Price*. The maximum amount PCCA will pay for the Work or phases of Work described in a Service Order.

9. *Commencement Date of a Service Order*. The date indicated in a Service Order on which the Service Order becomes effective; but if no such date is indicated, it means the date on which this Service Order is signed and delivered by the last of the two Parties to sign and deliver.

10. *Constituent of Concern*—Asbestos, petroleum, radioactive material, polychlorinated biphenyls (PCBs), hazardous waste, and any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to (a) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq. ("CERCLA"); (b) the Hazardous Materials Transportation Act, 49 U.S.C. §§5101 et seq.; (c) the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq. ("RCRA"); (d) the Toxic Substances Control Act, 15 U.S.C. §§2601 et seq.; (e) the Clean Water Act, 33 U.S.C. §§1251 et seq.; (f) the Clean Air Act, 42 U.S.C. §§7401 et seq.; or (g) any other federal, state, or local statute, law, rule, regulation, ordinance, resolution, code, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.

11. *Construction Contract*. The entire and integrated written contract between PCCA and Contractor concerning the Work.

12. *Construction Contract Documents*. The documents described in the Construction Contract as the "Contract Documents."

13. *Construction Contract Price*—The money that PCCA has agreed to pay Contractor for completion of the Work in accordance with the Construction Contract Documents.

14. *Construction Contract Times*—The numbers of days or the dates by which a Contractor shall: (a) achieve milestones, if any, in the Construction Contract; (b) achieve Substantial Completion, and (c) complete the Work.

15. *Construction Cost*. The cost to PCCA of the construction of those portions of an entire Specific Project designed or specified by or for Engineer under this Agreement and the specific Service Order, including construction labor, services, materials, testing, equipment, insurance, and bonding costs, and allowances for contingencies. The Construction Cost does not include costs of Services of Engineer or other design professionals and Consultants; costs of land, rights-of-way, or compensation for damages to properties; or PCCA's costs for legal, accounting, insurance counseling or auditing services, or interest and financing charges incurred in connection with a Specific Project; or the cost of services to be provided to PCCA by others. Construction Cost is one of the items comprising Total Project Costs.

16. *Constructor.* Any person or entity (not including the Engineer, its employees, agents, representatives, and Consultants), performing or supporting construction activities relating to the Specific Project, including but not limited to Contractors, Subcontractors, Suppliers, PCCA's work forces, utility companies, other contractors, construction managers, testing firms, shippers, and truckers, and their employees, agents, and representatives.

17. *Consultants*—Individuals or entities having a contract with Engineer to furnish services with respect to a Specific Project as Engineer's independent professional associates, consultants, subcontractors, or vendors.

18. *Contractor*. The individual or entity with which PCCA enters into a Construction Contract.

19. *Correction Period.* The time after Substantial Completion during which Contractor must correct, at no cost to PCCA, any Defective Work; normally one year after the date of Substantial Completion or such longer period of time as may be prescribed by Laws or Regulations or by the terms of any applicable special guarantee or specific provision of the Construction Contract Documents.

20. *Day*. For purposes of this Agreement and associated Service Orders, the term "day" means a calendar day of 24 hours.

21. *Defective Work*. Any part of the Work the Engineer or the RPR believes is defective under the terms and standards set forth in the Construction Contract Documents.

22. *Documents*. Data, reports, Drawings, Specifications, Record Drawings, and other deliverables, whether in printed or electronic media format, generated, provided or furnished in appropriate phases by Engineer to PCCA pursuant to this Agreement and any attached Service Orders.

23. *Drawings*. That part of the Construction Contract Documents prepared or approved by Engineer that graphically shows the scope, extent, and character of the Work to be performed by Contractor. Shop drawings are not Drawings as so defined.

24. *Effective Date*. The date indicated in this Agreement on which it becomes effective; but if no such date is indicated, it means the date on which this Agreement is signed and delivered by the last of the two Parties to sign and deliver it.

25. *Engineer*. The individual or entity named as such in this Agreement.

26. *Engineer's Contract Representative*. The Engineer's Contract Representative is the person appointed to represent the Engineer's interests in this Agreement as more particularly described in Section 8.01(B).

27. *Field Order*. A written order issued by Engineer which directs minor changes in the Work but which does not involve a change in the Contract Price or the Contract Times.

28. *Final Acceptance*. That point in a Specific Project wherein PCCA considers the Project complete and PCCA issues a Certificate of Final Acceptance.

29. *General Conditions*. That part of the Construction Contract Documents that sets forth the terms, conditions, and procedures that govern the Work to be performed or furnished by Contractor with respect to a Specific Project.

30. *Hourly Rates Service Order*. A Service Order under which PCCA agrees to pay Engineer based on the amount of time spent by the Engineer's employees in performing the Work described in the Service Order and for the Reimbursable Expenses incurred by Engineer in performing the services, but limited to the Ceiling Price specified in the Service Order.

31. *Laws and Regulations; Laws or Regulations*. Any and all applicable laws, rules, regulations, ordinances, codes, standards, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.

32. *Lump Sum Service Order*. A Service Order under which PCCA agrees to pay Engineer a specified agreed amount for the services described in the Service Order regardless of the number hours it takes to complete the work.

33. *Named Reimbursable Expenses*. Only the Reimbursable Expenses expressly listed, if any, in a Lump Sum Service Order.

34. *PCCA's Contract Representative*. PCCA's Contract Representative is the person appointed to represent PCCA's interests in this Agreement as more particularly described in Section 8.01(A).

35. *PCCA Parties.* PCCA and its agents, servants, representatives, employees, officers, directors, and Port Commissioners.

36. *Proposal*. Document representing technical qualifications, approach to specific work, and costs associated with construction of a Specific Project or project specific services.

37. *Record Drawings*. Drawings depicting the completed Specific Project, or a specific portion of the completed Specific Project, prepared by Engineer and based solely on Contractor's record copy of all Drawings, Specifications, Addenda, Change Orders, Work Change Directives, Field Orders, and written interpretations and clarifications, as delivered to Engineer and annotated by Contractor to show changes made during construction and to depict the final state of work.

38. *Reimbursable Expenses*. The expenses incurred directly by Engineer in connection with performing or furnishing Services for a Specific Project for which PCCA will pay Engineer as indicated in the Service Order and **Exhibit C**.

39. *Resident Project Representative.* The authorized representative, if any, of Engineer assigned to assist Engineer at the Site of a Specific Project during the Construction Phase. As used herein, the term Resident Project Representative or "**RPR**" includes any assistants or field staff of the RPR.

40. *Samples*. Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and which establish the standards by which such portion of the Work will be judged.

41. *Scope of Services.* The scope of the professional engineering services to be provided by Engineer for any Specific Project as outlined in the Service Order for that Project.

42. *Services*. The professional engineering services to be provided by Engineer under any Service Order.

43. *Service Order*. A document in the form of **Attachment One** executed by PCCA and Engineer pursuant to this Agreement, including amendments if any, stating the scope of services, Engineer's compensation, times for performance of services, deliverables, and other relevant information for a Specific Project.

44. *Shop Drawings*. All drawings, diagrams, illustrations, schedules, and other data or information that are specifically prepared or assembled by or for Contractor and submitted by Contractor to PCCA or Engineer to illustrate some portion of the Work. Shop Drawings, whether approved or not, are not Drawings and are not Construction Contract Documents.

45. *Site*. Lands or areas indicated in the Construction Contract Documents for a Specific Project as being furnished by PCCA upon which the Work is to be performed, including rights-of-way and easements, and such other lands furnished by PCCA which are designated for use of a Contractor for the construction of a Specific Project.

46. *Specific Project*. The total specific undertaking to be accomplished for PCCA by engineers, contractors, and others, including planning, study, design, construction, testing, commissioning, and start-up, and of which the services to be performed or furnished by Engineer under a specific Service Order are a part.

47. *Specifications*. That part of the Construction Contract Documents consisting of written technical descriptions of materials, equipment, systems, standards, and workmanship as applied to the Work and certain administrative details applicable thereto.

48. *Standard Hourly Rates*. The Standard Hourly Rates listed in Engineer's Standard Hourly Rates Schedule attached hereto as **Exhibit B**.

49. *Subcontractor.* An individual or entity having a direct contract with a Contractor or with any other Subcontractor for the performance of a part of the Work.

50. *Substantial Completion*. The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of PCCA or Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Construction Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms "substantially complete" and "substantially completed" as applied to all or part of the Work refer to Substantial Completion thereof.

51. *Special Conditions*. That part of the Construction Contract Documents which amends or supplements the General Conditions.

52. *Term* or *Term of this Agreement.* The Term of this Agreement is the period from the Effective Date until the date on which this Agreement expires or is terminated in accordance with the provisions of this Agreement.

53. *Total Project Costs*. The total cost of planning, permitting, studying, designing, constructing, testing, commissioning, and start-up of the Specific Project, including Construction Cost and all other Specific Project labor, services, materials,

equipment, insurance, and bonding costs, allowances for contingencies, the total costs of services of Engineer or other design professionals and consultants, cost of land, rights-of-way, or compensation for damages to properties, or PCCA's costs for legal, accounting, insurance counseling, and auditing services, interest and financing charges incurred in connection with the Specific Project, and the cost of other services to be provided by others to PCCA.

54. *Work*. The entire construction or the various separately identifiable parts thereof required to be provided by Construction Contract Documents for a Specific Project. Work includes and is the result of performing or providing all labor, equipment, materials, services, and documentation necessary to produce such construction; furnishing, installing, and incorporating all materials and equipment into such construction; and may include related services such as testing, start-up, and commissioning; all as required by such Construction Contract Documents.

55. *Work Change Directive*. A written directive to a Contractor issued on or after the effective date of the Construction Contract, signed by PCCA and recommended by Engineer, ordering an addition, deletion, or revision in the Work.

B. Capitalized terms in this Agreement which are not defined in Section 1.01 are defined in the text of this Agreement the first time they occur.

Section 1.02 Terminology and Interpretation

A. The terms defined in Section 1.01 or in the text of this Agreement shall apply throughout this Agreement. All references in this Agreement to "Section" or "Article" shall refer to a section or article of this Agreement, unless otherwise expressly stated. All references in this Agreement to "Paragraph" shall refer to a paragraph of a Service Order or a paragraph of an Exhibit to this Agreement, unless otherwise expressly stated. All references to "Exhibits" shall mean the exhibits attached to this Agreement. All such Exhibits and any other attachments to this Agreement are incorporated in this Agreement by this reference. All references to herein, hereof, hereto, hereunder or similar terms shall be deemed to refer to this Agreement in its entirety. As used in this Agreement, the term "including" shall mean "including but not limited to." The headings of Articles and Sections in this Agreement and the headings of Paragraphs in the Service Order and the Exhibits to this Agreement shall be for convenience only and shall not affect the interpretation hereof.

B Words used in the singular number shall include the plural, and vice-versa, and any gender shall be deemed to include each other gender. Reference to any agreement means such agreement as amended or modified and in effect from time to time in accordance with the terms thereof.

C. Unless otherwise indicated, for purposes of this Agreement, a period of days shall be deemed to begin on the first day after the event that began the period and to end at 5:00 p.m. on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall be deemed to end at 5:00 p.m. on the next Business Day. All references to time herein are to time in Corpus Christi, Texas.

ARTICLE 2
SERVICES OF ENGINEER AND REPORTS

Section 2.01 Scope of Services

A. Engineer's Services will be detailed in a duly executed Service Order for each Specific Project. The general format of a Service Order is shown in **Attachment One** to this Agreement. This Agreement shall be referred to in any Service Order issued pursuant hereto as "Master Services Agreement No. 18-06." Each Service Order will indicate the specific services to be performed, deliverables to be provided, schedule and specific compensation terms.

B. Engineer shall not be obligated to perform work under a prospective Service Order unless and until PCCA and Engineer agree as to the particulars of the scope of Engineer's services, time for performance, Engineer's compensation, and all other appropriate matters and the specific Service Order is executed by both parties.

Section 2.02 Service Order Procedure

A. PCCA and Engineer shall agree on the scope, time for performance, and method of compensation for each Service Order. With respect to the scope of Engineer's services, each specific Service Order shall either (1) be accompanied by and incorporate a customized **Exhibit A**, "Engineer's Services for Service Order," prepared for the Specific Project, (2) state the scope of services in the Service Order document itself, or (3) incorporate by reference all or portions of **Exhibit A**, "Engineer's Services for Service Order," as attached to this Agreement. Each duly executed Service Order shall be subject to the terms and conditions of this Master Services Agreement, unless specifically modified within the Service Order.

B. Engineer shall provide, or cause to be provided, the services set forth in the fully executed Service Order.

Section 2.03 Times for Rendering Services

A. Engineer is not authorized to begin work or to incur costs under a Service Order until the time set forth in the Service Order.

B. The Commencement Date of each Service Order and the times for completing services or providing deliverables will be stated in each Service Order. Engineer is authorized to begin rendering services under a Service Order as of the Commencement Date of the Service Order unless otherwise specified in the Service Order.

C. Unless specific periods of time or specific dates for providing Services are specified in a Service Order, Engineer's obligation to render Services hereunder will be for a period which may reasonably be required for the completion of the Services.

D. If PCCA has requested changes in the scope, extent, or character of the Specific Project, the time of performance and completion of Engineer's Services may be adjusted equitably as agreed by the Parties.

E. If, through no fault of Engineer, the orderly and continuous progress of Engineer's services is impaired, or Engineer's services are delayed or suspended, then the time for performance and completion of Engineer's services shall be adjusted equitably.

Section 2.04 PCCA Project Manual

In addition to the terms and conditions set forth herein and in associated Service Orders, the Engineer will perform Services in accordance with the latest version of the PCCA Project Manual issued prior to the date of the Service Order.

Section 2.05 No Guaranteed Amount of Services

Services pursuant to this Agreement will be required on an irregular and as needed basis during the Term of this Agreement, and PCCA has not made nor does it make any representation of any kind or guarantee regarding the amount of services PCCA will require from Engineer under this Agreement.

Section 2.06 Progress Reports

A. Unless otherwise provided in a Service Order, Engineer will provide PCCA with a monthly progress report ("***Monthly Progress Report***") on the services being performed or furnished by Engineer under each Service Order. At a minimum, the report shall cover the following items:

1. The percentage of Work performed during the previous month.
2. The total percentage of the Specific Project completed.
3. Significant findings, problems, delays, inclusions, events, trends, etc. of the reporting period which result from or affect the performance of the Construction Contract.
4. Specific actions required of PCCA, to assist in the resolution of a problem or to affect the timely progression of the Work
5. The percentage of the Service Order budget expended during the reporting period and total expended to-date.
6. A statement that Services are on schedule, or an explanation of variance and proposed corrective actions.

B. The Monthly Progress Report for each Specific Project shall be delivered to the PCCA Project Manager within ten working days following the end of the month being reported.

ARTICLE 3
CHANGES TO SERVICE ORDERS AND PERSONNEL

Section 3.01 Changes to Service Orders Requested by PCCA

PCCA may change the Scope of Services set forth in a Service Order, by sending written notice to Engineer. Should Engineer believe that such changes require an equitable adjustment in Engineer's agreed compensation and/or schedule for the Services or other terms of the Services, Engineer shall notify PCCA in writing of its request for such adjustments no later than fourteen (14) calendar days following its receipt of such requested changes from PCCA. Except as otherwise instructed in writing by PCCA, Engineer shall not commence the changed Services until PCCA and Engineer have mutually accepted Engineer's timely requested adjustments, if any, to its compensation or schedule for its Services or other terms of the Services and a written amendment to Service Order is executed by the Parties.

Section 3.02 Changes to Service Orders Requested by Engineer

Should an event or condition occur after the initiation of a Service Order, that in the opinion of the Engineer, will result in a change in scope, schedule and/or budget, the Engineer will provide timely written notice to PCCA stating: the nature of the event or condition; detailing the impact on scope, schedule and/or, budget; and providing the Engineer's recommendation or request for modification of the affected Service Order. Such notice will be provided upon recognition of the event or condition and prior to the completion of the services stated in the Service Order. PCCA will not consider a request for an increase in the Ceiling Price of a Service Order that is submitted after completion of the services stated in the Service Order, if PCCA determines, in its sole discretion, that the event or condition cited as the cause for the increase in the Ceiling Price was, or could reasonably have been, known in time to submit a change request prior to completion of the services stated in the Service Order. PCCA will review the Engineer's recommendation or request and provide a written response agreeing with the requested recommendation or request or not accepting said recommendation or request. Any changes or modification to the scope, schedule and/or budget will be detailed in a written modification to the Service Order. No changes to the Services shall be made by Engineer except with PCCA's prior written agreement.

Section 3.03 Replacement of Personnel

PCCA, in its sole discretion, shall have the right to demand that Engineer replace any personnel providing Services to PCCA under the terms of a Service Order. Upon receipt of PCCA's demand, Engineer will immediately replace the specified personnel with personnel substantially equal in ability and qualifications. The criteria for demanding replacement of an individual will be based on, but not limited to, the following: technical incompetence, inability to meet the position qualifications, failure to perform an assignment, poor attendance, ethics violation, unsafe work habits, damage to PCCA property, or reasonable PCCA dissatisfaction.

ARTICLE 4
PAYMENTS TO ENGINEER FOR SERVICES AND REIMBURSABLE EXPENSES

Section 4.01 Methods of Compensation

A. The method of compensation for Services (including, if applicable, the method of compensation for individual phases of Services) shall be identified in each specific Service Order. PCCA shall pay Engineer for Services in accordance with the applicable method of compensation.

B. The method of compensation for services under a Service Order will be specified in that Service Order. The possible methods of compensation are as follows:

1. Lump Sum plus Named Reimbursable Expenses, if any;
2. Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price.

Section 4.02 Explanation of Compensation Methods

A. Lump Sum plus Named Reimbursable Expenses

1. PCCA shall pay Engineer a Lump Sum amount for the specified services or category of services stated in a Service Order regardless of the amount of time it takes to complete the services.
2. The Lump Sum will include compensation for Engineer's services and services of Consultants, if any. The Lump Sum constitutes full and complete compensation for Engineer's services in the specified category, including labor costs, overhead, profit, expenses (other than those expenses expressly eligible for reimbursement, if any), and Consultant charges. In other words, Engineer will only be reimbursed for the Named Reimbursable Expenses (see Section 4.02(A)(3)).
3. In addition to the Lump Sum, Engineer shall also be entitled to reimbursement from PCCA for the Named Reimbursable Expenses explicitly listed in the Service Order, if any, that are reasonably and necessarily incurred by Engineer in connection with the performing or furnishing of the services (see **Exhibit C** for rates or charges for these specific expenses).
4. Progress payments may be allowed in a Lump Sum Service Order. If so, the portion of the Lump Sum amount billed for Engineer's services will be based upon Engineer's estimate of the proportion of the total services actually completed during the billing period, subject to acceptance and approval of PCCA.

B. Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price

1. For the specified services or category of services, the PCCA shall pay Engineer an amount equal to the cumulative hours charged to the Specific Project by each class of Engineer's employees times the Standard Hourly Rates for each applicable billing class. Under this method, Engineer shall also be entitled to reimbursement

from PCCA for the Reimbursable Expenses identified in **Exhibit C**, as the same may be modified in the individual Service Order. But the total amount payable to Engineer for the services rendered under the Service Order plus the Reimbursable Expenses shall not exceed the Ceiling Price stated in the Service Order.

2. The Ceiling Price will be stated in the Service Order. It may be called the Ceiling Price or the "Not-to-Exceed Amount."

3. Standard Hourly Rates include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.

4. Each Standard Hourly Rates Schedule attached hereto as **Exhibit B** shall remain in effect until changed in accordance with Section 4.03.

5. The Reimbursable Expenses Schedule attached hereto as **Exhibit C** shall remain in effect for the Term of this Agreement.

6. The total estimated compensation for the specified category of services shall be stated in the Service Order. This total estimated compensation will incorporate all labor at Standard Hourly Rates, and Reimbursable Expenses (including Consultants' charges, if any).

7. The amounts billed by Engineer will be based on the cumulative hours charged to the specified category of services on the Specific Project during the billing period by each class of Engineer's employees times Standard Hourly Rates for each applicable billing class, plus Reimbursable Expenses (including Consultant's charges, if any), but PCCA shall not be required to pay more than the Ceiling Price stated in the applicable Service Order without a duly executed amendment to the Service Order.

8. For Service Orders that included definable deliverables to be provided to the PCCA, Engineer will continue to prosecute work necessary to provide those deliverables even when the Ceiling Price has been reached, at no additional cost to PCCA unless the parties agree in writing to modify the Ceiling Price.

9. Where no definable deliverable exists, the Engineer's services will terminate when the Ceiling Price is reached.

Section 4.03 Standard Hourly Rates for Service Orders

A. Engineer's Standard Hourly Rates Schedule are in **Exhibit B.** Engineer hereby certifies by its execution of this Agreement that the hourly rates in **Exhibit B** for each class of Engineer's employees are less than or equal to the lowest hourly rates Engineer is currently charging any of its other clients. Engineer agrees that if during the Term of this Agreement it charges any of its other clients lower hourly rates than the rates in **Exhibit B**, then Engineer shall charge PCCA such lower hourly rate or rates for the services under any Service Order, current or future, for the remainder of the Term of this Agreement and such lower hourly rate or rates will be standard for the remaining Term of this Agreement.

B. The Engineer may adjust its Standard Hourly Rates as of the first day of each calendar year during the Term of this Agreement by submitting to PCCA a new **Exhibit B** with Engineer's new Standard Hourly Rates on or before January 15th of such calendar year; provided, however, that the new Standard Hourly Rate for each class of Engineer's employees may not be more than five percent (5%) higher than previous Standard Hourly Rates for that class. The new Standard Houly Rates will apply to all services performed by each class of Engineer's employees on and after the effective date of such new rates, but these adjustments will not affect the Ceiling Prices stated in the Service Orders executed under this Agreement.

C. Generally, the compensation method specified in a Service Order executed under this Agreement will be Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price. PCCA reserves the right, however, to issue Lump Sum Services Orders when they are deemed to be in the best interest of PCCA

Section 4.04 Reimbursable Expenses

A. Under the Lump Sum method of compensation to Engineer, unless expressly indicated otherwise, the following categories of expenses are included in the Lump Sum amount: transportation (including mileage), lodging, and subsistence incidental thereto; providing and maintaining field office facilities including furnishings and utilities; providing field and office equipment necessary for the prosecution of the work; toll telephone calls, mobile phone services, and courier charges; reproduction of reports, Drawings, Specifications, bidding-related or other procurement documents, Construction Contract Documents, and similar Specific Project-related items; and Consultant charges. **These expenses are not reimbursable under the Lump Sum method, unless expressly indicated otherwise in the specific Service Order.**

B. Expenses eligible for reimbursement under the Standard Hourly Rates method of compensation include the following expenses reasonably and necessarily incurred by Engineer in connection with the performing or furnishing of the services under a specific Service Order: transportation (including mileage), lodging, and subsistence incidental thereto; providing and maintaining field office facilities including furnishings and utilities; providing field and office equipment necessary for the prosecution of the work; toll telephone calls, mobile phone services, and courier services; reproduction of reports, Drawings, Specifications, bidding-related or other procurement documents, Construction Contract Documents, and similar Specific Project-related items; Consultant charges; and any other expenses identified in **Exhibit C**. Whenever Engineer is entitled to compensation for the charges of its Consultants, those charges shall be the amount billed by such Consultants to Engineer times a factor of one hundred five percent (105%). In other words, the markup for Consultant services shall be five percent (5%).

C. Reimbursement for lodging and meals may not exceed the maximum allowable per diem rates for domestic or foreign travel as set by the U.S. Department of Defense, Defense Travel Management Office. Lodging and meal per diem rates for specific locations (foreign and domestic) may be found on the Defense Travel Management Office's website. Engineer shall submit proper documentation of any such approved travel expenses to PCCA from time to time, and such costs and expenses shall be billed to PCCA at Engineer's actual cost.

Section 4.05 Invoice Procedure and Payment

A. Engineer shall submit invoices monthly to PCCA for work performed during the preceding calendar month. Such invoices shall be due and payable by PCCA within thirty (30) days after receipt and acceptance of the invoice by PCCA. Monthly compensation will be for the Services actually performed during the billing period, invoiced in accordance with the prices in the Fee Schedules. On a Lump Sum Service Order, monthly billing will be based on the percentage of work completed. Invoices shall also describe any work performed by subcontractors retained by Engineer and Reimbursable Expenses. Engineer will provide sufficient detail with each invoice to substantiate the requested amount of monthly payment. At PCCA's request, Engineer will provide additional backup such as signed time sheets, invoices for materials and subcontracted service or other documentation sufficient to establish the accuracy of the invoices. Invoices are to be submitted in a format previously approved by PCCA. The Engineer's fees will cover all of Engineer's overhead costs, including office rent, long distance telephone charges, postage, and payroll.

B. Engineer will provide written notice to PCCA when the sum of previous payments and a current invoice meet or exceed 70% of the approved Ceiling Price of a Service Order. Engineer will include a statement that the remaining budget will be sufficient to complete the services, or provide an estimate of cost to complete, an explanation of the need for additional funding, and a request for a modification to the Service Order.

ARTICLE 5
RESPONSIBILITIES AND STANDARDS OF PERFORMANCE

Section 5.01 PCCA's Responsibilities

A. PCCA shall pay Engineer as set forth in each Service Order and Article 4.

B. PCCA shall be responsible for the requirements and instructions that it furnishes to the Engineer pursuant to this Agreement, and for the accuracy and completeness of the programs, reports, data, and other information furnished by PCCA to Engineer pursuant to this Agreement or any Service Order for use of Engineer in performing or furnishing services under any Service Order, subject to any express limitations or reservations applicable to the furnished items

C. PCCA shall give prompt written notice to Engineer whenever PCCA observes or otherwise becomes aware of: (1) any development that affects the scope or time of performance of Engineer's services; (2) the presence at the Site of a Specific Project of any Constituent of Concern; or (3) any relevant, material defect or nonconformance in Engineer's services, the Work or the performance of any Constructor or consultant managed by the Engineer.

D. PCCA shall:

1. Provide Engineer with criteria and information as to PCCA's requirements for each Specific Project, including design objectives and constraints, space, capacity and

performance requirements, flexibility, and expandability, and any budgetary limitations.

2. Furnish Engineer with copies of design and construction standards that PCCA will require to be included in the Drawings and Specifications; and furnish copies of PCCA's standard forms, conditions, and related documents to be included in the Bid Documents and Construction Documents, as applicable.

3. Following the Engineer's assessment of initially available Specific Project information and data and upon Engineer's request, furnish or otherwise make available such additional Project-related information and data as is reasonably required to enable Engineer to complete its Services, unless the Service Order requires Engineer to obtain this information from other sources. Such additional information or data would generally include the following:

   a. Property descriptions.

   b. Zoning, deed, and other land-use restrictions.

   c. Property, boundary, easement, right-of-way, and other special surveys or data, including establishing relevant reference points.

   d. Explorations and tests of subsurface conditions at the Site, drawings of physical conditions in or relating to existing surface or subsurface structures at the Site, or hydrographic surveys with appropriate professional interpretation thereof.

   e. Environmental assessments, audits, investigations, impact statements, and other environmental or cultural studies relevant to the Specific Project and the Site.

   f. Data or consultations as required for the Specific Project but not otherwise identified in this Agreement or the Exhibits thereto.

4. Arrange for access to and make provisions for Engineer to enter upon PCCA property as required for Engineer to perform Services under the Service Order.

5. Examine alternate solutions, studies, reports, sketches, Drawings, Specifications, proposals, and other documents required by the terms of the Service Order which are presented by the Engineer and render, in writing, timely decisions pertaining thereto.

6. Provide reviews, approvals, and permits from governmental authorities having jurisdiction to approve phases of the Specific Project designed or specified by Engineer, and such reviews, approvals, and consents from others as may be necessary for completion of each phase of the Project, unless the Service Order requires Engineer to obtain these reviews, approvals, or consents from other sources.

7. Place and pay for advertisement of Bids in appropriate publications, as required, for a Specific Project.

8. Advise Engineer of the identity and scope of services of any independent consultants employed by PCCA to perform or furnish Services in regard to the Project, including cost estimating, project peer review, value engineering, and constructability review unless such Services are related to an issue under legal review or are included in the Engineer's Scope of Services.

9. Furnish to Engineer data as to PCCA's anticipated costs for Services to be provided by others for PCCA so that Engineer may make the necessary calculations to develop and periodically adjust Engineer's opinion of Total Project Costs as required by a specific Service Order.

Section 5.02 Standards of Performance

A. *Standard of Care:* Engineer shall perform the professional engineering and related services required by each Service Order issued under this Agreement with the professional skill and care ordinarily provided by competent engineers practicing under the same or similar circumstances and professional license, and as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer.

B. *Technical Accuracy:* PCCA shall not be responsible for discovering deficiencies in the technical accuracy of Engineer's services. Engineer shall correct deficiencies in technical accuracy without additional compensation, unless such corrective action is directly attributable to deficiencies in PCCA-furnished information or an identifiable and documented change in conditions or circumstances impacting the Engineer's work.

C. *Consultants:* Engineer may retain such Consultants as Engineer deems necessary to assist in the performance or furnishing of the services, subject to reasonable, timely, and substantive objections by PCCA.

D. *Reliance on Others:* Subject to the standard of care set forth in Section 5.02(A), Engineer and its Consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.

E. *Compliance with Laws and Regulations, and Policies and Procedures*

1. Engineer and PCCA shall comply with applicable Laws and Regulations.

2. Engineer shall comply with the policies, procedures, and instructions of PCCA that are applicable to Engineer's performance of services under this Agreement and that PCCA provides to Engineer in writing, subject to the standard of care set forth in Section 5.02(A), and to the extent compliance is not inconsistent with professional practice requirements.

3. Each Service Order is based on Laws and Regulations and PCCA-provided written policies and procedures as of the Commencement Date of the Service Order. The following may be the basis for modifications to PCCA's responsibilities or to Engineer's scope of services, times of performance, or compensation:

   a. changes after the Commencement Date of the Service Order to Laws and Regulations; or

   b. the receipt by Engineer after the Commencement Date of the Service Order of PCCA-provided written policies and procedures or changes to PCCA-provided policies or procedures.

F. Engineer shall not be required to sign any document, no matter by whom requested, that would result in Engineer having to certify, guarantee, or warrant the existence of conditions whose existence Engineer cannot ascertain within its services for that Specific Project. PCCA agrees not to make resolution of any dispute with Engineer or payment of any amount due to the Engineer in any way contingent upon Engineer signing any such document.

G. Engineer shall not at any time supervise, direct, control, or have authority over any Constructor's work, nor shall Engineer have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, or the safety precautions and programs incident thereto, for security or safety at the Site of a Specific Project, nor for any failure of a Constructor to comply with Laws and Regulations applicable to such Constructor's furnishing and performing of its work. Engineer shall not be responsible for the acts or omissions of any Constructor.

H. Engineer neither guarantees the performance of any Constructor nor assumes responsibility for any Constructor's failure to furnish and perform the Work in accordance with the Construction Contract Documents.

I. Engineer shall not be responsible for any decision made regarding the Construction Contract Documents, or any application, interpretation, clarification, or modification of the Construction Contract Documents, other than those made by Engineer or its Consultants.

J. Engineer is not required to provide and does not have any responsibility for surety bonding or insurance-related advice, recommendations, counseling, or research, or for enforcement of construction insurance or surety bonding requirements.

K. Engineer's services do not include providing legal advice or representation.

L. While at a Site, Engineer, its Consultant, and their employees and representatives shall comply with the applicable requirements of Contractor's and PCCA's safety programs of which Engineer has been informed in writing.

Section 5.03 Design without Construction Phase Services

It is understood and agreed that if Engineer's Services under this Agreement do not include Project observation, review of Contractor's performance, or any other construction phase services, and that such services will be provided by PCCA, then PCCA assumes responsibility for interpretation of the Construction Contract Documents and for construction observation or review except where such interpretation is attributable to the design are an obvious design error or omission and requires correction by the Engineer of record.

Section 5.04 Inspection and Acceptance

Deliverables and/or services furnished under this Agreement shall be subject to review and inspection and, as applicable, test by PCCA at times and places covered under the period of performance for Services and the applicable Service Order. PCCA reserves the right to reject deliverables which do not conform to the Specifications, Drawings, and/or other data or which do not comply with the terms and conditions of this Agreement and individual Service Orders. If rejected after delivery, rejected deliverables will be returned to Engineer at Engineer's risk and expense. Payment for any Services or deliverables shall not be deemed acceptance thereof, and if such Services or deliverables are rejected after payment, PCCA shall be entitled to an equitable refund. Additional or varying acceptance terms may be mutually agreed under individual Service Orders.

ARTICLE 6
TERM, RENEWAL, SUSPENSION OR TERMINATION

Section 6.01 Term

A. This Agreement shall be effective and applicable to Service Orders issued hereunder for three (3) years from the Effective Date of this Agreement.

Section 6.02 Renewal

A. The Parties may extend or renew this Agreement, with or without changes, by written instrument establishing a new term, provided the terms and conditions, including insurance coverages, hourly and reimbursable rates and other particulars remain unchanged.

Section 6.03 Termination

A. PCCA may terminate a Service Order or this Agreement for convenience with seven (7) days prior written notice to Engineer of such action. Upon termination of this Agreement in accordance with this paragraph, PCCA will have no further obligation to the Engineer hereunder except to pay the Engineer unpaid fees and expenses which the Engineer can reasonably show to have been earned under this Agreement. **Under no circumstances may Engineer claim or recover consequential damages from PCCA.**

B. Either Party may terminate this Agreement by giving written notice to the other Party if the other Party ("***Defaulting Party***"): (a) materially breaches any term, condition or provision of this Agreement and fails to cure the breach to the satisfaction of the notifying Party within ten (10)

days after the Defaulting Party receives a written notice of the breach from the notifying Party, or (b) becomes the subject of any proceedings under state or federal law for the relief of debtors or otherwise becomes insolvent, or bankrupt, or makes any assignments for the benefit of one or more creditors.

Section 6.04 Suspension

A. PCCA may suspend a Service Order for convenience with seven (7) days prior written notice to Engineer of such action.

B. If PCCA fails to give prompt written authorization to proceed with any phase of Services after completion of the immediately preceding phase, or if Engineer's Services are delayed through no fault of Engineer, Engineer may, after giving seven (7) days written notice to PCCA, suspend Services under this Agreement.

C. PCCA may, upon written notice to the Engineer, suspend work on a Service Order until such time that PCCA determines that it is in the best interest of PCCA to resume the work or to terminate the Service Order.

D. In the event of suspension of Services, the Engineer shall resume the full performance of the Services when directed in writing to do so by PCCA. Suspension of the Services for reasons other than the Engineer's negligence or failure to perform shall not affect the Engineer's compensation as provided for in this Agreement. The schedule for performance of the Services shall be amended by a mutually agreed, written modification to the Service Order in progress to reflect the suspension.

E. If Engineer's Services are delayed or suspended in whole or in part by PCCA for more than ninety (90) days after the date of the beginning of the delay or suspension through no fault of Engineer, Engineer may be entitled to an equitable adjustment of compensation provided for elsewhere in this Agreement to reflect reasonable costs incurred by Engineer in connection with, among other things, such delay or suspension and reactivation and the fact that the time for performance under this Agreement has been revised, to the extent that the Engineer can demonstrate that an actual increase in cost has been incurred and is equitable and compensable.

ARTICLE 7
OPINIONS OF COST

Section 7.01 Opinions of Probable Construction Cost

A. Engineer's opinions (if any) of probable Construction Cost are to be made on the basis of Engineer's experience and qualifications and represent Engineer's judgment as an experienced and qualified professional generally familiar with the industry. However, since Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over the Contractor's methods of determining prices, or over competitive bidding or market conditions, Engineer cannot and does not guarantee that proposals, Bids, or actual Construction Cost will not vary from opinions of probable Construction Cost prepared by Engineer.

B. PCCA reserves the right to request that the Engineer provide a written explanation of significant variations between the Engineer's opinion of probable Construction Cost and the actual Construction Cost.

Section 7.02 Opinions of Total Project Costs

A. The services, if any, of Engineer with respect to Total Project Costs for a Specific Project shall be limited to assisting the PCCA in tabulating the various categories that comprise Total Project Costs. Engineer's opinions (if any) of probable Total Project Costs are to be made on the basis of Engineer's experience and qualifications and represent Engineer's best judgment as an experienced and qualified professional generally familiar with the industry. However, since Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over methods of determining prices, or over competitive bidding or market conditions, Engineer cannot and does not guarantee that Total Project Costs will not vary from opinions of probable Total Project Costs prepared by Engineer.

Section 7.03 Designing to Construction Cost Limit

A. If a Construction Cost Limit for a Specific Project is established between PCCA and Engineer in a Service Order, then such Construction Cost Limit and a statement of Engineer's rights and responsibilities with respect thereto will be specifically set forth in the applicable Service Order.

B. If a Construction Cost Limit is set forth in a Service Order, then the Service Order will also specify a percentage bidding or negotiating contingency to be added to such Construction Cost Limit.

C. Should an opinion of Probable Construction Cost or a revised Opinion of Probable Construction Cost be provided by the Engineer during the execution of the Services that is in excess of the then established Construction Cost Limit, PCCA shall have the option of increasing the Construction Cost Limit, modifying the design criteria and Engineer's Scope of Services, or suspending or terminating the Service Order in accordance with terms herein. Alternately, PCCA may direct the Engineer to separate the work into a Base Bid with alternative or additive bid items that can be awarded at PCCA's discretion.

D. Engineer will be permitted to determine what types of materials, equipment and component systems, and the types and quality thereof, are to be included in the Drawings and Specifications and to make reasonable adjustments in the scope, extent, and character of the Project to the extent consistent with the Project requirements and sound engineering practices to bring the Project within the Construction Cost Limit, subject to final approval and acceptance of PCCA. Engineer will present proposed changes in materials, equipment and component systems to PCCA for review and approval prior to incorporating such into the design.

E. If PCCA does not request Bids for a Project within six months after completion of the final design of the Project or if industry-wide prices are changed because of unusual or unanticipated events affecting the general level of prices or times of delivery in the construction industry, the established Construction Cost Limit will not be binding on Engineer, and PCCA (i) may consent

to an adjustment in such Construction Cost Limit commensurate with any applicable change in the general level of prices in the construction industry between the date of completion of the final design of the Project and the date on which Bids are requested, or (ii) may, at PCCA's sole discretion, terminate the Service Order in accordance with terms and conditions herein.

F. If the lowest *bona fide* Bid exceeds the established Construction Cost Limit, PCCA will: (1) give written approval to increase such Construction Cost Limit, (2) cooperate in revising the Project's scope, extent, or character to the extent consistent with the Project's requirements and with sound engineering practices and re-advertise or re-bid the Project, or (3) provide direction to the Engineer to revise contract documents to include additive or alternative bid items or add such additive or alternative bid items and re-bid the project, or (4) elect not to award additive or alternative bid items to keep the Project within the Construction Cost Limit. In the case of (2), above, Engineer will modify the Drawings and Specifications as necessary to bring the Construction Cost within the Construction Cost Limit at no cost to PCCA, and the providing of such Services will be the limit of Engineer's responsibility in this regard; and, having done so, Engineer will not otherwise be liable for damages attributable to the lowest *bona fide* Bid exceeding the established Construction Cost Limit.

ARTICLE 8
REPRESENTATIVES AND MANAGERS

Section 8.01 Contract Representatives

A. PCCA shall designate a Contract Representative on the signature page of this Agreement who will, on behalf of PCCA, coordinate with the Engineer and administer this Contract. It shall be the responsibility of the Engineer to coordinate all assignment-related activities under this Agreement with PCCA's Contract Representative. PCCA may change its Contract Representative at any time by giving the Engineer written notice of such change.

B. Engineer shall designate a Contract Representative on the signature page of this Agreement who will, on behalf of Engineer, coordinate with PCCA and administer this Contract. The Engineer's Contract Representative and PCCA's Contract Representative will coordinate all assignment-related activities under this Agreement. Engineer may change its Contract Representative at any time by giving PCCA written notice of such change, provided the recommended replacement has similar qualification and experience as the original contract representative.

Section 8.02 Designated Project Managers

A. Contemporaneously with the execution of each Service Order, Engineer and PCCA will each designate a specific individual to act on its behalf as Project Manager with respect to the Services to be performed or furnished by Engineer and the responsibilities of PCCA under such Service Order. The Project Managers for each Project will have authority to transmit instructions, receive information, and render decisions relative to the Project on behalf of the Party appointing the Project Manager. Either Party may change that Party's designated Project Manager by giving the other Party written notice of the change as provided in Article 9.

Section 8.03 Resident Project Representative

A. The Service Order for a Specific Project shall state whether Engineer must furnish a Resident Project Representative ("**RPR**") to assist Engineer in observing progress and quality of the Work on the Specific Project. The duties and responsibilities of the RPR, if any, will be as set forth in each Service Order.

ARTICLE 9
NOTICES

A. All notices, demands or requests from Engineer to PCCA shall be given to PCCA's Contract Representative named on the signature page of this Agreement at (i) PCCA's address for notice provided on the signature page, or (ii) the facsimile number for PCCA's Contract Representative stated on the signature page, or to such other person, address or facsimile number as PCCA shall request in writing.

B. All payments, notices, demands or requests from PCCA to Engineer shall be given to Engineer's Contract Representative named on the signature page of this Agreement at (i) Engineer's address for notice provided on the signature page, or (ii) the facsimile number for Engineer's Contract Representative stated on the signature page, or to such other person, address or facsimile number as PCCA shall request in writing.

C. Notices required to be given to either Party may be given by certified first-class mail, by overnight delivery or by fax, to the appropriate Party at its address or fax number stated on the signature page of this Agreement. Notice may also be given by personal service. Any notice given by mail shall be deemed to have been given one day after such notice was deposited in the United States mail, certified and postage prepaid, properly addressed to the Contract Representative of the Party to be served. In all other cases, notice to a Party will be considered delivered when actually received by the Party's Contract Representative.

ARTICLE 10
DOCUMENTS

Section 10.01 Use of Documents

A. Upon payment of all fees owed for a Service Order, all Documents relative to that Service Order are the property of PCCA, including native files for each software package used.

B. Copies of PCCA-furnished data that may be used by Engineer are limited to the printed copies (also known as hard copies) that are delivered to Engineer by PCCA. Files in electronic media format of text, data, graphics, or of other types that are furnished by PCCA to the Engineer are only for convenience of Engineer. Any conclusion or information obtained or derived from such files, written or electronic, will be at the user's sole risk. Engineer will review documents provided by PCCA and determine applicability and usability of information. Engineer will request additional information as necessary.

C. Copies of Documents that may be relied upon by PCCA are limited to the printed copies (also known as hard copies) that are signed or sealed by Engineer. Files in electronic media format of text, data, graphics, or of other types that are furnished by Engineer to PCCA are only for convenience of PCCA. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk.

D. Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the Party receiving electronic files agrees that it will perform acceptance tests or procedures within 90 days, after which the receiving Party will be deemed to have accepted the data thus transferred. Any errors detected within the 90-day acceptance period will be corrected by the Party delivering the electronic files. Engineer is not responsible to maintain documents stored in electronic media format after acceptance by PCCA.

E. When transferring documents in electronic media format, neither PCCA nor Engineer make any representation to the other as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by PCCA or Engineer on the Effective Date.

F. Documents provided by Engineer are not intended or represented to be suitable for reuse by PCCA or others on extensions of the Project or on any other project. PCCA may, however, reuse such documents without any payment to Engineer. Any such reuse or modification without written verification or adaptation by Engineer, as appropriate for the specific purpose intended, will be at PCCA's sole risk and without liability or legal exposure to Engineer or to Engineer's Consultants.

G. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.

Section 10.02 Records Retention

A. Engineer shall maintain on file in legible form, for a period of five years following completion or termination of its services under each Service Order, all Documents, records (including cost records), and design calculations related to Engineer's services or pertinent to Engineer's performance under the Service Order. Upon PCCA's request, Engineer shall provide a copy of any such item to PCCA at cost.

ARTICLE 11
INSURANCE

Section 11.01 Standard Insurance Policy Requirements

A. Without limiting the indemnity obligations or liabilities of Engineer or its insurers, provided herein, Engineer agrees to carry and maintain at its sole expense during the Term of this Agreement the following policies of insurance (individually, a "***Policy***" and, collectively, the "***Policies***") in at least the minimum amounts specified below.

B. At least five (5) days prior to execution of this Agreement by PCCA, Engineer will provide to PCCA's Risk Program Manager certificates of insurance issued by each insurance company providing any of the required insurance coverage, and the text entered in each certificate must be acceptable to PCCA. The requirement to provide acceptable certificates of insurance is a material condition of this Agreement, and work under this Agreement and any associated Service Order may not commence until such certificates of insurance have been received, reviewed, and accepted by PCCA.

	TYPE OF INSURANCE	LIMITS OF LIABILITY
1.	Workers' Compensation	Statutory
2.	Employer's Liability	$1,000,000 per Occurrence $1,000,000 Aggregate
3.	Commercial General Liability	$1,000,000 per Occurrence $2,000,000 Aggregate

The CGL Policy will provide contractual liability coverage at the aforementioned limits.

4.	Business Automobile Liability	$1,000,000 per Occurrence

Automobile liability insurance coverage will include all owned, non-owned, and hired vehicles.

5.	Professional Liability	$2,000,000

Engineer will procure and maintain professional liability insurance for protection from claims arising out of performance of its Services under this Agreement caused by any error, omission, or act for which the Engineer is legally liable. Policies written on a claims-made basis shall have an extended reporting period of at least two (2) years beyond termination of the Agreement.

6.	Umbrella Liability	$5,000,000 per Occurrence

Umbrella liability coverage will apply to Employer's Liability, Commercial General Liability, and Business Automobile Liability.

Section 11.02 General Insurance Requirements

A. Each Policy, except Professional Liability, must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the PCCA Parties. Additionally, the PCCA Parties shall be designated as an additional insured either by a blanket

additional insured or a specific endorsement on all Policies, except for Worker's Compensation, Employer's Liability, and Professional Liability.

B. In the event that the work of Engineer's employees falls within the purview of the United States Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or the Federal Employer's Liability Act, Engineer shall extend its insurance coverage to provide insurance against the liabilities imposed under the applicable Act or Acts even if not specifically required by the PCCA.

C. Each Policy, except Workers' Compensation and Professional Liability, must contain an endorsement that the Policy is primary to any other insurance available to the additional insureds with respect to claims arising under this Agreement.

D. The insurance required as listed above, shall apply to any Consultant performing for or on behalf of Engineer, and Engineer shall ensure that any such Consultant is aware of and complies with the insurance requirements during any period such Consultant is performing work under this Agreement.

E. The minimum insurance required may be increased periodically upon request by PCCA to commercially reasonable limits. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least "A-, VII".

F. Engineer's liability shall not be limited to the specified amounts of insurance required herein.

ARTICLE 12
RELEASE, INDEMNIFICATION AND MUTUAL WAIVER

Section 12.01 Release by Engineer

A. To the fullest extent permitted by Laws and Regulations, Engineer hereby releases and discharges the PCCA Parties from liability for and assumes the risk of loss or damage to the property of Engineer and the injury or death of any person employed by Engineer.

Section 12.02 Indemnification by Engineer

A. To the fullest extent permitted by Laws and Regulations, Engineer shall indemnify and hold harmless the PCCA Parties from all damages, losses, costs and expenses, of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including reasonable consultants' and attorneys' fees) (collectively, "*Damages*") arising from third-party claims or actions relating to this Agreement, any Service Order, or any Specific Project, but only to the extent that the Damages are caused by or result from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by the Engineer or the Engineer's agent, consultant under contract, or another entity over which the Engineer exercises control.

B. Engineer's indemnity obligations under this Article 12 shall not be limited by a limitation on the amount or type of damages, compensation or benefits owed by Engineer to any employee of Engineer under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts.

C. The obligations of the Engineer under this Article 12 shall survive the end of the Term of this Agreement.

Section 12.03 Percentage Share of Negligence

A. The Engineer's total liability to the PCCA Parties for any Damages caused in part by the negligence of the Engineer Parties and in part by the negligence of the PCCA Parties or any other negligent entity or individual, shall not exceed the percentage share that the negligence of the Engineer Parties bears to the total negligence of all negligent parties.

Section 12.04 Mutual Waiver

A. To the fullest extent permitted by law, PCCA and Engineer waive against each other, and the other's employees, officers, Port Commissioners, directors, members, agents, insurers, partners, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to this Agreement, any Service Order, or a Specific Project, from any cause or causes.

ARTICLE 13
DISPUTE RESOLUTION

A. In the event a dispute arises between the Parties regarding the application or interpretation of, or in any way relating to, this Agreement, the Parties agree to attempt to resolve all such disputes arising hereunder promptly, equitably and in a good faith manner. If the Parties shall have failed to resolve the dispute within the ten (10) Business Days after any written notice of the dispute has been received by the other Party, then either Party may elect to refer the dispute to the respective upper management of the Parties by notice in writing to the other Party, and the appropriate upper management of the Parties shall meet within the ten (10) Business Days after the date of the notice, to resolve the dispute. If the dispute is not resolved within five (5) Business Days after such a meeting has commenced (but in any event within ten (10) Business Days after the date of the letter referring the matter to upper management), then either Party may at any time thereafter resort to mediation, under the remaining provisions of this Article.

B. PCCA and Engineer agree they will, before taking any other legal action, including the filing of an action in State or Federal Court, attempt in good faith, to mediate in Corpus Christi, Texas, any controversy or claim arising out of or related to this Agreement before a mediator to be agreed upon by PCCA and Engineer. PCCA and Engineer must use their best efforts to agree upon a mediator within fifteen (15) Business Days after a written request for mediation by either Party, and if PCCA and Engineer are unable to agree upon a mediator within such time either Party may request that the American Arbitration Association appoint a mediator. The mediator will schedule a mediation meeting at a time and place determined by the mediator. PCCA and Engineer

will each pay one-half of the costs of mediation to the mediator. Any mediation shall not extend beyond thirty (30) days after the appointment of the mediator, and should the Parties fail to resolve any dispute by mediation within such 30-day period, the Parties shall have all rights available under this Agreement and at law or in equity.

ARTICLE 14
GENERAL PROVISIONS

Section 14.01 Severability

If any part of this Agreement is held to be invalid, illegal, or unenforceable in any respect, such determination shall not affect any other provision of this Agreement, and this Agreement shall then be construed as if the invalid, illegal, or unenforceable provision had not been included in this Agreement.

Section 14.02 No Waiver

Any waiver, expressed or implied, by either PCCA or Engineer to any breach of any agreement, covenant or obligation contained in this Agreement shall operate as such only in the specific instance, and shall not be construed as waiver to any subsequent breach of such agreement, covenant or obligation.

Section 14.03 Applicable Law

THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. PCCA and Engineer agree that if any controversy or claim arising out of or related to this Agreement cannot be resolved pursuant to and in accordance with the deadlines set forth in Article 13, then either Party may elect to resolve the controversy or claim though litigation filed and maintained in the federal or state courts located in Corpus Christi, Nueces County, Texas. PCCA and Engineer each submits to the exclusive jurisdiction of said courts and waives the right to change venue.

Section 14.04 Agreement and Service Orders Control

In the event of a conflict between the wording of a Service Order and any purchase order issued by PCCA in connection with the Service Order, the wording of the Service Order will control.

Section 14.05 Amendment of Agreement

This Agreement may be changed or modified at the request of either the Engineer or PCCA, provided both Parties agree to the requested change, and a written amendment of this Agreement is prepared and executed by the Parties.

Section 14.06 Assignment

Neither PCCA nor Engineer may assign or transfer any rights under or interest in this Agreement without the written consent of the other.

Section 14.07 No Third-Party Beneficiaries

This Agreement will be for the sole and exclusive benefit of PCCA and Engineer and not for the benefit of any other party, person, or entity. Nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by PCCA or Engineer to any Consultant, Contractor, Contractor's subcontractor, supplier, other individual or entity, or to any surety for or employee of any of them.

Section 14.08 Force Majeure

In the event either Party shall be delayed or hindered in or prevented from the performance required hereunder by reason of *force majeure*, which includes strikes, lockouts, labor troubles, failure of power, riots, insurrection, war, acts of God, or other reason of like nature not the fault of the Party delayed in performing work or doing acts (herein "***force majeure***"), such Party shall be excused for the period of time equivalent to the delay caused by such *force majeure*, or the Agreement may be terminated in accordance with terms herein should such delay be sufficient that termination is in the best interest of the PCCA.

Section 14.09 Public Disclosure

PCCA is a political subdivision of the state of Texas subject to the requirements of the Texas Open Meetings Act and the Texas Public Information Act (Texas Government Code, Chapters 551 and 552), and as such, PCCA is required to disclose to the public (upon request) this Agreement, the Service Orders issued hereunder, and certain other information and documents relating to the services contemplated hereby. In this regard, Engineer agrees that the disclosure of this Agreement, the Service Orders issued hereunder, or any other information or materials related to the services contemplated hereby, to the public by PCCA as required by the Texas Open Meetings Act, the Texas Public Information Act, or any other law will not expose PCCA (or any party acting by, through or under PCCA) to any claim, liability, or action by Engineer.

Section 14.10 Confidentiality

Engineer will keep confidential all information in whatever form produced, prepared, observed or received from PCCA to the extent that such information is: (a) confidential by law; (b) marked or designated "Confidential" or words to that effect; or (c) information that Engineer is otherwise required to keep confidential by this Agreement. Notwithstanding the above, Engineer will be permitted to disclose any information required by law or court order.

Section 14.11 Certificate of Interested Parties

Engineer will comply with the provisions of Section 2252.908 of the Texas Government Code and Chapter 46 of the Texas Ethics Commission Rules by preparing a Texas Form 1295, "Certificate of Interested Parties" and submitting the signed and notarized form to PCCA at the time Engineer submits the signed Agreement to PCCA. A separate Form 1295 may be required for subsequent Service Orders, as required by the referenced code and rules issued thereunder.

Section 14.12 Engineer's Certificate

Engineer certifies that it has not engaged in corrupt, fraudulent, or coercive practices in competing for or in executing this Agreement. For the purposes of this Section 14.12:

1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the selection process or in the execution of the Agreement;

2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the selection process or the execution of the Agreement to the detriment of PCCA, or (b) to deprive PCCA of the benefits of free and open competition;

3. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the selection process or affect the execution of the Agreement.

Section 14.13 No Organizational Conflict of Interest

Engineer hereby certifies that it has no actual or potential Organizational Conflict of Interest. "***Organizational Conflict of Interest***" means that because of other activities or relationships with other persons or entities, the Engineer is unable or potentially unable to render impartial assistance or advice to PCCA or the Engineer's objectivity in performing the services under this Agreement and related Service Orders is or might otherwise be impaired. Engineer agrees to immediately notify PCCA of any actual or potential Organizational Conflict of Interest that develops during the Term of this Agreement. Engineer agrees that PCCA may terminate this Agreement immediately if it becomes aware of any Organizational Conflict of Interest during the term of the Agreement.

Section 14.14 Defamation

The Parties covenant and agree that in no event, and at no time during the Term of this Agreement or at any time thereafter, shall either of them disparage, denigrate, slander, libel or otherwise defame the other or the other's businesses, services, properties or assets, or employees, personnel, agents, or representatives.

Section 14.15 Parties Bound

This Agreement binds and inures to the benefit of the Parties and their respective legal representatives, heirs, distributees, successors and assigns, where assignment is permitted by this Agreement.

Section 14.16 Attorneys' Fees; Default

In the event Engineer or PCCA breach any of the terms of this Agreement and the Party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting Party agrees to pay reasonable attorney's fees and costs incurred by the prevailing Party.

ARTICLE 15
EXHIBITS

Section 15.01 Suggested Form of Service Order

The Suggested Form of Service Order is attached as Attachment One, and shall be used as the basis for preparing a specific Service Order for each Specific Project under this Agreement.

Section 15.02 Exhibits Included

A. **Exhibit A**, *Engineer's Services for Service Order.* Services, tasks, and terms in **Exhibit A** as included with this Agreement are for reference in preparing the scope of services for specific Service Orders, and are contractually binding only to the extent expressly incorporated in a specific Service Order.

B. **Exhibit B**, *Engineer's Standard Hourly Rates for Work performed under the Service Order.* This Exhibit, as updated from time to time, applies to all Service Orders.

C. **Exhibit C**, *Engineer's Reimbursable Expenses Schedule for costs incurred by Engineer when performing Work under the Service Order.* The terms of **Exhibit C** that will be applicable to and govern compensation under a specific Service Order will be determined by the selection of compensation methods made in Paragraph 5, "*Payments to Engineer*," of the specific Service Order.

D. **Exhibit D**, *Duties, Responsibilities and Limitations of Authority of Resident Project Representative.* This Exhibit is not contractually binding except when expressly incorporated in a specific Service Order.

E. **Exhibit E**, *Notice of Acceptability of Work.* Engineer shall use this Notice of Acceptability of Work form at the conclusion of construction on a Specific Project if the form is expressly incorporated by reference in a specific Service Order, and Engineer's scope of services in the specific Service Order includes providing such a Notice.

F. **Exhibit E**, *Amendment to Service Order*. PCCA and Engineer may use this form during a Specific Project to modify the specific Service Order.

[Signature page follows this page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Effective Date.

PCCA:

Port of Corpus Christi Authority of Nueces County, Texas

By:_____

Name: John P. LaRue

Title: Executive Director

Date Signed:_____

Address for giving notice:
222 Power Street
Corpus Christi, Texas 78401
Attention: Director of Engineering Services

PCCA's Contract Representative:

David L. Krams, P.E.

Title: Director of Engineering Services

Phone Number: (361) 885-6134

Facsimile Number: (361) 881-5161

E-Mail Address: krams@pocca.com

Engineer:

Wood Environment & Infrastructure Solutions, Inc.

David R Hoff

By:_____

Name: David R. Hoffman, P.E.

Title: Vice President

Date Signed: May 8, 2018

Address for giving notice:
17320 Katy Freeway
Houston, Texas 77094

Engineer's Contract Representative:

David R. Hoffman, P.E.

Title: Vice President

Phone Number: (832) 809-9430

Facsimile Number:_____

E-Mail Address: david.hoffman@woodplc.com

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ATTACHMENT ONE
TO MASTER SERVICES AGREEMENT NO. 18-06

SERVICE ORDER
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER SERVICES AGREEMENT NO. 18-06

PROJECT NAME ***(Insert Project name)***
PROJECT NO. ***(Insert Project number)***
SERVICE ORDER NO. ***(Insert Service Order number)***
COMMENCEMENT DATE ***(Insert Commencement Date of Service Order)***

This Service Order is executed by any between the Port of Corpus Christi Authority of Nueces County, Texas ("**PCCA**") and Wood Environment & Infrastructure Solutions, Inc. ("**Engineer**"). PCCA and Engineer agree that all of the Services authorized by this Service Order shall be subject to the terms and conditions of PCCA's Master Services Agreement No. 18-06 between PCCA and Engineer, as amended ("**Agreement**"). Upon execution of this Service Order, the Agreement shall be incorporated into and be considered part of this Service Order as if set forth herein in its entirety. Any capitalized terms in this Service Order that are not defined herein shall have the meanings given to them in the Agreement. If there is any inconsistency between the terms of this Service Order and the terms of the Agreement, the terms of this Service Order will control.

Engineer will provide the Services described in the Services of Engineer below in connection with the Specific Project described below.

1. Description of Specific Project:

[Insert a paragraph that describes the Specific Project that is the subject of this Service Order.]

2. Services of Engineer (Scope of Services)

A. The specific services to be provided or furnished by Engineer under this Service Order are: ***[Select one of the following options and delete the other.]***

☐ set forth in "Part 1—Services" of **Exhibit A**, "*Engineer's Services for Service Order*," modified for this specific Service Order, and attached to and incorporated as part of this Service Order.

[or]

☐ as follows: [ ] ***[Note: Insert detailed scope of services here.]***

B. Resident Project Representative (RPR) Services

If the scope of services established in Paragraph 2.A above includes RPR services, then **Exhibit D** of the Agreement is expressly incorporated in this Service Order by reference. The RPR shall provide ***[Select one of the following options]*:**

☐ full time representation; or
☐ part time representation as follows: _____.

[1. If RPR services are not in the scope of this Service Order, do not include any references to RPR services in Exhibit A (Paragraph A1.05(A)(1)) for this Service Order (or state "Does not apply" or similar), or in any other scope of services text or document.

2. If appropriate, modify Exhibit D for this specific Service Order, and attach it, rather than incorporating the Exhibit D that is included with the Agreement.]

C. Designing to a Construction Cost Limit

[If the design under this Service Order will be governed by a Construction Cost Limit, then include the following clause, with blanks filled in; if not, then delete the clause or indicate "Does not apply" or similar.]

Under this Service Order, Engineer will design to a Construction Cost Limit, subject to the terms of Section 7.03 of the Agreement. The Construction Cost Limit is $_____. The bidding or negotiating contingency to be added to the Construction Cost Limit is _____ percent per PCCA's Contingency Guidelines for General or Marine or Rehabilitation projects accordingly.

D. Other Services

Engineer shall also provide the following services:

[Summarize or provide a brief description of other services (if any) that are to be provided by Engineer, but have not been addressed in Paragraphs 2.A through 2.C.]

3. PCCA's Responsibilities

PCCA shall have those responsibilities set forth in Section 5.01 of the Agreement, subject to the following: ***[State any additions or modifications to Section 5.01 for this Specific Project here.]***

4. Service Order Schedule

In addition to any schedule provisions provided in **Exhibit A** or elsewhere, the parties shall meet the following schedule: ***[Revise and amend for each specific Service Order.]***

Party	Action	Schedule
Engineer	**Furnish [ ] review copies of the Report and other Study and Report Phase deliverables to PCCA.**	**Within [ ] days of the Commencement Date of the Service Order.**
PCCA	**Submit comments regarding Report and other Study and Report Phase deliverables to Engineer.**	**Within [ ] days of the receipt of Report and other Study and Report Phase deliverables from Engineer.**
Engineer	**Furnish [ ] copies of the revised Report and other Study and Report Phase deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the Report and other Study and Report Phase deliverables.**
Engineer	**Furnish [ ] review copies of the Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to PCCA.**	**Within [ ] days of PCCA's authorization to proceed with Preliminary Design Phase services.**
PCCA	**Submit comments regarding Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to Engineer.**	**Within [ ] days of the receipt of Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables from Engineer.**
Engineer	**Furnish [ ] copies of the revised Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables.**
Engineer	**Furnish [ ] copies of the 60% Design documents, updated opinion of probable Construction Cost, and other 60% Design deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the 60% Design documents, updated opinion of probable Construction Cost, and other 60% Design deliverables.**

Engineer	**Furnish [ ] copies of the 90% Design documents, updated opinion of probable Construction Cost, and other 90% Design deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the 90% Design documents, updated opinion of probable Construction Cost, and other 90% Design deliverables.**
Engineer	**Furnish [ ] copies of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design deliverables, to PCCA.**	**Within [ ] days of PCCA's authorization to proceed with Final Design Phase Services.**
PCCA	**Submit comments and instructions regarding the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, to Engineer.**	**Within [ ] days of the receipt of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables from Engineer.**
Engineer	**Furnish [ ] copies of the revised final Drawings and Specifications, assembled Construction Contract Documents, bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, to PCCA.**	**Within [ ] days of the receipt of PCCA's comments and instructions regarding the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables**

Should PCCA not return comments and/or instructions in the time listed in the schedule, the Engineer's schedule for subsequent items will be extended by the same number of days by which PCCA comments or instructions exceed the scheduled review with no further recourse by the Engineer against PCCA.

5. Method of Compensation

A. PCCA shall pay Engineer for services rendered under this Service Order using the following method of compensation: ***[Select one of the following options.]***

☐ Lump Sum plus Named Reimbursable Expenses, if any; or
☐ Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price.

B. If this is a Lump Sum Service Order, PCCA shall pay Engineer the following lump sum amount for the services described in this Service Order: $_____. In addition, PCCA shall reimburse Engineer for the following Named Reimbursable Expenses (if any): _____.

C. If this is an Hourly Rates Service Order, the Ceiling Price for this Service Order is $_____.

D. If this is an Hourly Rates Service Order, the estimated amount of compensation payable for each category of services rendered under this Service Order is as follows:

[Notes: 1. Delete line items that do not apply to this Service Order. 2. Cross-references are to Exhibit A. Revise if necessary, or delete cross-references if Exhibit A is not used to establish the scope of services under this Service Order.]

Description of Service	Amount
Study and Report Phase (*A1.01 of Ex. A*)	$[ ]
Preliminary Design Phase (*A1.02 of Ex. A*)	$[ ]
Final Design Phase (*A1.03 of Ex. A*)	$[ ]
Bidding or Negotiating Phase (*A1.04 of Ex. A*)	$[ ]
Construction Phase (*A1.05 of Ex. A*)	$[ ]
Resident Project Representative Services (*A1.05(A)(1) of Ex. A*)	$[ ]
Post-Construction Phase (A1.06 of Ex. A)	$[ ]
Commissioning Phase (*A1.07 of Ex. A*)	$[ ]
Other Services (list as appropriate) (*A2.01 of Ex. A*)	$[ ]
ESTIMATED TOTAL COMPENSATION	$[ ]

E. The terms of payment are set forth in Article 4 of the Agreement.

6. Consultants retained or that will be retained as of the Commencement Date of the Service Order: ***[List name of Consultants, if any]***

7. Other Modifications to the Agreement or the Exhibits to the Agreement:

[Supplement or modify the Agreement and Exhibits, if appropriate.]

8. Exhibits or Attachments to this Service Order:

9. Documents (other than the Agreement) Incorporated by Reference:

10. Terms and Conditions

Execution of this Service Order by PCCA and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Service Order signed by PCCA.

[Signature page follows this page]

IN WITNESS WHEREOF, each Party has executed this Service Order effective for all purposes as of the Commencement Date.

PCCA:	**Engineer:**
Port of Corpus Christi Authority of Nueces County, Texas	**Wood Environment & Infrastructure Solutions, Inc.**
By:_____	By:_____
Name: _____	Name: David R. Hoffman, P.E.
Title: _____	Title: Vice President
Date Signed:_____	Date Signed:_____
Address for giving notice: 222 Power Street Corpus Christi, Texas 78401 Attention: Director of Engineering Services	**Address for giving notice:** 17320 Katy Freeway Houston, Texas 77094
PCCA's Designated Representative:	**Engineer's Designated Representative:**
_____	Name: David R. Hoffman, P.E
Title:	Title: Vice President
Phone Number:	Phone Number: (713) 570-1016
Facsimile Number:	Facsimile Number:_____
E-Mail Address:	E-Mail: david.hoffman@woodplc.com

EXHIBIT A
ENGINEER'S SERVICES FOR SERVICE ORDER

[Introductory Note to User: The parties should prepare a specific, modified Exhibit A for each specific Service Order, state the scope of services for the Specific Project directly in the specific Service Order, or incorporate all or portions of Exhibit A by reference.

The following text as published describes a variety of services that may be included, in whole or in part, in a specific Service Order issued under the Agreement. Until this exhibit is customized for inclusion in a specific Service Order, or some or all of the exhibit is incorporated in a specific Service Order by reference, it has no legal or contractual effect.

Not all possible services are included in this exhibit. Language provided is intended to provide a basic framework, ideas for inclusion, and to avoid omissions; none, any, or most of this language may be applicable to a Specific Project. The user should revise and supplement the descriptions of services provided here for purposes of drafting the scope of Engineer's Services for each specific Service Order.]

PART 1—SERVICES

A1.01 *Study and Report Phase Services*

A. As Study and Report Services, Engineer shall:

1. If PCCA has already identified one or more potential solutions to meet its Specific Project requirements, Engineer will proceed with the study and evaluation of: ***[List the specific potential solutions here.]***

2. If PCCA has not identified specific potential solutions to meet its Specific Project requirements, Engineer will identify up to ____ potential solution(s) and then proceed with the study and evaluation of these potential solution(s).

3. Visit the Site, or potential Specific Project sites, to review existing conditions and facilities, unless such visits are not necessary or applicable to meeting the objectives of the Study and Report Phase.

4. Advise PCCA of any need for PCCA to obtain, furnish, or otherwise make available to Engineer additional Specific Project-related data and information, for Engineer's use in the study and evaluation of potential solution(s) to PCCA's Specific Project requirements, and preparation of a related report.

5. After consultation with PCCA, recommend to PCCA the solution(s) which in Engineer's judgment meet PCCA's requirements for the Specific Project.

6. Identify, consult with, and analyze requirements of governmental authorities having jurisdiction to approve the portions of the Specific Project to be designed or

specified by Engineer, including but not limited to mitigating measures identified in an environmental assessment for the Specific Project.

7. Prepare a report (the "***Report***") which will, as appropriate, contain schematic layouts, sketches, and conceptual design criteria with appropriate exhibits to indicate the agreed-to requirements, considerations involved, and Engineer's recommended solution(s). For each recommended solution Engineer will provide the following, which will be separately itemized: opinion of probable Construction Cost; proposed allowances for contingencies; the estimated total costs of design, professional, and related services to be provided by Engineer and its Consultants; and, on the basis of information furnished by PCCA, a tabulation of other items and services included within the definition of Total Project Costs.

8. Review available survey, geotechnical, environmental, and other data and recommend additional investigations, studies, tests, professional services that may be required to support design of the alternatives.

9. When mutually agreed, assist PCCA in evaluating the possible use of building information modeling; civil integrated management; geotechnical baselining of subsurface site conditions; innovative design, contracting, or procurement strategies; or other strategies, technologies, or techniques for assisting in the design, construction, and operation of PCCA's facilities.

10. If requested to do so by PCCA, assist PCCA in identifying opportunities for enhancing the sustainability of the Specific Project, and pursuant to PCCA's instructions plan for the inclusion of sustainable features in the design.

11. Pursuant to the Service Order schedule, furnish the required number of review copies of the Report and any other Study and Report Phase deliverables to PCCA, and review it with PCCA. PCCA shall submit to Engineer any comments regarding the furnished items within the time established in the Service Order schedule.

12. Pursuant to the Service Order schedule, revise the Report and any other Study and Report Phase deliverables in response to PCCA's comments, as appropriate, and furnish the required number of copies of the revised Report and any other Study and Report Phase deliverables to the PCCA.

B. Engineer's services under the Study and Report Phase will be considered complete on the date when Engineer has delivered to PCCA the revised Report and any other Study and Report Phase deliverables.

A1.02 ***Preliminary Design Phase***

A. Engineer shall:

1. Prepare Preliminary Design Phase documents consisting of final design criteria, preliminary drawings, outline specifications, and written descriptions of the Specific Project.

2. In preparing the Preliminary Design Phase documents, use any specific applicable Specific Project Strategies, Technologies, and Techniques authorized by PCCA during or following the Study and Report Phase, and include sustainable features, as appropriate, pursuant to PCCA's instructions.

3. Provide necessary field surveys and topographic and utility mapping for Engineer's design purposes. Comply with the scope of work and procedure for the identification and mapping of existing utilities selected and authorized by PCCA pursuant to advice from Engineer based on ASCE 38, "Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data," as set forth in Paragraph A1.01.A.12 above. If no such scope of work and procedure for utility mapping has been selected and authorized, then at a minimum the utility mapping will include Engineer contacting utility owners and obtaining available information.

4. Visit the Site as needed to prepare the Preliminary Design Phase documents.

5. Advise PCCA if additional reports, data, information, or services necessary so support final design and assist PCCA in obtaining such reports, data, information, or services. Include as appropriate scope for:

   (a) geotechnical for investigation

   (b) topographical surveys

   (c) utility mapping

6. Continue to assist PCCA with Specific Project Strategies, Technologies, and Techniques that PCCA has chosen to implement.

7. Based on the information contained in the Preliminary Design Phase documents, prepare a revised opinion of probable Construction Cost, and assist PCCA in tabulating the various cost categories which comprise Total Project Costs.

8. Pursuant to the Service Order schedule, furnish the required number of review copies of the Preliminary Design Phase documents, opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables to PCCA, and review them with PCCA. Within the time established in the Service Order schedule, PCCA shall submit to Engineer any comments regarding the furnished items.

9. Pursuant to the Service Order schedule, revise the Preliminary Design Phase documents, opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables in response to PCCA's comments, as appropriate, and furnish to PCCA the required number of copies of the revised Preliminary Design Phase documents, revised opinion of probable Construction Cost, and revised estimate of design and related professional services, and any other Preliminary Design Phase deliverables.

B. Engineer's services under the Preliminary Design Phase will be considered complete on the date when Engineer has delivered to PCCA the revised Preliminary Design Phase documents, revised opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables.

A1.03 ***Final Design Phase***

A. Engineer shall:

1. Prepare final Drawings and Specifications indicating the scope, extent, and character of the Work to be performed and furnished by Contractor.

2. Visit the Site as needed to assist in preparing the final Drawings and Specifications.

3. Provide technical criteria, written descriptions, and design data for PCCA's use in filing applications for permits from or approvals of governmental authorities having jurisdiction to review or approve the final design; assist PCCA in consultations with such authorities; and revise the Drawings and Specifications in response to directives from such authorities, as appropriate.

4. Advise PCCA of any recommended adjustments to the opinion of probable Construction Cost as design progresses.

5. Assist PCCA in assembling known reports and drawings of Site conditions, and in identifying the technical data contained in such reports and drawings upon which bidders or other prospective contractors may rely.

6. In addition to preparing the final Drawings and Specifications, assemble drafts of other Construction Contract Documents based on specific instructions and contract forms, text, or content received from PCCA.

7. Prepare or assemble 60% Design documents (or requests for proposals or other construction procurement documents), based on the specific bidding or procurement-related instructions and forms, text, or content provided by PCCA. As directed by PCCA, organize the proposed work and related construction documents to provide for additive or alternative bids.

8. Prepare or assemble 90% Design and bidding-related documents (or requests for proposals or other construction procurement documents), based on the specific bidding or procurement-related instructions and forms, text, or content provided by PCCA. As directed by PCCA, organize the proposed work and related construction documents to provide for additive or alternative bids.

9. Prepare or assemble draft bidding-related documents (or requests for proposals or other construction procurement documents), based on the specific bidding or procurement-related instructions and forms, text, or content provided by PCCA. As directed by PCCA, organize the proposed work and related construction documents to provide for additive or alternative bids.

10. Pursuant to the Service Order schedule, furnish for review by PCCA, the required number of copies of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, and review them with PCCA. Within the time required by the Service Order schedule, PCCA shall submit to Engineer any comments regarding the furnished items, and any instructions for revisions sealed by Registered Professional Engineer licensed to practice in the State of Texas.

11. Pursuant to the Service Order schedule, revise the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables in accordance with comments and instructions from the PCCA, as appropriate, and submit the required number of final copies of such documents to PCCA after receipt of PCCA's comments and instructions.

B. Engineer's services under the Final Design Phase will be considered complete on the date when Engineer has delivered to PCCA the final Drawings and Specifications, other assembled Construction Contract Documents, bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables.

A1.04 ***Bidding or Negotiating Phase***

A. Engineer shall:

1. Attend pre-bid conference and provide a presentation of the technical aspect of the project.

2. Prepare and issue Addenda as appropriate, and as requested by PCCA, to clarify, correct, or change the issued documents.

3. Provide information or assistance needed by PCCA in the course of any review of proposals or negotiations with prospective contractors.

4. Consult with PCCA as to the qualifications of prospective contractors.

5. Consult with PCCA as to the qualifications of Subcontractors, suppliers, and other individuals and entities proposed by prospective contractors, for those portions of the Work as to which review of qualifications is required by the issued documents.

6. If the issued documents require, the Engineer shall evaluate and determine the acceptability of "or equals" and substitute materials and equipment proposed by prospective contractors, provided that such proposals are allowed by the bidding-related documents (or requests for proposals or other construction procurement documents) prior to award of contracts for the Work. Services under this paragraph are subject to the provisions of Paragraph A2.01(A)(16) of this **Exhibit A**.

7. Attend the bid opening, and assist PCCA in evaluating bids or proposals, assembling final contracts for the Work for execution by PCCA and Contractor, and in issuing notices of award of such contracts.

8. If PCCA engages in negotiations with bidders or proposers, assist PCCA with respect to technical and engineering issues that arise during the negotiations.

9. Engineer shall prepare and submit issued for construction drawings and specifications incorporating addenda issued during the Bid phase. Issued for Construction Drawings shall be sealed by Registered Professional Engineer licensed to practice in the State of Texas.

B. The Bidding or Negotiating Phase will be considered complete upon commencement of the Construction Phase or upon cessation of negotiations with prospective contractors (except as may be required if a Construction Cost limit is a part of this Service Order).

A1.05 ***Construction Phase***

A. Engineer shall:

1. *Resident Project Representative (RPR)*: Provide the services of an RPR at the Site to assist the Engineer and to provide more extensive observation of Contractor's work. Duties, responsibilities, and authority of the RPR are as set forth in **Exhibit D**. The furnishing of such RPR's services will not limit, extend, or modify Engineer's responsibilities or authority except as expressly set forth in **Exhibit D.** **[*If Engineer will not be providing the services of an RPR, then delete this Paragraph 2 by inserting the word "DELETED" after the paragraph title, and do not include Exhibit D in the Task Order.*]**

2. *Selection of Independent Testing Laboratory:* Assist PCCA, as requested, in the selection of an independent testing laboratory to perform the testing services identified in the contract documents.

3. *Pre-Construction Conference:* Participate in a pre-construction conference prior to commencement of Work at the Site.

4. *Electronic Transmittal Protocols:* If the Construction Contract Documents do not specify protocols for the transmittal of Project-related correspondence, documents, text, data, drawings, information, and graphics, in electronic media or digital format, either directly, or through access to a secure Project website, then together with PCCA and Contractor jointly develop such protocols for transmittals between and among PCCA, Contractor, and Engineer during the Construction Phase and Post-Construction Phase.

5. *Schedules:* Receive, review, and determine the acceptability of any and all schedules that Contractor is required to submit to Engineer, including the Progress Schedule, Schedule of Submittals, and Schedule of Values.

6. *Baselines and Benchmarks:* As appropriate, establish baselines and benchmarks for locating the Work which in Engineer's judgment are necessary to enable Contractor to proceed.

7. Visits *to Site and Observation of Construction:* In connection with observations of Contractor's Work while it is in progress:

   (a) Make visits to the Site at intervals appropriate to the various stages of construction, as Engineer deems necessary, to observe as an experienced and qualified design professional the progress of Contractor's executed Work. Based on information obtained during such visits and observations, Engineer will determine in general if the Work is proceeding in accordance with the Construction Contract Documents, and Engineer shall keep PCCA informed of the progress of the Work.

   (b) The purpose of Engineer's visits to the Site, and representation by the Resident Project Representative, if any, at the Site, will be to enable Engineer to better carry out the duties and responsibilities assigned to and undertaken by Engineer during the Construction Phase, and, in addition, by the exercise of Engineer's efforts as an experienced and qualified design professional, to provide for PCCA a greater degree of confidence that the completed Work will conform in general to the Construction Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Construction Contract Documents. Engineer shall not, during such visits or as a result of such observations of the Work, supervise, direct, or have control over the Work, nor shall Engineer have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, for security or safety at the Site, for safety precautions and programs incident to any Constructor's work in progress, for the coordination of the Constructors' work or schedules, nor for any failure of any Constructor to comply with Laws and Regulations applicable to furnishing and performing of its work. Accordingly, Engineer neither guarantees the performance of any Constructor nor assumes responsibility for any Constructor's failure to furnish or perform the Work, or any portion of the Work, in accordance with the Construction Contract Documents.

8. *Defective Work:* Recommend rejection of Work if, on the basis of Engineer's observations, Engineer believes that such Work is defective under the terms and standards set forth in the Construction Contract Documents. Provide recommendations to PCCA regarding whether Contractor should correct such Work or remove and replace such Work, or whether PCCA should consider accepting such Work as provided in the Construction Contract Documents.

9. *Compatibility with Design Concept:* If Engineer has express knowledge that a specific part of the Work that is not defective under the terms and standards set

forth in the Construction Contract Documents is nonetheless not compatible with the design concept of the completed Project as a functioning whole, then inform PCCA of such incompatibility, and provide recommendations for addressing such Work.

10. *Clarifications and Interpretations:* Accept from Contractor and PCCA submittal of all matters in question concerning the requirements of the Construction Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Construction Contract Documents. With reasonable promptness, render a written clarification, interpretation, or decision on the issue submitted, or an amendment or supplement to the Construction Contract Documents.

11. *Change Orders and Work Change Directives:* Recommend Change Orders and Work Change Directives to PCCA, as appropriate, and support preparation of Change Orders and Work Change Directives as required.

12. *Differing Site Conditions:* Respond to any notice from Contractor of differing site conditions, including conditions relating to underground facilities such as utilities, and hazardous environmental conditions. Promptly conduct reviews, obtain information, and prepare findings, conclusions, and recommendations for PCCA's use, subject to the limitations and responsibilities under the Agreement and the Construction Contract.

13. *Shop Drawings, Samples, and Other Submittals:* Review and approve or take other appropriate action with respect to Shop Drawings, Samples, and other required Contractor submittals, but only for conformance with the information given in the Construction Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated by the Construction Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Engineer shall meet any Contractor's submittal schedule that Engineer has accepted.

14. *Substitutes and "or-equal":* Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor.

15. *Inspections and Tests:*

    (a) Receive and review certificates of inspections, tests, and approvals required by Laws and Regulations or the Construction Contract Documents. Engineer's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Construction Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Construction Contract Documents. Engineer shall be entitled to rely on the results of such inspections and tests.

(b) Pursuant to the terms of the Construction Contract, recommend additional inspections or testing of the Work, whether or not the Work is fabricated, installed, or completed.

16. *Change Proposals and Claims:* (a) Review and respond to Change Proposals. Review each duly submitted Change Proposal from Contractor and, within 30 days after receipt of the Contractor's supporting data, either deny the Change Proposal in whole, approve it in whole, or deny it in part and approve it in part. Such actions shall be in writing, with a copy provided to PCCA and Contractor. If the Change Proposal does not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters, then Engineer will notify the parties that the Engineer will not resolve the Change Proposal. (b) Provide information or data to PCCA regarding engineering or technical matters pertaining to Claims.

17. Applications *for Payment:* As requested by PCCA, review Contractor's applications for payment and provide PCCA with a recommendation to pay, partially pay, or request a revised pay application.

18. *Contractor's Completion Documents:* As required and directed by PCCA, review, and transmit to PCCA maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance required by the Construction Contract Documents, certificates of inspection, tests and approvals, and Shop Drawings, Samples, and other data approved as provided from Contractor. Review, and transmit to PCCA the annotated record documents which are to be assembled by Contractor in accordance with the Construction Contract Documents to obtain final payment.

19. *Substantial Completion:* Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with PCCA and Contractor, visit the Site to review the Work and determine the status of completion. Follow the procedures in the Construction Contract regarding the preliminary certificate of Substantial Completion, punch list of items to be completed, PCCA's objections, notice to Contractor, and issuance of a final certificate of Substantial Completion. Assist PCCA regarding any remaining engineering or technical matters affecting PCCA's use or occupancy of the Work following Substantial Completion.

20. *Final Notice of Acceptability of the Work:* Conduct a final visit to the specific Project to determine if the Work is complete and acceptable so that Engineer may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, Engineer shall also provide a notice to PCCA and Contractor in the form attached hereto as **Exhibit E** ("**Notice of Acceptability of Work**") that the Work is acceptable.

21. *Standards for Certain Construction-Phase Decisions:* Engineer will render decisions regarding the requirements of the Construction Contract Documents, and

judge the acceptability of the Work, pursuant to the specific procedures set forth in the Construction Contract for initial interpretations, Change Proposals, and acceptance of the Work. In rendering such decisions and judgments, Engineer will not show partiality to PCCA or Contractor.

22. Preparing Record Drawings, and furnishing such Record Drawings to PCCA.

23. Supplementing Record Drawings with information regarding the completed Project, Site, and immediately adjacent areas obtained from field observations, PCCA, utility companies, and other reliable sources.

24. Conducting surveys, investigations, and field measurements to verify the accuracy of Record Drawing content obtained from Contractor, PCCA, utility companies, and other sources; revise and supplement Record Drawings as needed.

B. *Duration of Construction Phase:* The Construction Phase will commence with the execution of the first Construction Contract for the Specific Project or any part thereof and will terminate upon written recommendation by Engineer for final payment to Contractors. If the specific Project involves more than one prime contract then Construction Phase services may be rendered at different times in respect to the separate contracts.

A1.06 ***Post-Construction Phase***

A. Upon written authorization from PCCA during the Post-Construction Phase, Engineer shall:

1. Together with PCCA, visit the Project to observe any apparent defects in the Work, make recommendations as to replacement or correction of Defective Work, if any, or the need to repair of any damage to the Site or adjacent areas, and assist PCCA in consultations and discussions with Contractor concerning correction of any such Defective Work and any needed repairs.

2. Together with PCCA, visit the Project within one month before the end of the Construction Contract's Correction Period to ascertain whether any portion of the Work or the repair of any damage to the Site or adjacent areas is defective and therefore subject to correction by Contractor.

B. The Post-Construction Phase services may commence during the Construction Phase and will terminate twelve months after the commencement of the Construction Contract's Correction Period.

A1.07 ***Commissioning Phase***

A. Engineer shall:

1. Assist PCCA in connection with the adjusting of Specific Project equipment and systems.

2. Assist PCCA in training PCCA's staff to operate and maintain Specific Project equipment and systems.

3. Prepare operation and maintenance manuals.

4. Assist PCCA in developing procedures for (a) control of the operation and maintenance of Specific Project equipment and systems, and (b) related record-keeping.

5. Prepare and furnish to PCCA, in the format agreed to, Record Drawings showing appropriate record information based on Project annotated record documents received from Contractor.

PART 2—OTHER SERVICES

A2.01 *Other Services Required to be Listed in the Service Order*

A. Each specific Service Order may include Services that do not fit into the categories described in Part 1, such as the types of Services listed in this Part 2. Such services should be expressly stated in the specific Service Order itself.

1. Preparation of applications and supporting documents (in addition to those furnished under Services) for private or governmental grants, loans, or advances in connection with the Specific Project; preparation or review of environmental assessments and impact statements; review and evaluation of the effects on the design requirements for the Specific Project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Specific Project.

2. Services to make measured drawings of existing conditions or facilities, to conduct tests or investigations of existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by PCCA or others.

3. Services resulting from significant changes in the scope, extent, or character of the portions of the Specific Project designed or specified by Engineer, or the Specific Project's design requirements, including, but not limited to, changes in size, complexity, PCCA's schedule, character of construction, or method of financing; and revising previously accepted studies, reports, Drawings, Specifications, or Construction Contract Documents when such revisions are required by changes in Laws and Regulations enacted subsequent to the Commencement Date of the Service Order or are due to any other causes beyond Engineer's control.

4. Providing renderings or models for PCCA's use, including services in support of building information modeling or civil integrated management.

5. Undertaking investigations and studies including, but not limited to:

    a) detailed consideration of operations, maintenance, and overhead expenses;

b) based on the engineering and technical aspects of the Project, the preparation of feasibility studies (such as those that include projections of output capacity, utility project rates, project market demand, or project revenues) and cash flow analyses, provided that such services do not include rendering advice regarding municipal financial products or the issuance of municipal securities;

c) evaluating processes available for licensing, and assisting PCCA in obtaining process licensing;

d) detailed quantity surveys of materials, equipment, and labor; and

e) audits or inventories required in connection with construction performed or furnished by PCCA.

6. Preparing for, coordinating with, participating in and responding to structured independent review processes, including, but not limited to, construction management, cost estimating, project peer review, value engineering, and constructability review requested by PCCA; and performing or furnishing services required to revise studies, reports, Drawings, Specifications, or other documents as a result of such review processes.

7. Assistance in connection with bid protests, rebidding, or renegotiating contracts for construction, materials, equipment, or services, except when such assistance is required to complete services required by Section 3.02.

8. Preparation of operation, maintenance, and staffing manuals.

9. Protracted or extensive assistance in refining and adjusting of Project equipment and systems (such as initial startup, testing, and balancing).

10. Assistance to PCCA in training PCCA's staff to operate and maintain Specific Project equipment and systems.

11. Assistance to PCCA in developing systems and procedures for (a) control of the operation and maintenance of Project equipment and systems, and (b) related recordkeeping.

12. Preparing to serve or serving as a consultant or witness for PCCA in any litigation, arbitration, mediation, lien or bond claim, or other legal or administrative proceeding involving the Project.

13. Providing construction surveys and staking to enable Contractor to perform its work other than as required under Paragraph A1.05(A)(6), and any type of property surveys or related engineering services needed for the transfer of interests in real property; and providing other special field surveys.

14. Provide assistance in responding to the presence of any Constituent of Concern at any Site, in compliance with current Laws and Regulations.

15. Services in connection with Work Change Directives and Change Orders to reflect changes requested by PCCA.

16. Services in making revisions to Drawings and Specifications occasioned by the acceptance of substitute materials or equipment other than "or equal" items; services after the award of the Construction Contract in evaluating and determining the acceptability of a proposed "or equal" or substitution which is found to be inappropriate for the Project; evaluation and determination of an excessive number of proposed "or equals" or substitutions, whether proposed before or after award of the Construction Contract.

17. Services resulting from significant delays, changes, or price increases occurring as a direct or indirect result of materials, equipment, or energy shortages.

18. Additional or extended services arising from (a) the presence at the Site of any Constituent of Concern or items of historical or cultural significance, (b) emergencies or acts of God endangering the Work, (c) damage to the Work by fire or other causes during construction, (d) a significant amount of defective, neglected, or delayed Work, (e) acceleration of the progress schedule involving services beyond normal working hours, or (f) default by Contractor.

19. Reviewing a Shop Drawing or other Contractor submittal more than three times, as a result of repeated inadequate submissions by Contractor.

EXHIBIT B
TO MASTER SERVICES AGREEMENT NO. 18-06

Standard Hourly Rates Schedule

The Standard Hourly Rates Schedule for Services performed under this Agreement is:

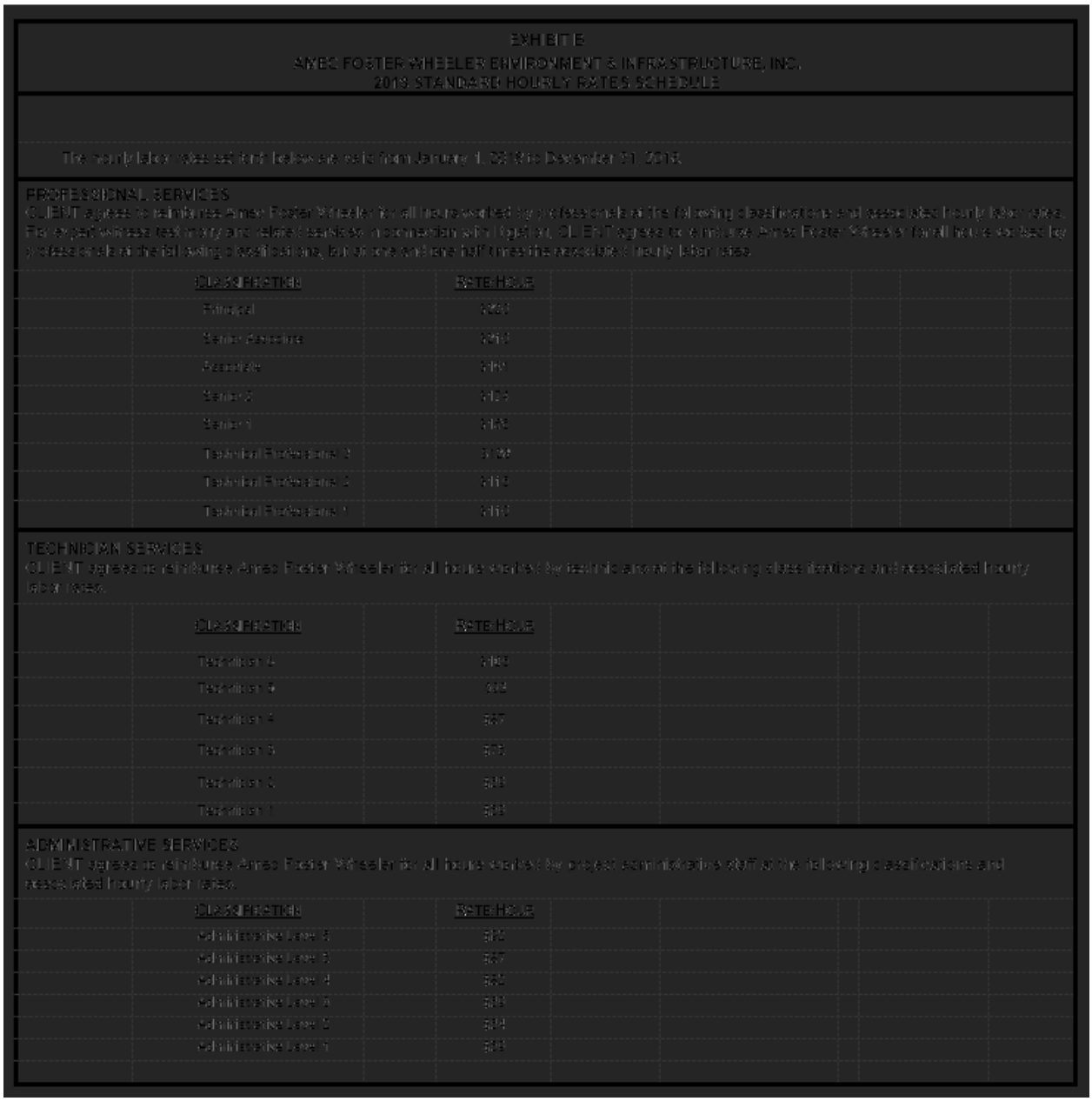


EXHIBIT B
AMEC FOSTER WHEELER ENVIRONMENT & INFRASTRUCTURE, INC.
2019 STANDARD HOURLY RATES SCHEDULE

The rates listed below are valid from January 1, 20[illegible] thru December 31, 2019.

PROFESSIONAL SERVICES
CLIENT agrees to reimburse Amec Foster Wheeler for all hours worked by professionals at the following classifications and associated hourly labor rates. For expert witness testimony and related services in connection with litigation, CLIENT agrees to reimburse Amec Foster Wheeler for all hours worked by professionals at the following classifications, but at one and one-half times the associated hourly labor rates.

CLASSIFICATION	RATE/HOUR
Principal	[illegible]
Senior Associate	[illegible]
Associate	[illegible]
Senior 2	[illegible]
Senior 1	[illegible]
Technical Professional 3	[illegible]
Technical Professional 2	[illegible]
Technical Professional 1	[illegible]

TECHNICIAN SERVICES
CLIENT agrees to reimburse Amec Foster Wheeler for all hours worked by technicians at the following classifications and associated hourly labor rates.

CLASSIFICATION	RATE/HOUR
Technician 6	[illegible]
Technician 5	[illegible]
Technician 4	[illegible]
Technician 3	[illegible]
Technician 2	[illegible]
Technician 1	[illegible]

ADMINISTRATIVE SERVICES
CLIENT agrees to reimburse Amec Foster Wheeler for all hours worked by project administrative staff at the following classifications and associated hourly labor rates.

CLASSIFICATION	RATE/HOUR
Administrative Level 6	[illegible]
Administrative Level 5	[illegible]
Administrative Level 4	[illegible]
Administrative Level 3	[illegible]
Administrative Level 2	[illegible]
Administrative Level 1	[illegible]

EXHIBIT C
TO MASTER SERVICES AGREEMENT NO. 18-06

Reimbursable Expenses Schedule

The Reimbursable Expenses Schedule for Services performed under the Agreement is:

Fax	$0.1/Page
Copies 8½" x 11"	$0.1/Page
Copies of Drawings 24" x 36"	$1/Sheet
Copies of Drawings 11" x 17"	$0.2/Sheet
Mileage	$GSA Rate/Mile
Confined Space Equipment	$ N/A /Day + Expenses
CAD Charge	$20/Hour
Soil Gas Kit	$200/Day (plus analysis)
Soil Sampling	$100/Sample (plus analysis assuming hand auger)
Groundwater Sampling	$200/Sample (plus analysis)
Consultants	At Cost + 5%
Long Distance Phone Calls	At Cost
Meals & Lodging	At Cost
Travel Expenses (other than mileage)	At Cost

EXHIBIT D
TO MASTER SERVICES AGREEMENT NO. 18-06

SCHEDULE OF DUTIES, RESPONSIBILITIES, AND LIMITATIONS OF AUTHORITY OF RESIDENT PROJECT REPRESENTATIVE

The following duties, responsibilities, and limitations of authority may be incorporated in the Service Order for a Specific Project:

Resident Project Representative

A. Engineer shall furnish a Resident Project Representative ("**RPR**") to assist Engineer in observing progress and quality of the Work. The RPR shall provide full-time or part-time representation as indicated in the Service Order. RPR is Engineer's representative at the Site, will act as directed by and under the supervision of Engineer, and will confer with Engineer regarding RPR's actions.

B. Through RPR's observations of the Work, including field checks of materials and installed equipment, Engineer shall endeavor to provide further protection for PCCA against defects and deficiencies in the Work. However, Engineer shall not, as a result of such RPR observations of the Work, supervise, direct, or have control over the Work, nor shall Engineer (including the RPR) have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, for security or safety at the Site, for safety precautions and programs incident to the Work or any Constructor's work in progress, for the coordination of the Constructors' work or schedules, or for any failure of any Constructor to comply with Laws and Regulations applicable to the performing and furnishing of its work. The Engineer (including RPR) neither guarantees the performances of any Constructor nor assumes responsibility for any Constructor's failure to furnish and perform the Work, or any portion of the Work, in accordance with the Construction Contract Documents.

C. The duties and responsibilities of the RPR are as follows:

1. *General:* RPR's dealings in matters pertaining to the Work in general shall be with Engineer and Contractor. RPR's dealings with Subcontractors shall only be through or with the full knowledge and approval of PCCA and the Contractor. RPR shall generally communicate with PCCA only with the knowledge of and under the direction of Engineer.

2. *Schedules:* Review the progress schedule, schedule of Shop Drawing and Sample submittals, schedule of values, and other schedules prepared by Contractor and consult with Engineer and PCCA concerning acceptability of such schedules.

3. *Conferences and Meetings:* Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences, and other Project-related meetings (but not including Contractor's safety meetings), and as appropriate prepare and circulate copies of minutes thereof.

4. *Safety Compliance:* Comply with Site safety programs, as they apply to RPR, and if required to do so by such safety programs, receive safety training specifically related to RPR's own personal safety while at the Site.

5. *Liaison*

   a. Serve as Engineer's and PCCA's liaison with Contractor. Working principally through Contractor's authorized representative or designee, assist in providing information regarding the provisions and intent of the Construction Contract Documents.

   b. Assist Engineer in serving as PCCA's liaison with Contractor when Contractor's operations affect PCCA's on-Site operations.

   c. Assist in obtaining from PCCA additional details or information, when required for proper execution of the Work.

6. *Clarifications and Interpretations:* Receive from Contractor submittal of any matters in question concerning the requirements of the Construction Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Construction Contract Documents. Report to Engineer and PCCA regarding such RFIs. Report to Engineer and PCCA when clarifications and interpretations of the Construction Contract Documents are needed, whether as the result of a Contractor RFI or otherwise. Transmit Engineer's and PCCA's clarifications, interpretations, and decisions to Contractor. ,

7. *Shop Drawings and Samples*

   a. Record date of receipt of Samples and Contractor-approved Shop Drawings.

   b. Receive Samples that are furnished at the Site by Contractor, and notify Engineer of availability of Samples for examination.

   c. Advise Engineer and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal, if RPR believes that the submittal has not been received from Contractor, or has not been approved by Contractor or Engineer.

8. *Proposed* M*odifications:* Consider and evaluate Contractor's suggestions for modifications to the Drawings or Specifications, and report such suggestions, together with RPR's recommendations, if any, to Engineer and PCCA. Transmit Engineer's and PCCA's response (if any) to such suggestions to Contractor.

9. *Review of Work; Defective Work*

   a. Report to Engineer and PCCA whenever RPR believes that any part of the Work is defective under the terms and standards set forth in the Construction Contract

Documents, and provide recommendations as to whether such Work should be corrected, removed and replaced, or accepted as provided in the Construction Contract Documents.

b. Inform Engineer and PCCA of any Work that RPR believes is not defective under the terms and standards set forth in the Construction Contract Documents, but is nonetheless not compatible with the design concept of the completed Project as a functioning whole, and provide recommendations to Engineer and PCCA for addressing such Work; and

c. Advise Engineer and PCCA of that part of the Work that RPR believes should be uncovered for observation, or requires special testing, inspection, or approval.

10. *Inspections, Tests, and System Start-ups*

a. Consult with Engineer and PCCA in advance of scheduled inspections, tests, and systems start-ups.

b. Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate PCCA's personnel, and that Contractor maintains adequate records thereof.

c. Observe, record, and report to Engineer and PCCA appropriate details relative to the test procedures and systems start-ups.

d. Observe whether Contractor has arranged for inspections required by Laws and Regulations, including but not limited to those to be performed by public or other agencies having jurisdiction over the Work.

e. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Work, record the results of these inspections, and report to Engineer and PCCA.

11. *Records*

a. Maintain at the Site orderly files for correspondence, reports of job conferences, copies of Construction Contract Documents including all Change Orders, Field Orders, Work Change Directives, Addenda, additional Drawings issued subsequent to the execution of the Construction Contract, RFIs, Engineer's clarifications and interpretations of the Construction Contract Documents, progress reports, Shop Drawing and Sample submittals received from and delivered to Contractor, and other Project-related documents.

b. Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site, Subcontractors present at the Site, weather conditions, data relative to questions of Change Orders, Field Orders, Work Change Directives, or changed conditions, Site visitors, deliveries of equipment or materials, daily activities, decisions, observations in general, and specific observations in more

detail as in the case of observing test procedures; and send copies to Engineer and PCCA.

c. As requested by PCCA to Engineer, photograph or video work in progress or Site conditions.

d. Record and maintain accurate, up-to-date lists of the names, addresses, fax numbers, e-mail addresses, websites, and telephone numbers (including mobile numbers) of all Contractors, Subcontractors, and major Suppliers of materials and equipment.

e. Maintain records for use in preparing Specific Project documentation.

f. Upon completion of the Work, furnish original set of all RPR Project documentation to Engineer and PCCA.

12. *Reports*

a. Furnish to Engineer and PCCA periodic reports as required of progress of the Work and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.

b. Draft and recommend to Engineer and PCCA proposed Change Orders, Work Change Directives, and Field Orders. Obtain backup material from Contractor.

c. Furnish to Engineer and PCCA copies of all inspection, test, and system start-up reports.

d. Immediately inform Engineer and PCCA of the occurrence of any Site accidents, emergencies, acts of God endangering the Work, possible force majeure or delay events, damage to property by fire or other causes, or the discovery of any potential differing site condition or Constituent of Concern.

13. *Payment Requests:* Review applications for payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to PCCA, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.

14. *Certificates, Operation and Maintenance Manuals:* During the course of the Work, verify that materials and equipment certificates, operation and maintenance manuals and other data required by the Construction Contract Documents to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Construction Contract Documents, and have these documents delivered to Engineer for review and forwarding to PCCA prior to payment for that part of the Work.

15. *Completion*:

a. Participate in Engineer's and PCCA's visits to the Site regarding Substantial Completion, assist in the determination of Substantial Completion, and prior to the issuance of a Certificate of Substantial Completion, submit a punch list of observed items requiring completion or correction.

b. Participate in Engineer's and PCCA's visit to the Site in the company of, PCCA, and Contractor, to determine completion of the Work, and prepare a final punch list of items to be completed or corrected by Contractor.

c. Observe whether all items on the final punch list have been completed or corrected, and make recommendations to Engineer and PCCA concerning acceptance and issuance of the Notice of Acceptability of the Work (**Exhibit E**).

D. Resident Project Representative shall not:

1. Authorize any deviation from the Construction Contract Documents or substitution of materials or equipment (including "or-equal" items).

2. Exceed limitations of Engineer's authority as set forth in this Agreement.

3. Undertake any of the responsibilities of Contractor, Subcontractors, or Suppliers, or any Constructor.

4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences or procedures of the Work, by Contractor or any other Constructor.

5. Advise on, issue directions regarding, or assume control over security or safety practices, precautions, and programs in connection with the activities or operations of PCCA or Contractor.

6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer and/or PCCA.

7. Accept Shop Drawing or Sample submittals from anyone other than Contractor.

EXHIBIT E
TO MASTER SERVICES AGREEMENT NO. 18-06

NOTICE OF ACCEPTABILITY OF WORK

PROJECT TITLE:

PCCA PROJECT NUMBER:

MASTER SERVICES AGREEMENT NO.: 18-06

SERVICE ORDER NO.:

DATE OF CONSTRUCTION AGREEMENT:

DATE OF NOTICE

To: Port of Corpus Christi Authority (PCCA)

And To: *(Insert name of Contractor)* (Contractor)

From: *(Insert name of Engineer)* (Engineer)

The undersigned (Engineer) hereby gives notice to PCCA and Contractor that the completed Work furnished and performed by Contractor under the above Contract is acceptable, expressly subject to the provisions of the related Construction Contract Documents and the terms and conditions set forth on the reverse side hereof. Engineer further recommends PCCA issue a Notice of Final Acceptance to the Contractor.

Engineer:_____

By:_____

Name:_____

Title:_____

Date:_____

(See Reverse Side of Notice)

CONDITIONS OF NOTICE OF ACCEPTABILITY OF WORK

The Notice of Acceptability of Work ("**Notice**") on the front side of this sheet is expressly made subject to the following terms and conditions to which all persons who receive said notice and rely thereon agree:

1. Said Notice is given with the skill and care ordinarily used by members of the engineering profession practicing under similar conditions at the same time and in the same locality.

2. Said Notice reflects and is an expression of the professional judgment of Engineer.

3. Said Notice is given as to the best of Engineer's knowledge, information, and belief as of the date hereof.

4. Said Notice is based entirely on and expressly limited by the Scope of Services Engineer has been employed by PCCA to perform or furnish during construction of the Project (including observation of the Contractor's Work) under Engineer's Agreement with PCCA and under the Construction Contract referenced on the reverse hereof, and applies only to facts that are within Engineer's knowledge or could reasonably have been ascertained by Engineer as a result of carrying out the responsibilities specifically assigned to Engineer under Engineer's Agreement with PCCA and the Construction Contract referenced on the reverse hereof.

5. Said Notice affirms Contractor's performance under the Construction Contract referenced on the reverse hereof but is not an assumption of responsibility for any failure of Contractor to furnish and perform the Work thereunder in accordance with the Construction Contract Documents.

6. Said Notice affirms that the design of the Project complies with all City of Corpus Christi building codes regardless of whether or not the Project is located within the city limits of the City of Corpus Christi.

EXHIBIT F
TO MASTER SERVICES AGREEMENT NO. 18-06

AMENDMENT TO SERVICE ORDER NO. _____

1. Background Data:

a. Commencement Date of Service Order:

b. PCCA:

c. Engineer:

d. Specific Project:

2. Description of Modifications

[Include the following paragraphs that are applicable and delete those not applicable to this amendment. Refer to paragraph numbers used in the Agreement or a previous amendment for clarity with respect to the modifications to be made. Use paragraph numbers in this document for ease of reference herein and in future correspondence or amendments.]

a. Engineer shall perform the following Services: [ ]

b. The Scope of Services currently authorized to be performed by Engineer in accordance with the Service Order and previous amendments, if any, is modified as follows: [ ]

c. The responsibilities of PCCA with respect to the Service Order are modified as follows: [ ]

d. For the additional services or the modifications to services set forth above, PCCA shall pay Engineer the following additional or modified compensation: [ ]

e. The schedule for rendering services under this Service Order is modified as follows: [ ]

f. Other portions of the Service Order (including previous amendments, if any) are modified as follows: [ ]

[List other Attachments, if any]

3. Service Order Summary (Reference only)

a.	Original Service Order amount:	$[ ]
b.	Net change for prior amendments:	$[ ]
c.	This amendment amount:	$[ ]
d.	Adjusted Service Order amount:	$[ ]

The foregoing Service Order Summary is for reference only and does not alter the terms of the Service Order.

PCCA and Engineer hereby agree to modify the above-referenced Service Order as set forth in this Amendment. All provisions of the Agreement and Service Order not modified by this or previous Amendments remain in effect. The effective date of this Amendment is _____.

PORT OF CORPUS CHRISTI AUTHORITY		ENGINEER:	
By:	_____	By:	_____
Title:	_____	Title:	_____
Date Signed:	_____	Date Signed	_____

SERVICE ORDER
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER SERVICES AGREEMENT NO. 18-06

PROJECT NAME: **Harbor Island Upland Master Plan**
PROJECT NO. :
SERVICE ORDER NO.: **1**
COMMENCEMENT DATE: **May 15, 2018**

This Service Order is executed by any between the Port of Corpus Christi Authority of Nueces County, Texas ("**PCCA**") and Wood Environment & Infrastructure Solutions, Inc. ("**Engineer**"). PCCA and Engineer agree that all of the Services authorized by this Service Order shall be subject to the terms and conditions of PCCA's Master Services Agreement No. 18-06 between PCCA and Engineer, as amended ("**Agreement**"). Upon execution of this Service Order, the Agreement shall be incorporated into and be considered part of this Service Order as if set forth herein in its entirety. Any capitalized terms in this Service Order that are not defined herein shall have the meanings given to them in the Agreement. If there is any inconsistency between the terms of this Service Order and the terms of the Agreement, the terms of this Service Order will control.

Engineer will provide the Services described in the Services of Engineer below in connection with the Specific Project described below.

1. Description of Specific Project:

With the channel deepening project now underway and the entrance channel to Harbor Island expected to be completed by mid-2019, planning for the development of Harbor Island is needed. It is expected that Harbor Island development will include storage for petroleum exports. This project involves the master planning with regards to the best way to market and develop this facility, including the upland property owned by the Port at Harbor Island and the newly acquired right-of-way for a pipeline/utility easement.

2. Services of Engineer (Scope of Services)

A. The specific services to be provided or furnished by Engineer under this Service Order are:

set forth in "Part 1—Services" of **Exhibit A**, "*Engineer's Services for Service Order*," modified for this specific Service Order, and attached to and incorporated as part of this Service Order.

3. Service Order Schedule

In addition to any schedule provisions provided in **Exhibit A** or elsewhere, the parties shall meet the following schedule:

Project Activity	**Completed By**
Project Kick Off	June 8, 2018
Draft Deliverables	July 16, 2018
PCCA Review and Comment	July 31, 2018
Final Deliverables	August 10, 2018

Should PCCA not return comments and/or instructions in the time listed in the schedule, the Engineer's schedule for subsequent items will be extended by the same number of days by which PCCA comments or instructions exceed the scheduled review with no further recourse by the Engineer against PCCA.

Project deliverables will include the following:

- Basis of design report
- Plan view drawings of upland property and right-of-way
- Equipment list
- Process flow diagram
- Hydraulic design basis and profile
- Electrical drawings (single line electrical diagram)
- Mechanical drawings
- Permit matrix
- Air permit data

4. Method of Compensation

A. PCCA shall pay Engineer for services rendered under this Service Order using the following method of compensation:

Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price.

B. If this is a Lump Sum Service Order, PCCA shall pay Engineer the following lump sum amount for the services described in this Service Order: $__N/A_____. In addition, PCCA shall reimburse Engineer for the following Named Reimbursable Expenses (if any): _____.

C. If this is an Hourly Rates Service Order, the Ceiling Price for this Service Order is $283,000 and includes Reimbursable Expenses.

D. If this is an Hourly Rates Service Order, the estimated amount of compensation payable for each category of services rendered under this Service Order is as follows:

Description of Service	Amount
Study and Report Phase (*A1.01 of Ex. A*)	$283,000
ESTIMATED TOTAL COMPENSATION	$283,000

E. The terms of payment are set forth in Article 4 of the Agreement.

5. Consultants retained or that will be retained as of the Commencement Date of the Service Order:

None.

6. Other Modifications to the Agreement or the Exhibits to the Agreement:

Not Applicable.

7. Exhibits or Attachments to this Service Order:

None.

8. Documents (other than the Agreement) Incorporated by Reference:

None.

9. Terms and Conditions

Execution of this Service Order by PCCA and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Service Order signed by PCCA.

[Signature page follows this page]

IN WITNESS WHEREOF, each Party has executed this Service Order effective for all purposes as of the Commencement Date.

PCCA:

Port of Corpus Christi Authority of Nueces County, Texas

By:_____

Name: Sean Strawbridge

Title: Chief Executive Officer

Date Signed:_____

Address for giving notice:
222 Power Street
Corpus Christi, Texas 78401
Attention: Director of Engineering Services

PCCA's Designated Representative:

Sarah L. Garza

Title: Director of Environmental Planning & Compliance

Phone Number: (361) 885-6163

Facsimile Number: (361) 881-5161

E-Mail Address: sarah@pocca.com

Engineer:

Wood Environment & Infrastructure Solutions, Inc.

David R Hoff

By:_____

Name: David R. Hoffman, P.E.

Title: Vice President

Date Signed:_____

Address for giving notice:
17320 Katy Freeway
Houston, Texas 77094

Engineer's Designated Representative:

David R. Hoffman, P.E.

Title: Vice President

Phone Number: (832) 809-9430

Facsimile Number:

E-Mail Address:
david.hoffman@woodplc.com

EXHIBIT A
ENGINEER'S SERVICES FOR SERVICE ORDER

Scope of Services under this Service Order generally include:

- Master planning of upland property and related right-of-way

PART 1—SERVICES

A1.01 *Study and Report Phase Services*

A. As Study and Report Services, Engineer shall:

1. Conduct kick off meeting with PCCA and customer(s) to identify potential scope of the operations to be conducted at the Harbor Island property.

2. Visit the Site, or potential Specific Project sites, to review existing conditions and facilities, unless such visits are not necessary or applicable to meeting the objectives of the Study and Report Phase.

3. Through coordination with PCCA, develop up to 3 conceptual draft layouts of the terminal and right-of-way for consideration and comment by PCCA.

4. Develop the Basis of Design Packages with sufficient detail to document development of a conceptual design for both the upland and right of way. The design package will include:

    a. High quality plot plan view drawing showing the location of the terminal, desalination infrastructure, docks, roads, security, and pipelines.

    b. Layout drawings showing grading, roads, location of tank berms, tank and major equipment foundations, desalination infrastructure, and dock area. Dock area detail will be provided to Engineer by PCCA.

    c. Preliminary equipment list.

    d. Process flow diagram (PFD) for terminal showing size in horsepower (HP) of major pumps and other energy consuming equipment.

    e. Update to existing desalination plant PFD showing size in HP of major pumps and other energy related equipment.

    f. Hydraulic design basis and profile.

g. Electrical drawing, to be a single line diagram showing anticipated loads for the major energy consuming equipment.

h. Basic mechanical layout drawings for piping, loading arms, and other major mechanical equipment.

i. Permit matrix.

j. Air emissions information necessary to complete an air permit.

5. Conduct up to two additional formal meetings at PCCA with appropriate staff and customers and coordinate throughout the project informally through exchange of information via email or by phone.

6. Advise PCCA of any need for PCCA to obtain, furnish, or otherwise make available to Engineer additional Specific Project-related data and information, for Engineer's use in the study and evaluation of potential solution(s) to PCCA's Specific Project requirements, and preparation of a related report.

7. Review available survey, geotechnical, environmental, and other data and recommend additional investigations, studies, tests, professional services that may be required to support design of the alternatives.

8. Develop a master plan report that will describe the following and be of sufficient quality to market the facility to prospective clients, and include finally agreed to detail from item 2 above:

    a. Project description and rationale.

    b. Technical basis of design.

    c. Infrastructure improvements.

    d. Site development strategy.

    e. Permitting strategy.

    f. Security strategy.

9. Pursuant to the Service Order schedule, furnish review copies of the Report and any other Study and Report Phase deliverables to PCCA, and review it with PCCA. PCCA shall submit to Engineer any comments regarding the furnished items within the time established in the Service Order schedule.

10. Pursuant to the Service Order schedule, revise the Report and any other Study and Report Phase deliverables in response to PCCA's comments, as appropriate, and furnish the required number of copies of the revised Report and any other Study and Report Phase deliverables to the PCCA.

11. Engineer's services under the Study and Report Phase will be considered complete on the date when Engineer has delivered to PCCA the revised Report and any other Study and Report Phase deliverables.

EXHIBIT A-1 TO SERVICE ORDER NO. 1
OF MASTER SERVICES AGREEMENT NO. 18-06

Standard Hourly Rates – WOOD ENVIRONMENT AND INFRASTRUCTURE SOLUTIONS, LLC

The Standard Hourly Rate Schedule for Services performed by Engineer under this Service Order is:

Title	Billing Rate
Principal	$220
Senior Associate	$210
Associate	$191
Senior 2	$174
Senior 1	$156
Technical 3	$128
Technical 2	$115
Admin 4	$82

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: Sarah L. Garza, Director of Environmental Planning & Compliance
sarah@pocca.com
(361) 885-6163

David L. Krams, Director of Engineering
krams@pocca.com
(361) 885-6134

Approve Master Services Agreement No. 18-06 and Service Order No. 1 In the Amount of $283,000 with Wood Environment & Infrastructure Solutions, Inc., for Planning and Engineering Services Associated with Harbor Island.

SUMMARY: Staff requests approval of the attached Master Services Agreement with Wood Environment & Infrastructure Solutions, Inc. and approval of Service Order No. 1 in an amount not to exceed $283,000 to provide engineering and planning services associated with future development of a crude oil export terminal for loading very large crude carriers (VLCC) on Harbor Island.

BACKGROUND: The deepening of the entrance channel to Harbor Island to -54 feet MLLW is expected to be completed in early 2019. With the deepening of the entrance channel to -54 feet, Suexmax tankers can be fully loaded with over 1 million barrels of crude oil and VLCCs can be loaded with even larger amounts of crude oil. If the entrance channel is dredged further to about -75 feet, VLCCs can be fully loaded with over 2 million barrels of crude oil. Thus, there are significant opportunities with regard to the future use of Harbor Island as a major crude oil export terminal and the project would be a game changer for US energy export.

The Master Services Agreement provides the general terms, conditions, insurance, etc. for this and any subsequent service orders that may be issued to Wood during the three-year term of the Master Services Agreement.

ALTERNATIVES: There are no alternatives because of the interest in the development in Harbor Island a planning document that can be used to market the property is necessary. Additionally, due to the short window of opportunity, development of the information necessary to start the permitting process now instead of after securing a customer(s) is a critical item to the success of the future terminal.

CONFORMITY TO PORT POLICY: This item conforms to Strategic Plan Goal #2 (Provide Facilities & Services to Meet Customer Needs), Strategic Objective 2B (Provide Public Docks and Support Private Facilities to Facilitate Maritime and Industrial Development), Action Item 1 (Develop Facilities Plan with Emphasis on Preserving Flexibility to Respond to Market Demands).

EMERGENCY: This is not an emergency, although time is of the essence with this planning in order to respond to anticipated market demands that have a small window of opportunity.

FINANCIAL IMPACT: With development of the Port's large tract of land on Harbor Island for storage of up to 20 million barrels of crude oil and loading up to 200 supertankers or more per year, the financial impact to the Port and entire region is expected to be significant.

STAFF RECOMMENDATION: Staff recommends approval of the attached Master Services Agreement with Wood Environment & Infrastructure Solutions, Inc. and approval of Service Order No. 1 in an amount not to exceed $283,000 to provide engineering and planning services associated with future development of Harbor Island.

DEPARTMENTAL CLEARANCES:

Originating Department	Environmental Planning & Compliance
Reviewed By	Jarl Pedersen David Krams Sarah Garza
Legal	Used PCCA's Standard Master Services Agreement & Service Order
Senior Staff	John LaRue Sean Strawbridge

LIST OF SUPPORTING DOCUMENTS:

Master Services Agreement with Wood Environment & Infrastructure Solutions, Inc.
Service Order No. 1
Map Exhibit

Harbor Island
Including County Lines
Aransas County
Nueces County
Harbor Island
Google Earth
Data SIO, NOAA, U.S. Navy, NGA, GEBCO
2 mi
170
N

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: David L. Krams, P.E.
Director of Engineering Services
Krams@pocca.com
(361) 885-6134

ANTICIPATED STAFF PRESENTER: Dan Koesema, P.E., CFM
Chief of Channel Development

Approve a Master Services Agreement and Service Order No. 1 in the Amount of $724,000 with Terracon Consultants, Inc., for Geotechnical Investigation Services for the Corpus Christi Ship Channel Associated with the Corpus Christi Ship Channel - Channel Improvement Project.

SUMMARY: Staff requests approval of the attached Master Services Agreement with Terracon Consultants, Inc. and approval of Service Order No. 1 in an amount not to exceed $724,000 to provide geotechnical investigation services for the Corpus Christi Ship Channel associated with the Corpus Christi Ship Channel – Channel Improvement Project.

BACKGROUND: On September 9, 2017, the U.S. Army Corps of Engineers (USACE) and the Port of Corpus Christi Authority (PCCA) entered into a Project Partnership Agreement to deepen and widen the Corpus Christi Ship Channel from the Gulf of Mexico to the Viola Turning Basin and construct barge shelves across Corpus Christi Bay. The USACE will soon commence physical construction of the channel reach from the Gulf of Mexico to Harbor Island and have begun design activities for the reaches across the Lower and Upper Bays. In order to expeditiously collect and analyze the geotechnical data required for the design of the Lower and Upper Bay Channel Reaches, the PCCA received approval from USACE for the PCCA to perform geotechnical investigations as in-kind services. The work will generally include geotechnical field exploration, drilling, sampling, laboratory testing, investigation, and reporting for the Lower and Upper bay reaches. Because geotechnical data is on the critical path to complete the design, PCCA staff selected two consultants to perform the geotechnical investigation services: 1) for the Beneficial Use and Dredged Material Placement Area Sites; and 2) for the Ship Channel.

Staff negotiated the attached Master Services Agreement and its Service Order No. 1 with Terracon Consultants, Inc. to provide geotechnical investigation services for the Corpus Christi Ship Channel. The sampling and laboratory work will consist of up to 60 borings in water, 50’ to 60’ in length, and an estimated 3,193 laboratory tests. The data

obtained will support the design of four beneficial use sites and levees and outfall structures at a dredge material placement area. The scope of work is designed so that if consistent data is revealed among adjacent borings, the frequency of borings and quantity of tests and resulting contract cost can be reduced.

The Master Services Agreement provides the general terms, conditions, insurance, etc. for this and any subsequent service orders that may be issued to Terracon Consultants, Inc., during the three-year term of the Master Services Agreement.

ALTERNATIVES: N/A

CONFORMITY TO PORT POLICY: The project conforms to the PCCA's Strategic Plan (Strategic Goal #2 – Provide Facilities and Services to Meet Customer Needs).

EMERGENCY: No.

FINANCIAL IMPACT: The 2018 Engineering budget included $40,000,000 for design and construction associated with the Channel Improvement Project. Completing the geotechnical analysis is required for design. Per the Project Partnership Agreement, PCCA funding for the geotechnical investigation would be eligible for credit toward the PCCA's cost-share requirement for the CCSC-CIP.

STAFF RECOMMENDATION: Staff recommends approval of the attached Master Services Agreement with Terracon Consultants, Inc. and approve Service Order No. 1 in an amount not to exceed $724,000 to provide geotechnical investigation services for the Corpus Christi Ship Channel associated with the Corpus Christi Ship Channel – Channel Improvement Project.

DEPARTMENTAL CLEARANCES:

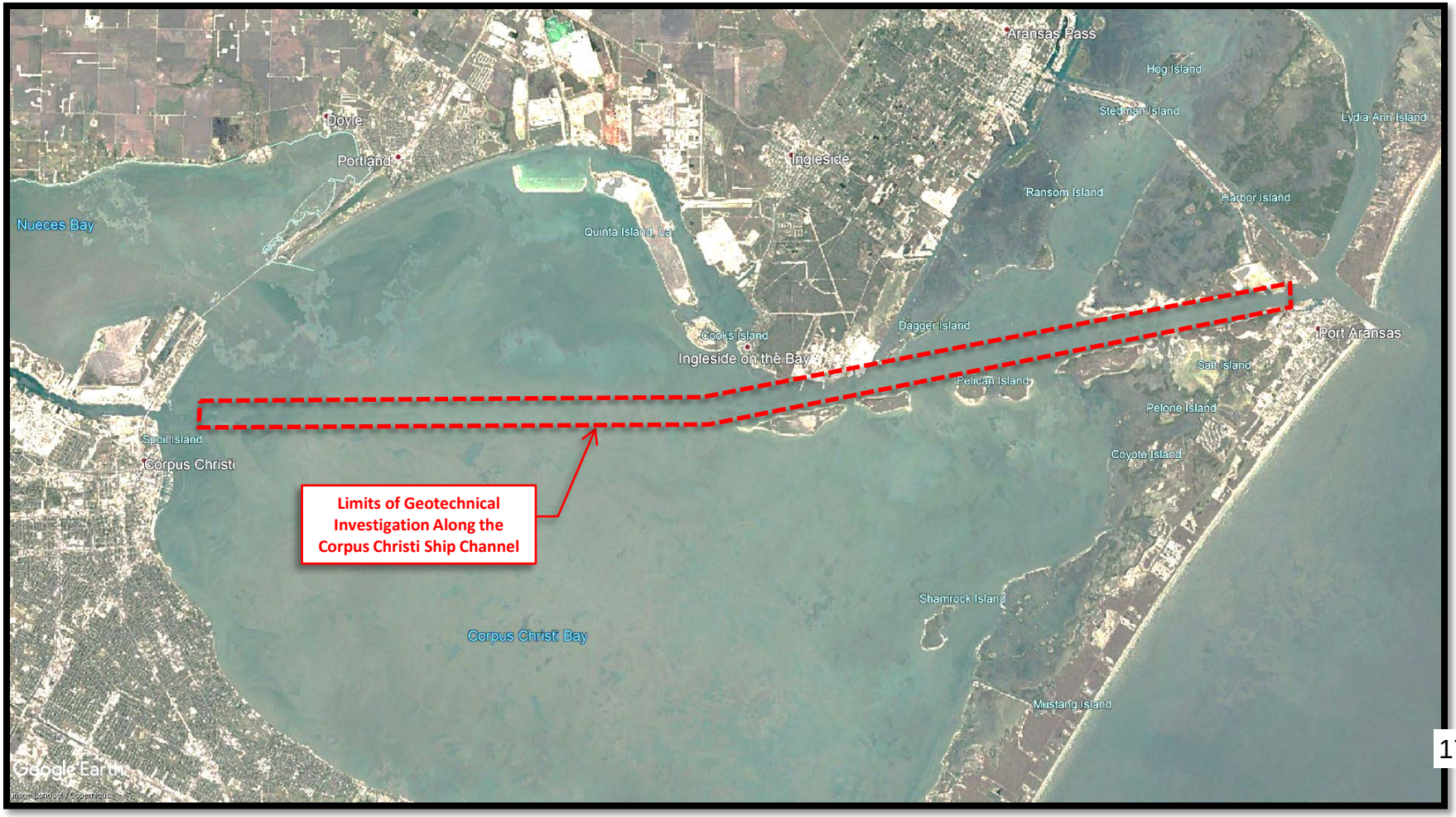
Originating Department	Engineering Services
Reviewed & Approved	David Krams
	Dan Koesema
Legal	PCCA's Standard Master Services Agreement & Service Order
Senior Staff	John LaRue
	Sean Strawbridge
	Dennis DeVries

LIST OF SUPPORTING DOCUMENTS:

Master Services Agreement
Service Order No. 1
Map Exhibit

PORT CORPUS CHRISTI®
Moving America's Energy

Geotechnical Investigation Services for the Corpus Christi Ship Channel



MASTER SERVICES AGREEMENT
BETWEEN THE
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS,
AND
TERRACON CONSULTANTS, INC.
FOR
PROFESSIONAL ENGINEERING SERVICES
ON A
SERVICE ORDER BASIS

PORTCORPUSCHRISTI

MASTER SERVICES AGREEMENT NO. 18-11

EFFECTIVE DATE MAY 15, 2018

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PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER SERVICES AGREEMENT NO. 18-11
FOR PROFESSIONAL ENGINEERING SERVICES

THIS MASTER SERVICES AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES ("**Agreement**") is made effective as of the 15th day of May 2018 ("**Effective Date**") between the Port of Corpus Christi Authority of Nueces County, Texas, ("**PCCA**") and Terracon Consultants, Inc. ("**Engineer**"), each a "**Party**" and collectively the "**Parties**".

RECITALS

(a) From time to time PCCA may request that the Engineer provide professional services for Specific Projects. Each engagement will be documented by a Service Order.

(b) This Agreement sets forth the general terms and conditions which shall apply to all Service Orders duly executed under this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

Section 1.01 Certain Definitions

A. Wherever used in this Agreement (including the Exhibits hereto) and printed with initial or all capital letters, the terms listed below shall have the meanings set forth in this Section, which are applicable to both the singular and plural thereof:

1. *Addenda*. Written or graphic instruments issued prior to the opening of Bids that clarify, correct, or change the Bid Documents or the proposed Construction Contract Documents.

2. *Agreement.* This "Master Services Agreement between PCCA and Engineer for Professional Engineering Services," including all Attachments and Exhibits attached hereto.

3. *Bid*. The offer or proposal of the bidder submitted on the PCCA-prescribed form setting forth the prices and schedule for the Work to be performed.

4. *Bid Documents*. The notice or invitation to submit bids or proposals for construction of a Specific Project, including the instructions to bidders, the Bid form and attachments, the bid bond, if any, the Construction Contract Documents, and all Addenda, if any.

5. *Business Day*. means any day other than Saturday or Sunday or any other day on which banks in Texas are permitted or required to be closed.

6. *Change Order*. A document which is signed by a Contractor and PCCA and authorizes an addition, deletion, or revision in the Work or an adjustment in the Construction Contract Price or the Construction Contract Times, or other revision to the Construction Contract, issued on or after the effective date of the Construction Contract.

7. *Change Proposal.* A written request by a Contractor, duly submitted in compliance with the procedural requirements set forth in the Construction Contract, seeking an adjustment in Construction Contract Price or Construction Contract Times, or both; contesting an initial decision by Engineer concerning the requirements of the Construction Contract Documents or the acceptability of Work under the Construction Contract Documents; challenging a set-off against payments due; or seeking other relief with respect to the terms of the Construction Contract.

8. *Ceiling Price*. The maximum amount PCCA will pay for the Work or phases of Work described in a Service Order.

9. *Commencement Date of a Service Order*. The date indicated in a Service Order on which the Service Order becomes effective; but if no such date is indicated, it means the date on which this Service Order is signed and delivered by the last of the two Parties to sign and deliver.

10. *Constituent of Concern*—Asbestos, petroleum, radioactive material, polychlorinated biphenyls (PCBs), hazardous waste, and any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to (a) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq. ("CERCLA"); (b) the Hazardous Materials Transportation Act, 49 U.S.C. §§5101 et seq.; (c) the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq. ("RCRA"); (d) the Toxic Substances Control Act, 15 U.S.C. §§2601 et seq.; (e) the Clean Water Act, 33 U.S.C. §§1251 et seq.; (f) the Clean Air Act, 42 U.S.C. §§7401 et seq.; or (g) any other federal, state, or local statute, law, rule, regulation, ordinance, resolution, code, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.

11. *Construction Contract*. The entire and integrated written contract between PCCA and Contractor concerning the Work.

12. *Construction Contract Documents.* The documents described in the Construction Contract as the "Contract Documents."

13. *Construction Contract Price*—The money that PCCA has agreed to pay Contractor for completion of the Work in accordance with the Construction Contract Documents.

14. *Construction Contract Times*—The numbers of days or the dates by which a Contractor shall: (a) achieve milestones, if any, in the Construction Contract; (b) achieve Substantial Completion, and (c) complete the Work.

15. *Construction Cost.* The cost to PCCA of the construction of those portions of an entire Specific Project designed or specified by or for Engineer under this Agreement and the specific Service Order, including construction labor, services, materials, testing, equipment, insurance, and bonding costs, and allowances for contingencies. The Construction Cost does not include costs of Services of Engineer or other design professionals and Consultants; costs of land, rights-of-way, or compensation for damages to properties; or PCCA's costs for legal, accounting, insurance counseling or auditing services, or interest and financing charges incurred in connection with a Specific Project; or the cost of services to be provided to PCCA by others. Construction Cost is one of the items comprising Total Project Costs.

16. *Constructor.* Any person or entity (not including the Engineer, its employees, agents, representatives, and Consultants), performing or supporting construction activities relating to the Specific Project, including but not limited to Contractors, Subcontractors, Suppliers, PCCA's work forces, utility companies, other contractors, construction managers, testing firms, shippers, and truckers, and their employees, agents, and representatives.

17. *Consultants*—Individuals or entities having a contract with Engineer to furnish services with respect to a Specific Project as Engineer's independent professional associates, consultants, subcontractors, or vendors.

18. *Contractor*. The individual or entity with which PCCA enters into a Construction Contract.

19. *Correction Period.* The time after Substantial Completion during which Contractor must correct, at no cost to PCCA, any Defective Work; normally one year after the date of Substantial Completion or such longer period of time as may be prescribed by Laws or Regulations or by the terms of any applicable special guarantee or specific provision of the Construction Contract Documents.

20. *Day*. For purposes of this Agreement and associated Service Orders, the term "day" means a calendar day of 24 hours.

21. *Defective Work.* Any part of the Work the Engineer or the RPR believes is defective under the terms and standards set forth in the Construction Contract Documents.

22. *Documents*. Data, reports, Drawings, Specifications, Record Drawings, and other deliverables, whether in printed or electronic media format, generated, provided or furnished in appropriate phases by Engineer to PCCA pursuant to this Agreement and any attached Service Orders.

23. *Drawings*. That part of the Construction Contract Documents prepared or approved by Engineer that graphically shows the scope, extent, and character of the Work to be performed by Contractor. Shop drawings are not Drawings as so defined.

24. *Effective Date*. The date indicated in this Agreement on which it becomes effective; but if no such date is indicated, it means the date on which this Agreement is signed and delivered by the last of the two Parties to sign and deliver it.

25. *Engineer*. The individual or entity named as such in this Agreement.

26. *Engineer's Contract Representative*. The Engineer's Contract Representative is the person appointed to represent the Engineer's interests in this Agreement as more particularly described in Section 8.01(B).

27. *Field Order*. A written order issued by Engineer which directs minor changes in the Work but which does not involve a change in the Contract Price or the Contract Times.

28. *Final Acceptance*. That point in a Specific Project wherein PCCA considers the Project complete and PCCA issues a Certificate of Final Acceptance.

29. *General Conditions*. That part of the Construction Contract Documents that sets forth the terms, conditions, and procedures that govern the Work to be performed or furnished by Contractor with respect to a Specific Project.

30. *Hourly Rates Service Order*. A Service Order under which PCCA agrees to pay Engineer based on the amount of time spent by the Engineer's employees in performing the Work described in the Service Order and for the Reimbursable Expenses incurred by Engineer in performing the services, but limited to the Ceiling Price specified in the Service Order.

31. *Laws and Regulations; Laws or Regulations*. Any and all applicable laws, rules, regulations, ordinances, codes, standards, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.

32. *Lump Sum Service Order*. A Service Order under which PCCA agrees to pay Engineer a specified agreed amount for the services described in the Service Order regardless of the number hours it takes to complete the work.

33. *Named Reimbursable Expenses*. Only the Reimbursable Expenses expressly listed, if any, in a Lump Sum Service Order.

34. *PCCA's Contract Representative*. PCCA's Contract Representative is the person appointed to represent PCCA's interests in this Agreement as more particularly described in Section 8.01(A).

35. *PCCA Parties.* PCCA and its agents, servants, representatives, employees, officers, directors, and Port Commissioners.

36. *Proposal*. Document representing technical qualifications, approach to specific work, and costs associated with construction of a Specific Project or project specific services.

37. *Record Drawings*. Drawings depicting the completed Specific Project, or a specific portion of the completed Specific Project, prepared by Engineer and based solely on Contractor's record copy of all Drawings, Specifications, Addenda, Change Orders, Work Change Directives, Field Orders, and written interpretations and clarifications, as delivered to Engineer and annotated by Contractor to show changes made during construction and to depict the final state of work.

38. *Reimbursable Expenses*. The expenses incurred directly by Engineer in connection with performing or furnishing Services for a Specific Project for which PCCA will pay Engineer as indicated in the Service Order and **Exhibit C**.

39. *Resident Project Representative.* The authorized representative, if any, of Engineer assigned to assist Engineer at the Site of a Specific Project during the Construction Phase. As used herein, the term Resident Project Representative or "**RPR**" includes any assistants or field staff of the RPR.

40. *Samples*. Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and which establish the standards by which such portion of the Work will be judged.

41. *Scope of Services.* The scope of the professional engineering services to be provided by Engineer for any Specific Project as outlined in the Service Order for that Project.

42. *Services*. The professional engineering services to be provided by Engineer under any Service Order.

43. *Service Order*. A document in the form of **Attachment One** executed by PCCA and Engineer pursuant to this Agreement, including amendments if any, stating the scope of services, Engineer's compensation, times for performance of services, deliverables, and other relevant information for a Specific Project.

44. *Shop Drawings*. All drawings, diagrams, illustrations, schedules, and other data or information that are specifically prepared or assembled by or for Contractor and submitted by Contractor to PCCA or Engineer to illustrate some portion of the Work.

Shop Drawings, whether approved or not, are not Drawings and are not Construction Contract Documents.

45. *Site*. Lands or areas indicated in the Construction Contract Documents for a Specific Project as being furnished by PCCA upon which the Work is to be performed, including rights-of-way and easements, and such other lands furnished by PCCA which are designated for use of a Contractor for the construction of a Specific Project.

46. *Specific Project*. The total specific undertaking to be accomplished for PCCA by engineers, contractors, and others, including planning, study, design, construction, testing, commissioning, and start-up, and of which the services to be performed or furnished by Engineer under a specific Service Order are a part.

47. *Specifications*. That part of the Construction Contract Documents consisting of written technical descriptions of materials, equipment, systems, standards, and workmanship as applied to the Work and certain administrative details applicable thereto.

48. *Standard Hourly Rates*. The Standard Hourly Rates listed in Engineer's Standard Hourly Rates Schedule attached hereto as **Exhibit B**.

49. *Subcontractor*. An individual or entity having a direct contract with a Contractor or with any other Subcontractor for the performance of a part of the Work.

50. *Substantial Completion*. The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of PCCA or Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Construction Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms "substantially complete" and "substantially completed" as applied to all or part of the Work refer to Substantial Completion thereof.

51. *Special Conditions*. That part of the Construction Contract Documents which amends or supplements the General Conditions.

52. *Term* or *Term of this Agreement.* The Term of this Agreement is the period from the Effective Date until the date on which this Agreement expires or is terminated in accordance with the provisions of this Agreement.

53. *Total Project Costs*. The total cost of planning, permitting, studying, designing, constructing, testing, commissioning, and start-up of the Specific Project, including Construction Cost and all other Specific Project labor, services, materials, equipment, insurance, and bonding costs, allowances for contingencies, the total costs of services of Engineer or other design professionals and consultants, cost of land, rights-of-way, or compensation for damages to properties, or PCCA's costs

for legal, accounting, insurance counseling, and auditing services, interest and financing charges incurred in connection with the Specific Project, and the cost of other services to be provided by others to PCCA.

54. *Work.* The entire construction or the various separately identifiable parts thereof required to be provided by Construction Contract Documents for a Specific Project. Work includes and is the result of performing or providing all labor, equipment, materials, services, and documentation necessary to produce such construction; furnishing, installing, and incorporating all materials and equipment into such construction; and may include related services such as testing, start-up, and commissioning; all as required by such Construction Contract Documents.

55. *Work Change Directive.* A written directive to a Contractor issued on or after the effective date of the Construction Contract, signed by PCCA and recommended by Engineer, ordering an addition, deletion, or revision in the Work.

B. Capitalized terms in this Agreement which are not defined in Section 1.01 are defined in the text of this Agreement the first time they occur.

Section 1.02 Terminology and Interpretation

A. The terms defined in Section 1.01 or in the text of this Agreement shall apply throughout this Agreement. All references in this Agreement to "Section" or "Article" shall refer to a section or article of this Agreement, unless otherwise expressly stated. All references in this Agreement to "Paragraph" shall refer to a paragraph of a Service Order or a paragraph of an Exhibit to this Agreement, unless otherwise expressly stated. All references to "Exhibits" shall mean the exhibits attached to this Agreement. All such Exhibits and any other attachments to this Agreement are incorporated in this Agreement by this reference. All references to herein, hereof, hereto, hereunder or similar terms shall be deemed to refer to this Agreement in its entirety. As used in this Agreement, the term "including" shall mean "including but not limited to." The headings of Articles and Sections in this Agreement and the headings of Paragraphs in the Service Order and the Exhibits to this Agreement shall be for convenience only and shall not affect the interpretation hereof.

B Words used in the singular number shall include the plural, and vice-versa, and any gender shall be deemed to include each other gender. Reference to any agreement means such agreement as amended or modified and in effect from time to time in accordance with the terms thereof.

C. Unless otherwise indicated, for purposes of this Agreement, a period of days shall be deemed to begin on the first day after the event that began the period and to end at 5:00 p.m. on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall be deemed to end at 5:00 p.m. on the next Business Day. All references to time herein are to time in Corpus Christi, Texas.

ARTICLE 2
SERVICES OF ENGINEER AND REPORTS

Section 2.01 Scope of Services

A. Engineer's Services will be detailed in a duly executed Service Order for each Specific Project. The general format of a Service Order is shown in **Attachment One** to this Agreement. This Agreement shall be referred to in any Service Order issued pursuant hereto as "Master Services Agreement No. 18-11." Each Service Order will indicate the specific services to be performed, deliverables to be provided, schedule and specific compensation terms.

B. Engineer shall not be obligated to perform work under a prospective Service Order unless and until PCCA and Engineer agree as to the particulars of the scope of Engineer's services, time for performance, Engineer's compensation, and all other appropriate matters and the specific Service Order is executed by both parties.

Section 2.02 Service Order Procedure

A. PCCA and Engineer shall agree on the scope, time for performance, and method of compensation for each Service Order. With respect to the scope of Engineer's services, each specific Service Order shall either (1) be accompanied by and incorporate a customized **Exhibit A**, "Engineer's Services for Service Order," prepared for the Specific Project, (2) state the scope of services in the Service Order document itself, or (3) incorporate by reference all or portions of **Exhibit A**, "Engineer's Services for Service Order," as attached to this Agreement. Each duly executed Service Order shall be subject to the terms and conditions of this Master Services Agreement, unless specifically modified within the Service Order.

B. Engineer shall provide, or cause to be provided, the services set forth in the fully executed Service Order.

Section 2.03 Times for Rendering Services

A. Engineer is not authorized to begin work or to incur costs under a Service Order until the time set forth in the Service Order.

B. The Commencement Date of each Service Order and the times for completing services or providing deliverables will be stated in each Service Order. Engineer is authorized to begin rendering services under a Service Order as of the Commencement Date of the Service Order unless otherwise specified in the Service Order.

C. Unless specific periods of time or specific dates for providing Services are specified in a Service Order, Engineer's obligation to render Services hereunder will be for a period which may reasonably be required for the completion of the Services.

D. If PCCA has requested changes in the scope, extent, or character of the Specific Project, the time of performance and completion of Engineer's Services may be adjusted equitably as agreed by the Parties.

E. If, through no fault of Engineer, the orderly and continuous progress of Engineer's services is impaired, or Engineer's services are delayed or suspended, then the time for performance and completion of Engineer's services shall be adjusted equitably.

Section 2.04 PCCA Project Manual

In addition to the terms and conditions set forth herein and in associated Service Orders, the Engineer will perform Services in accordance with the latest version of the PCCA Project Manual issued prior to the date of the Service Order.

Section 2.05 No Guaranteed Amount of Services

Services pursuant to this Agreement will be required on an irregular and as needed basis during the Term of this Agreement, and PCCA has not made nor does it make any representation of any kind or guarantee regarding the amount of services PCCA will require from Engineer under this Agreement.

Section 2.06 Progress Reports

A. Unless otherwise provided in a Service Order, Engineer will provide PCCA with a monthly progress report ("***Monthly Progress Report***") on the services being performed or furnished by Engineer under each Service Order. At a minimum, the report shall cover the following items:

1. The percentage of Work performed during the previous month.
2. The total percentage of the Specific Project completed.
3. Significant findings, problems, delays, inclusions, events, trends, etc. of the reporting period which result from or affect the performance of the Construction Contract.
4. Specific actions required of PCCA, to assist in the resolution of a problem or to affect the timely progression of the Work
5. The percentage of the Service Order budget expended during the reporting period and total expended to-date.
6. A statement that Services are on schedule, or an explanation of variance and proposed corrective actions.

B. The Monthly Progress Report for each Specific Project shall be delivered to the PCCA Project Manager within ten working days following the end of the month being reported.

ARTICLE 3
CHANGES TO SERVICE ORDERS AND PERSONNEL

Section 3.01 Changes to Service Orders Requested by PCCA

PCCA may change the Scope of Services set forth in a Service Order, by sending written notice to Engineer. Should Engineer believe that such changes require an equitable adjustment in Engineer's agreed compensation and/or schedule for the Services or other terms of the Services, Engineer shall notify PCCA in writing of its request for such adjustments no later than fourteen (14) calendar days following its receipt of such requested changes from PCCA. Except as otherwise instructed in writing by PCCA, Engineer shall not commence the changed Services until PCCA and Engineer have mutually accepted Engineer's timely requested adjustments, if any, to its compensation or schedule for its Services or other terms of the Services and a written amendment to Service Order is executed by the Parties.

Section 3.02 Changes to Service Orders Requested by Engineer

Should an event or condition occur after the initiation of a Service Order, that in the opinion of the Engineer, will result in a change in scope, schedule and/or budget, the Engineer will provide timely written notice to PCCA stating: the nature of the event or condition; detailing the impact on scope, schedule and/or, budget; and providing the Engineer's recommendation or request for modification of the affected Service Order. Such notice will be provided upon recognition of the event or condition and prior to the completion of the services stated in the Service Order. PCCA will not consider a request for an increase in the Ceiling Price of a Service Order that is submitted after completion of the services stated in the Service Order, if PCCA determines, in its sole discretion, that the event or condition cited as the cause for the increase in the Ceiling Price was, or could reasonably have been, known in time to submit a change request prior to completion of the services stated in the Service Order. PCCA will review the Engineer's recommendation or request and provide a written response agreeing with the requested recommendation or request or not accepting said recommendation or request. Any changes or modification to the scope, schedule and/or budget will be detailed in a written modification to the Service Order. No changes to the Services shall be made by Engineer except with PCCA's prior written agreement.

Section 3.03 Replacement of Personnel

PCCA, in its sole discretion, shall have the right to demand that Engineer replace any personnel providing Services to PCCA under the terms of a Service Order. Upon receipt of PCCA's demand, Engineer will immediately replace the specified personnel with personnel substantially equal in ability and qualifications. The criteria for demanding replacement of an individual will be based on, but not limited to, the following: technical incompetence, inability to meet the position qualifications, failure to perform an assignment, poor attendance, ethics violation, unsafe work habits, damage to PCCA property, or reasonable PCCA dissatisfaction.

ARTICLE 4
PAYMENTS TO ENGINEER FOR SERVICES AND REIMBURSABLE EXPENSES

Section 4.01 Methods of Compensation

A. The method of compensation for Services (including, if applicable, the method of compensation for individual phases of Services) shall be identified in each specific Service Order. PCCA shall pay Engineer for Services in accordance with the applicable method of compensation.

B. The method of compensation for services under a Service Order will be specified in that Service Order. The possible methods of compensation are as follows:

1. Lump Sum plus Named Reimbursable Expenses, if any;
2. Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price.

Section 4.02 Explanation of Compensation Methods

A. Lump Sum plus Named Reimbursable Expenses

1. PCCA shall pay Engineer a Lump Sum amount for the specified services or category of services stated in a Service Order regardless of the amount of time it takes to complete the services.
2. The Lump Sum will include compensation for Engineer's services and services of Consultants, if any. The Lump Sum constitutes full and complete compensation for Engineer's services in the specified category, including labor costs, overhead, profit, expenses (other than those expenses expressly eligible for reimbursement, if any), and Consultant charges. In other words, Engineer will only be reimbursed for the Named Reimbursable Expenses (see Section 4.02(A)(3)).
3. In addition to the Lump Sum, Engineer shall also be entitled to reimbursement from PCCA for the Named Reimbursable Expenses explicitly listed in the Service Order, if any, that are reasonably and necessarily incurred by Engineer in connection with the performing or furnishing of the services (see **Exhibit C** for rates or charges for these specific expenses).
4. Progress payments may be allowed in a Lump Sum Service Order. If so, the portion of the Lump Sum amount billed for Engineer's services will be based upon Engineer's estimate of the proportion of the total services actually completed during the billing period, subject to acceptance and approval of PCCA.

B. Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price

1. For the specified services or category of services, the PCCA shall pay Engineer an amount equal to the cumulative hours charged to the Specific Project by each class of Engineer's employees times the Standard Hourly Rates for each applicable billing class. Under this method, Engineer shall also be entitled to reimbursement from PCCA for the Reimbursable Expenses identified in **Exhibit C**, as the same may be modified in the individual Service Order. But the total amount payable to

Engineer for the services rendered under the Service Order plus the Reimbursable Expenses shall not exceed the Ceiling Price stated in the Service Order.

2. The Ceiling Price will be stated in the Service Order. It may be called the Ceiling Price or the "Not-to-Exceed Amount."

3. Standard Hourly Rates include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.

4. Each Standard Hourly Rates Schedule attached hereto as **Exhibit B** shall remain in effect until changed in accordance with Section 4.03.

5. The Reimbursable Expenses Schedule attached hereto as **Exhibit C** shall remain in effect for the Term of this Agreement.

6. The total estimated compensation for the specified category of services shall be stated in the Service Order. This total estimated compensation will incorporate all labor at Standard Hourly Rates, and Reimbursable Expenses (including Consultants' charges, if any).

7. The amounts billed by Engineer will be based on the cumulative hours charged to the specified category of services on the Specific Project during the billing period by each class of Engineer's employees times Standard Hourly Rates for each applicable billing class, plus Reimbursable Expenses (including Consultant's charges, if any), but PCCA shall not be required to pay more than the Ceiling Price stated in the applicable Service Order without a duly executed amendment to the Service Order.

8. For Service Orders that included definable deliverables to be provided to the PCCA, Engineer will continue to prosecute work necessary to provide those deliverables even when the Ceiling Price has been reached, at no additional cost to PCCA unless the parties agree in writing to modify the Ceiling Price.

9. Where no definable deliverable exists, the Engineer's services will terminate when the Ceiling Price is reached.

Section 4.03 Standard Hourly Rates for Service Orders

A. Engineer's Standard Hourly Rates Schedule are in **Exhibit B.** Engineer hereby confirms by its execution of this Agreement that the hourly rates in **Exhibit B** for each class of Engineer's employees are less than or equal to the lowest hourly rates Engineer is currently charging any of its other clients in the Texas-Louisiana region. Engineer agrees that if during the Term of this Agreement it charges any of its clients lower hourly rates than the rates in **Exhibit B**, then Engineer shall charge PCCA such lower hourly rate or rates for the services under any Service Order, current or future, for the remainder of the Term of this Agreement and such lower hourly rate or rates will be standard for the remaining Term of this Agreement.

B. The Engineer may adjust its Standard Hourly Rates as of the first day of each calendar year during the Term of this Agreement by submitting to PCCA a new **Exhibit** B with Engineer's new

Standard Hourly Rates on or before January 15th of such calendar year; provided, however, that the new Standard Hourly Rate for each class of Engineer's employees may not be more than five percent (5%) higher than previous Standard Hourly Rates for that class. The new Standard Hourly Rates will apply to all services performed by each class of Engineer's employees on and after the effective date of such new rates, but these adjustments will not affect the Ceiling Prices stated in the Service Orders executed under this Agreement.

C. Generally, the compensation method specified in a Service Order executed under this Agreement will be Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price. PCCA reserves the right, however, to issue Lump Sum Services Orders when they are deemed to be in the best interest of PCCA

Section 4.04 Reimbursable Expenses

A. Under the Lump Sum method of compensation to Engineer, unless expressly indicated otherwise, the following categories of expenses are included in the Lump Sum amount: transportation (including mileage), lodging, and subsistence incidental thereto; providing and maintaining field office facilities including furnishings and utilities; providing field and office equipment necessary for the prosecution of the work; toll telephone calls, mobile phone services, and courier charges; reproduction of reports, Drawings, Specifications, bidding-related or other procurement documents, Construction Contract Documents, and similar Specific Project-related items; and Consultant charges. **These expenses are not reimbursable under the Lump Sum method, unless expressly indicated otherwise in the specific Service Order.**

B. Expenses eligible for reimbursement under the Standard Hourly Rates method of compensation include the following expenses reasonably and necessarily incurred by Engineer in connection with the performing or furnishing of the services under a specific Service Order: transportation (including mileage), lodging, and subsistence incidental thereto; providing and maintaining field office facilities including furnishings and utilities; providing field and office equipment necessary for the prosecution of the work; toll telephone calls, mobile phone services, and courier services; reproduction of reports, Drawings, Specifications, bidding-related or other procurement documents, Construction Contract Documents, and similar Specific Project-related items; Consultant charges; and any other expenses identified in **Exhibit C**. Whenever Engineer is entitled to compensation for the charges of its Consultants, those charges shall be the amount billed by such Consultants to Engineer times a factor of one hundred five percent (105%). In other words, the markup for Consultant services shall be five percent (5%).

C. Reimbursement for lodging and meals may not exceed the maximum allowable per diem rates for domestic or foreign travel as set by the U.S. Department of Defense, Defense Travel Management Office. Lodging and meal per diem rates for specific locations (foreign and domestic) may be found on the Defense Travel Management Office's website. Engineer shall submit proper documentation of any such approved travel expenses to PCCA from time to time, and such costs and expenses shall be billed to PCCA at Engineer's actual cost.

Section 4.05 Invoice Procedure and Payment

A. Engineer shall submit invoices monthly to PCCA for work performed during the preceding calendar month. Such invoices shall be due and payable by PCCA within thirty (30) days after receipt and acceptance of the invoice by PCCA. Monthly compensation will be for the Services actually performed during the billing period, invoiced in accordance with the prices in the Fee Schedules. On a Lump Sum Service Order, monthly billing will be based on the percentage of work completed. Invoices shall also describe any work performed by subcontractors retained by Engineer and Reimbursable Expenses. Engineer will provide sufficient detail with each invoice to substantiate the requested amount of monthly payment. At PCCA's request, Engineer will provide additional backup such as signed time sheets, invoices for materials and subcontracted service or other documentation sufficient to establish the accuracy of the invoices. Invoices are to be submitted in a format previously approved by PCCA. The Engineer's fees will cover all of Engineer's overhead costs, including office rent, long distance telephone charges, postage, and payroll.

B. Engineer will provide written notice to PCCA when the sum of previous payments and a current invoice meet or exceed 70% of the approved Ceiling Price of a Service Order. Engineer will include a statement that the remaining budget will be sufficient to complete the services, or provide an estimate of cost to complete, an explanation of the need for additional funding, and a request for a modification to the Service Order.

ARTICLE 5
RESPONSIBILITIES AND STANDARDS OF PERFORMANCE

Section 5.01 PCCA's Responsibilities

A. PCCA shall pay Engineer as set forth in each Service Order and Article 4.

B. PCCA shall be responsible for the requirements and instructions that it furnishes to the Engineer pursuant to this Agreement, and for the accuracy and completeness of the programs, reports, data, and other information furnished by PCCA to Engineer pursuant to this Agreement or any Service Order for use of Engineer in performing or furnishing services under any Service Order, subject to any express limitations or reservations applicable to the furnished items

C. PCCA shall give prompt written notice to Engineer whenever PCCA observes or otherwise becomes aware of: (1) any development that affects the scope or time of performance of Engineer's services; (2) the presence at the Site of a Specific Project of any Constituent of Concern; or (3) any relevant, material defect or nonconformance in Engineer's services, the Work or the performance of any Constructor or consultant managed by the Engineer.

D. PCCA shall:

1. Provide Engineer with criteria and information as to PCCA's requirements for each Specific Project, including design objectives and constraints, space, capacity and performance requirements, flexibility, and expandability, and any budgetary limitations.

2. Furnish Engineer with copies of design and construction standards that PCCA will require to be included in the Drawings and Specifications; and furnish copies of PCCA's standard forms, conditions, and related documents to be included in the Bid Documents and Construction Documents, as applicable.

3. Following the Engineer's assessment of initially available Specific Project information and data and upon Engineer's request, furnish or otherwise make available such additional Project-related information and data as is reasonably required to enable Engineer to complete its Services, unless the Service Order requires Engineer to obtain this information from other sources. Such additional information or data would generally include the following:

   a. Property descriptions.

   b. Zoning, deed, and other land-use restrictions.

   c. Property, boundary, easement, right-of-way, and other special surveys or data, including establishing relevant reference points.

   d. Explorations and tests of subsurface conditions at the Site, drawings of physical conditions in or relating to existing surface or subsurface structures at the Site, or hydrographic surveys with appropriate professional interpretation thereof.

   e. Environmental assessments, audits, investigations, impact statements, and other environmental or cultural studies relevant to the Specific Project and the Site.

   f. Data or consultations as required for the Specific Project but not otherwise identified in this Agreement or the Exhibits thereto.

4. Arrange for access to and make provisions for Engineer to enter upon PCCA property as required for Engineer to perform Services under the Service Order.

5. Examine alternate solutions, studies, reports, sketches, Drawings, Specifications, proposals, and other documents required by the terms of the Service Order which are presented by the Engineer and render, in writing, timely decisions pertaining thereto.

6. Provide reviews, approvals, and permits from governmental authorities having jurisdiction to approve phases of the Specific Project designed or specified by Engineer, and such reviews, approvals, and consents from others as may be necessary for completion of each phase of the Project, unless the Service Order requires Engineer to obtain these reviews, approvals, or consents from other sources.

7. Place and pay for advertisement of Bids in appropriate publications, as required, for a Specific Project.

8. Advise Engineer of the identity and scope of services of any independent consultants employed by PCCA to perform or furnish Services in regard to the Project, including cost estimating, project peer review, value engineering, and constructability review unless such Services are related to an issue under legal review or are included in the Engineer's Scope of Services.

9. Furnish to Engineer data as to PCCA's anticipated costs for Services to be provided by others for PCCA so that Engineer may make the necessary calculations to develop and periodically adjust Engineer's opinion of Total Project Costs as required by a specific Service Order.

Section 5.02 Standards of Performance

A. *Standard of Care:* Engineer shall perform the professional engineering and related services required by each Service Order issued under this Agreement with the professional skill and care ordinarily provided by competent engineers practicing under the same or similar circumstances and professional license, and as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer.

B. *Technical Accuracy:* PCCA shall not be responsible for discovering deficiencies in the technical accuracy of Engineer's services. Engineer shall correct deficiencies in technical accuracy without additional compensation, unless such corrective action is directly attributable to deficiencies in PCCA-furnished information or an identifiable and documented change in conditions or circumstances impacting the Engineer's work.

C. *Consultants:* Engineer may retain such Consultants as Engineer deems necessary to assist in the performance or furnishing of the services, subject to reasonable, timely, and substantive objections by PCCA.

D. *Reliance on Others:* Subject to the standard of care set forth in Section 5.02(A), Engineer and its Consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.

E. *Compliance with Laws and Regulations, and Policies and Procedures*

1. Engineer and PCCA shall comply with applicable Laws and Regulations.
2. Engineer shall comply with the policies, procedures, and instructions of PCCA that are applicable to Engineer's performance of services under this Agreement and that PCCA provides to Engineer in writing, subject to the standard of care set forth in Section 5.02(A), and to the extent compliance is not inconsistent with professional practice requirements.
3. Each Service Order is based on Laws and Regulations and PCCA-provided written policies and procedures as of the Commencement Date of the Service Order. The

following may be the basis for modifications to PCCA's responsibilities or to Engineer's scope of services, times of performance, or compensation:

a. changes after the Commencement Date of the Service Order to Laws and Regulations; or

b. the receipt by Engineer after the Commencement Date of the Service Order of PCCA-provided written policies and procedures or changes to PCCA-provided policies or procedures.

F. Engineer shall not be required to sign any document, no matter by whom requested, that would result in Engineer having to certify, guarantee, or warrant the existence of conditions whose existence Engineer cannot ascertain within its services for that Specific Project. PCCA agrees not to make resolution of any dispute with Engineer or payment of any amount due to the Engineer in any way contingent upon Engineer signing any such document.

G. Engineer shall not at any time supervise, direct, control, or have authority over any Constructor's work, nor shall Engineer have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, or the safety precautions and programs incident thereto, for security or safety at the Site of a Specific Project, nor for any failure of a Constructor to comply with Laws and Regulations applicable to such Constructor's furnishing and performing of its work. Engineer shall not be responsible for the acts or omissions of any Constructor.

H. Engineer neither guarantees the performance of any Constructor nor assumes responsibility for any Constructor's failure to furnish and perform the Work in accordance with the Construction Contract Documents.

I. Engineer shall not be responsible for any decision made regarding the Construction Contract Documents, or any application, interpretation, clarification, or modification of the Construction Contract Documents, other than those made by Engineer or its Consultants.

J. Engineer is not required to provide and does not have any responsibility for surety bonding or insurance-related advice, recommendations, counseling, or research, or for enforcement of construction insurance or surety bonding requirements.

K. Engineer's services do not include providing legal advice or representation.

L. While at a Site, Engineer, its Consultant, and their employees and representatives shall comply with the applicable requirements of Contractor's and PCCA's safety programs of which Engineer has been informed in writing.

Section 5.03 Design without Construction Phase Services

It is understood and agreed that if Engineer's Services under this Agreement do not include Project observation, review of Contractor's performance, or any other construction phase services, and that such services will be provided by PCCA, then PCCA assumes responsibility for

interpretation of the Construction Contract Documents and for construction observation or review except where such interpretation is attributable to the design are an obvious design error or omission and requires correction by the Engineer of record.

Section 5.04 Inspection and Acceptance

Deliverables and/or services furnished under this Agreement shall be subject to review and inspection and, as applicable, test by PCCA at times and places covered under the period of performance for Services and the applicable Service Order. PCCA reserves the right to reject deliverables which do not conform to the Specifications, Drawings, and/or other data or which do not comply with the terms and conditions of this Agreement and individual Service Orders. If rejected after delivery, rejected deliverables will be returned to Engineer at Engineer's risk and expense. Payment for any Services or deliverables shall not be deemed acceptance thereof, and if such Services or deliverables are rejected after payment, PCCA shall be entitled to an equitable refund. Additional or varying acceptance terms may be mutually agreed under individual Service Orders.

ARTICLE 6
TERM, RENEWAL, SUSPENSION OR TERMINATION

Section 6.01 Term

A. This Agreement shall be effective and applicable to Service Orders issued hereunder for three (3) years from the Effective Date of this Agreement.

Section 6.02 Renewal

A. The Parties may extend or renew this Agreement, with or without changes, by written instrument establishing a new term, provided the terms and conditions, including insurance coverages, hourly and reimbursable rates and other particulars remain unchanged.

Section 6.03 Termination

A. PCCA may terminate a Service Order or this Agreement for convenience with seven (7) days prior written notice to Engineer of such action. Upon termination of this Agreement in accordance with this paragraph, PCCA will have no further obligation to the Engineer hereunder except to pay the Engineer unpaid fees and expenses which the Engineer can reasonably show to have been earned under this Agreement. **Under no circumstances may Engineer claim or recover consequential damages from PCCA.**

B. Either Party may terminate this Agreement by giving written notice to the other Party if the other Party ("***Defaulting Party***"): (a) materially breaches any term, condition or provision of this Agreement and fails to cure the breach to the satisfaction of the notifying Party within ten (10) days after the Defaulting Party receives a written notice of the breach from the notifying Party, or (b) becomes the subject of any proceedings under state or federal law for the relief of debtors or

otherwise becomes insolvent, or bankrupt, or makes any assignments for the benefit of one or more creditors.

Section 6.04 Suspension

A. PCCA may suspend a Service Order for convenience with seven (7) days prior written notice to Engineer of such action.

B. If PCCA fails to give prompt written authorization to proceed with any phase of Services after completion of the immediately preceding phase, or if Engineer's Services are delayed through no fault of Engineer, Engineer may, after giving seven (7) days written notice to PCCA, suspend Services under this Agreement.

C. PCCA may, upon written notice to the Engineer, suspend work on a Service Order until such time that PCCA determines that it is in the best interest of PCCA to resume the work or to terminate the Service Order.

D. In the event of suspension of Services, the Engineer shall resume the full performance of the Services when directed in writing to do so by PCCA. Suspension of the Services for reasons other than the Engineer's negligence or failure to perform shall not affect the Engineer's compensation as provided for in this Agreement. The schedule for performance of the Services shall be amended by a mutually agreed, written modification to the Service Order in progress to reflect the suspension.

E. If Engineer's Services are delayed or suspended in whole or in part by PCCA for more than ninety (90) days after the date of the beginning of the delay or suspension through no fault of Engineer, Engineer may be entitled to an equitable adjustment of compensation provided for elsewhere in this Agreement to reflect reasonable costs incurred by Engineer in connection with, among other things, such delay or suspension and reactivation and the fact that the time for performance under this Agreement has been revised, to the extent that the Engineer can demonstrate that an actual increase in cost has been incurred and is equitable and compensable.

ARTICLE 7
OPINIONS OF COST

Section 7.01 Opinions of Probable Construction Cost

A. Engineer's opinions (if any) of probable Construction Cost are to be made on the basis of Engineer's experience and qualifications and represent Engineer's judgment as an experienced and qualified professional generally familiar with the industry. However, since Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over the Contractor's methods of determining prices, or over competitive bidding or market conditions, Engineer cannot and does not guarantee that proposals, Bids, or actual Construction Cost will not vary from opinions of probable Construction Cost prepared by Engineer.

B. PCCA reserves the right to request that the Engineer provide a written explanation of significant variations between the Engineer's opinion of probable Construction Cost and the actual Construction Cost.

Section 7.02 Opinions of Total Project Costs

A. The services, if any, of Engineer with respect to Total Project Costs for a Specific Project shall be limited to assisting the PCCA in tabulating the various categories that comprise Total Project Costs. Engineer's opinions (if any) of probable Total Project Costs are to be made on the basis of Engineer's experience and qualifications and represent Engineer's best judgment as an experienced and qualified professional generally familiar with the industry. However, since Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over methods of determining prices, or over competitive bidding or market conditions, Engineer cannot and does not guarantee that Total Project Costs will not vary from opinions of probable Total Project Costs prepared by Engineer.

Section 7.03 Designing to Construction Cost Limit

A. If a Construction Cost Limit for a Specific Project is established between PCCA and Engineer in a Service Order, then such Construction Cost Limit and a statement of Engineer's rights and responsibilities with respect thereto will be specifically set forth in the applicable Service Order.

B. If a Construction Cost Limit is set forth in a Service Order, then the Service Order will also specify a percentage bidding or negotiating contingency to be added to such Construction Cost Limit.

C. Should an opinion of Probable Construction Cost or a revised Opinion of Probable Construction Cost be provided by the Engineer during the execution of the Services that is in excess of the then established Construction Cost Limit, PCCA shall have the option of increasing the Construction Cost Limit, modifying the design criteria and Engineer's Scope of Services, or suspending or terminating the Service Order in accordance with terms herein. Alternately, PCCA may direct the Engineer to separate the work into a Base Bid with alternative or additive bid items that can be awarded at PCCA's discretion.

D. Engineer will be permitted to determine what types of materials, equipment and component systems, and the types and quality thereof, are to be included in the Drawings and Specifications and to make reasonable adjustments in the scope, extent, and character of the Project to the extent consistent with the Project requirements and sound engineering practices to bring the Project within the Construction Cost Limit, subject to final approval and acceptance of PCCA. Engineer will present proposed changes in materials, equipment and component systems to PCCA for review and approval prior to incorporating such into the design.

E. If PCCA does not request Bids for a Project within six months after completion of the final design of the Project or if industry-wide prices are changed because of unusual or unanticipated events affecting the general level of prices or times of delivery in the construction industry, the established Construction Cost Limit will not be binding on Engineer, and PCCA (i) may consent

to an adjustment in such Construction Cost Limit commensurate with any applicable change in the general level of prices in the construction industry between the date of completion of the final design of the Project and the date on which Bids are requested, or (ii) may, at PCCA's sole discretion, terminate the Service Order in accordance with terms and conditions herein.

F. If the lowest *bona fide* Bid exceeds the established Construction Cost Limit, PCCA will: (1) give written approval to increase such Construction Cost Limit, (2) cooperate in revising the Project's scope, extent, or character to the extent consistent with the Project's requirements and with sound engineering practices and re-advertise or re-bid the Project, or (3) provide direction to the Engineer to revise contract documents to include additive or alternative bid items or add such additive or alternative bid items and re-bid the project, or (4) elect not to award additive or alternative bid items to keep the Project within the Construction Cost Limit. In the case of (2), above, Engineer will modify the Drawings and Specifications as necessary to bring the Construction Cost within the Construction Cost Limit at no cost to PCCA, and the providing of such Services will be the limit of Engineer's responsibility in this regard; and, having done so, Engineer will not otherwise be liable for damages attributable to the lowest *bona fide* Bid exceeding the established Construction Cost Limit.

ARTICLE 8
REPRESENTATIVES AND MANAGERS

Section 8.01 Contract Representatives

A. PCCA shall designate a Contract Representative on the signature page of this Agreement who will, on behalf of PCCA, coordinate with the Engineer and administer this Contract. It shall be the responsibility of the Engineer to coordinate all assignment-related activities under this Agreement with PCCA's Contract Representative. PCCA may change its Contract Representative at any time by giving the Engineer written notice of such change.

B. Engineer shall designate a Contract Representative on the signature page of this Agreement who will, on behalf of Engineer, coordinate with PCCA and administer this Contract. The Engineer's Contract Representative and PCCA's Contract Representative will coordinate all assignment-related activities under this Agreement. Engineer may change its Contract Representative at any time by giving PCCA written notice of such change, provided the recommended replacement has similar qualification and experience as the original contract representative.

Section 8.02 Designated Project Managers

A. Contemporaneously with the execution of each Service Order, Engineer and PCCA will each designate a specific individual to act on its behalf as Project Manager with respect to the Services to be performed or furnished by Engineer and the responsibilities of PCCA under such Service Order. The Project Managers for each Project will have authority to transmit instructions, receive information, and render decisions relative to the Project on behalf of the Party appointing the Project Manager. Either Party may change that Party's designated Project Manager by giving the other Party written notice of the change as provided in Article 9.

Section 8.03 Resident Project Representative

A. The Service Order for a Specific Project shall state whether Engineer must furnish a Resident Project Representative ("**RPR**") to assist Engineer in observing progress and quality of the Work on the Specific Project. The duties and responsibilities of the RPR, if any, will be as set forth in each Service Order.

ARTICLE 9
NOTICES

Section 9.01 Notices

A. All notices, demands or requests from Engineer to PCCA shall be given to PCCA's Contract Representative named on the signature page of this Agreement at (i) PCCA's address for notice provided on the signature page, or (ii) the facsimile number for PCCA's Contract Representative stated on the signature page, or to such other person, address or facsimile number as PCCA shall request in writing.

B. All payments, notices, demands or requests from PCCA to Engineer shall be given to Engineer's Contract Representative named on the signature page of this Agreement at (i) Engineer's address for notice provided on the signature page, or (ii) the facsimile number for Engineer's Contract Representative stated on the signature page, or to such other person, address or facsimile number as PCCA shall request in writing.

C. Notices required to be given to either Party may be given by first-class mail, by overnight delivery or by fax, to the appropriate Party at its address or fax number stated on the signature page of this Agreement. Notice may also be given by personal service. Any notice given by mail shall be deemed to have been given one day after such notice was deposited in the United States mail, postage prepaid, properly addressed to the Contract Representative of the Party to be served. In all other cases, notice to a Party will be considered delivered when actually received by the Party's Contract Representative.

ARTICLE 10
DOCUMENTS

Section 10.01 Use of Documents

A. Upon payment of all fees owed for a Service Order, all Documents relative to that Service Order are the property of PCCA, including native files for each software package used. Engineer may retain one copy of all work product for its internal record-keeping purposes.

B. Copies of PCCA-furnished data that may be used by Engineer are limited to the printed copies (also known as hard copies) that are delivered to Engineer by PCCA. Files in electronic media format of text, data, graphics, or of other types that are furnished by PCCA to the Engineer are only for convenience of Engineer. Any conclusion or information obtained or derived from such

files, written or electronic, will be at the user's sole risk. Engineer will review documents provided by PCCA and determine applicability and usability of information. Engineer will request additional information as necessary.

C. Copies of Documents that may be relied upon by PCCA are limited to the printed copies (also known as hard copies) that are signed or sealed by Engineer. Files in electronic media format of text, data, graphics, or of other types that are furnished by Engineer to PCCA are only for convenience of PCCA. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk.

D. Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the Party receiving electronic files agrees that it will perform acceptance tests or procedures within 90 days, after which the receiving Party will be deemed to have accepted the data thus transferred. Any errors detected within the 90-day acceptance period will be corrected by the Party delivering the electronic files. Engineer is not responsible to maintain documents stored in electronic media format after acceptance by PCCA.

E. When transferring documents in electronic media format, neither PCCA nor Engineer make any representation to the other as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by PCCA or Engineer on the Effective Date.

F. Documents provided by Engineer are not intended or represented to be suitable for reuse by PCCA or others on extensions of the Project or on any other project. PCCA may, however, reuse such documents without any payment to Engineer. Any such reuse or modification without written verification or adaptation by Engineer, as appropriate for the specific purpose intended, will be at PCCA's sole risk and without liability or legal exposure to Engineer or to Engineer's Consultants.

G. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.

Section 10.02 Records Retention

A. Engineer shall maintain on file in legible form, for a period of five years following completion or termination of its services under each Service Order, all Documents, records (including cost records), and design calculations related to Engineer's services or pertinent to Engineer's performance under the Service Order. Upon PCCA's request, Engineer shall provide a copy of any such item to PCCA at cost.

ARTICLE 11
INSURANCE

Section 11.01 Standard Insurance Policy Requirements

A. Without limiting the indemnity obligations or liabilities of Engineer or its insurers, provided herein, Engineer agrees to carry and maintain at its sole expense during the Term of this Agreement the following policies of insurance (individually, a "***Policy***" and, collectively, the "***Policies***") in at least the minimum amounts specified below.

B. At least five (5) days prior to execution of this Agreement by PCCA, Engineer will provide to PCCA's Risk Program Manager certificates of insurance issued by each insurance company providing any of the required insurance coverage, and the text entered in each certificate must be acceptable to PCCA. The requirement to provide acceptable certificates of insurance is a material condition of this Agreement, and work under this Agreement and any associated Service Order may not commence until such certificates of insurance have been received, reviewed, and accepted by PCCA.

	TYPE OF INSURANCE	LIMITS OF LIABILITY
1.	Workers' Compensation	Statutory
2.	Employer's Liability	$1,00,000 per Occurrence $1,00,000 Aggregate
3.	Commercial General Liability	$1,000,000 per Occurrence $2,000,000 Aggregate

The CGL Policy will provide contractual liability coverage at the aforementioned limits.

4.	Business Automobile Liability	$1,000,000 per Occurrence

Automobile liability insurance coverage will include all owned, non-owned, and hired vehicles.

5.	Professional Liability	$2,000,000

Engineer will procure and maintain professional liability insurance for protection from claims arising out of performance of its Services under this Agreement caused by any error, omission, or act for which the Engineer is legally liable. Policies written on a claims-made basis shall have an extended reporting period of at least two (2) years beyond termination of the Agreement.

6.	Umbrella Liability	$5,000,000 per Occurrence

Umbrella liability coverage will apply to Employer's Liability, Commercial General Liability, and Business Automobile Liability.

Section 11.02 Additional Insurance Policies Required for Certain Work

A. Under certain circumstances, based on the scope and/or location of the services to be performed under a Service Order, the Service Order may require Engineer to carry and maintain some or all of the additional types of insurance policies described in this Section. If the Service Order for a Specific Project requires additional insurance, Engineer understands and agrees that it will not be allowed to commence any work under the Service Order until the additional insurance policies have been issued to the Company and the Company provides PCCA with appropriate Certificates of Insurance.

Section 11.03 General Insurance Requirements

A. Each Policy, except Professional Liability, must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the PCCA Parties. Additionally, the PCCA Parties shall be designated as an additional insured either by a blanket additional insured or a specific endorsement on all Policies, except for Worker's Compensation, Employer's Liability, and Professional Liability.

B. In the event that the work of Engineer's employees falls within the purview of the United States Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or the Federal Employer's Liability Act, Engineer shall extend its insurance coverage to provide insurance against the liabilities imposed under the applicable Act or Acts even if not specifically required by the PCCA.

C. Each Policy, except Workers' Compensation and Professional Liability, must contain an endorsement that the Policy is primary to any other insurance available to the additional insureds with respect to claims arising under this Agreement.

D. The insurance required as listed above, shall apply to any Consultant performing for or on behalf of Engineer, and Engineer shall ensure that any such Consultant is aware of and complies with the insurance requirements during any period such Consultant is performing work under this Agreement.

E. The minimum insurance required may be increased periodically upon request by PCCA to commercially reasonable limits. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least "A-, VII".

F. Engineer's liability shall not be limited to the specified amounts of insurance required herein.

ARTICLE 12
RELEASE, INDEMNIFICATION AND MUTUAL WAIVER

Section 12.01 Release by Engineer

A. To the fullest extent permitted by Laws and Regulations, Engineer hereby releases and discharges the PCCA Parties from liability for and assumes the risk of loss or damage to the property of Engineer and the injury or death of any person employed by Engineer.

Section 12.02 Indemnification by Engineer

A. To the fullest extent permitted by Laws and Regulations, Engineer shall indemnify and hold harmless the PCCA Parties from all damages, losses, costs and expenses, of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including reasonable consultants' and attorneys' fees) (collectively, "*Damages*") arising from third-party claims or actions relating to this Agreement, any Service Order, or any Specific Project, but only to the extent that the Damages are caused by or result from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by the Engineer or the Engineer's agent, consultant under contract, or another entity over which the Engineer exercises control.

B. Engineer's indemnity obligations under this Article 12 shall not be limited by a limitation on the amount or type of damages, compensation or benefits owed by Engineer to any employee of Engineer under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts.

C. The obligations of the Engineer under this Article 12 shall survive the end of the Term of this Agreement.

Section 12.03 Percentage Share of Negligence

A. The Engineer's total liability to the PCCA Parties for any Damages caused in part by the negligence of the Engineer Parties and in part by the negligence of the PCCA Parties or any other negligent entity or individual, shall not exceed the percentage share that the negligence of the Engineer Parties bears to the total negligence of all negligent parties.

Section 12.04 Mutual Waiver

A. To the fullest extent permitted by law, PCCA and Engineer waive against each other, and the other's employees, officers, Port Commissioners, directors, members, agents, insurers, partners, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to this Agreement, any Service Order, or a Specific Project, from any cause or causes.

ARTICLE 13
DISPUTE RESOLUTION

A. In the event a dispute arises between the Parties regarding the application or interpretation of, or in any way relating to, this Agreement, the Parties agree to attempt to resolve all such disputes arising hereunder promptly, equitably and in a good faith manner. If the Parties shall have failed to resolve the dispute within the ten (10) Business Days after any written notice of the

dispute has been received by the other Party, then either Party may elect to refer the dispute to the respective upper management of the Parties by notice in writing to the other Party, and the appropriate upper management of the Parties shall meet within the ten (10) Business Days after the date of the notice, to resolve the dispute. If the dispute is not resolved within five (5) Business Days after such a meeting has commenced (but in any event within ten (10) Business Days after the date of the letter referring the matter to upper management), then either Party may at any time thereafter resort to mediation, under the remaining provisions of this Article.

B. PCCA and Engineer agree they will, before taking any other legal action, including the filing of an action in State or Federal Court, attempt in good faith, to mediate in Corpus Christi, Texas, any controversy or claim arising out of or related to this Agreement before a mediator to be agreed upon by PCCA and Engineer. PCCA and Engineer must use their best efforts to agree upon a mediator within fifteen (15) Business Days after a written request for mediation by either Party, and if PCCA and Engineer are unable to agree upon a mediator within such time either Party may request that the American Arbitration Association appoint a mediator. The mediator will schedule a mediation meeting at a time and place determined by the mediator. PCCA and Engineer will each pay one-half of the costs of mediation to the mediator. Any mediation shall not extend beyond thirty (30) days after the appointment of the mediator, and should the Parties fail to resolve any dispute by mediation within such 30-day period, the Parties shall have all rights available under this Agreement and at law or in equity.

ARTICLE 14
GENERAL PROVISIONS

Section 14.01 Severability

If any part of this Agreement is held to be invalid, illegal, or unenforceable in any respect, such determination shall not affect any other provision of this Agreement, and this Agreement shall then be construed as if the invalid, illegal, or unenforceable provision had not been included in this Agreement.

Section 14.02 No Waiver

Any waiver, expressed or implied, by either PCCA or Engineer to any breach of any agreement, covenant or obligation contained in this Agreement shall operate as such only in the specific instance, and shall not be construed as waiver to any subsequent breach of such agreement, covenant or obligation.

Section 14.03 Applicable Law

THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. PCCA and Engineer agree that if any controversy or claim arising out of or related to this Agreement cannot be resolved pursuant to and in accordance with the deadlines set forth in Article 13, then either Party may elect to resolve the controversy or claim

though litigation filed and maintained in the federal or state courts located in Corpus Christi, Nueces County, Texas. PCCA and Engineer each submits to the exclusive jurisdiction of said courts and waives the right to change venue.

Section 14.04 Agreement and Service Orders Control

In the event of a conflict between the wording of a Service Order and any purchase order issued by PCCA in connection with the Service Order, the wording of the Service Order will control.

Section 14.05 Amendment of Agreement

This Agreement may be changed or modified at the request of either the Engineer or PCCA, provided both Parties agree to the requested change, and a written amendment of this Agreement is prepared and executed by the Parties.

Section 14.06 Assignment

Neither PCCA nor Engineer may assign or transfer any rights under or interest in this Agreement without the written consent of the other.

Section 14.07 No Third-Party Beneficiaries

This Agreement will be for the sole and exclusive benefit of PCCA and Engineer and not for the benefit of any other party, person, or entity. Nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by PCCA or Engineer to any Consultant, Contractor, Contractor's subcontractor, supplier, other individual or entity, or to any surety for or employee of any of them.

Section 14.08 Force Majeure

In the event either Party shall be delayed or hindered in or prevented from the performance required hereunder by reason of *force majeure*, which includes strikes, lockouts, labor troubles, failure of power, riots, insurrection, war, acts of God, or other reason of like nature not the fault of the Party delayed in performing work or doing acts (herein "***force majeure***"), such Party shall be excused for the period of time equivalent to the delay caused by such *force majeure*, or the Agreement may be terminated in accordance with terms herein should such delay be sufficient that termination is in the best interest of the PCCA.

Section 14.09 Public Disclosure

PCCA is a political subdivision of the state of Texas subject to the requirements of the Texas Open Meetings Act and the Texas Public Information Act (Texas Government Code, Chapters 551 and 552), and as such, PCCA is required to disclose to the public (upon request) this Agreement, the Service Orders issued hereunder, and certain other information and documents relating to the services contemplated hereby. In this regard, Engineer agrees that the disclosure of

this Agreement, the Service Orders issued hereunder, or any other information or materials related to the services contemplated hereby, to the public by PCCA as required by the Texas Open Meetings Act, the Texas Public Information Act, or any other law will not expose PCCA (or any party acting by, through or under PCCA) to any claim, liability, or action by Engineer.

Section 14.10 Confidentiality

Engineer will keep confidential all information in whatever form produced, prepared, observed or received from PCCA to the extent that such information is: (a) confidential by law; (b) marked or designated "Confidential" or words to that effect; or (c) information that Engineer is otherwise required to keep confidential by this Agreement. Notwithstanding the above, Engineer will be permitted to disclose any information required by law or court order.

Section 14.11 Certificate of Interested Parties

Engineer will comply with the provisions of Section 2252.908 of the Texas Government Code and Chapter 46 of the Texas Ethics Commission Rules by preparing a Texas Form 1295, "Certificate of Interested Parties" and submitting the signed and notarized form to PCCA at the time Engineer submits the signed Agreement to PCCA. A separate Form 1295 may be required for subsequent Service Orders, as required by the referenced code and rules issued thereunder.

Section 14.12 Engineer's Certificate

Engineer certifies that it has not engaged in corrupt, fraudulent, or coercive practices in competing for or in executing this Agreement. For the purposes of this Section 14.12:

1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the selection process or in the execution of the Agreement;

2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the selection process or the execution of the Agreement to the detriment of PCCA, or (b) to deprive PCCA of the benefits of free and open competition;

3. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the selection process or affect the execution of the Agreement.

Section 14.13 No Organizational Conflict of Interest

Engineer hereby certifies that it has no actual or potential Organizational Conflict of Interest. "***Organizational Conflict of Interest***" means that because of other activities or relationships with other persons or entities, the Engineer is unable or potentially unable to render impartial assistance or advice to PCCA or the Engineer's objectivity in performing the services under this Agreement and related Service Orders is or might otherwise be impaired. Engineer agrees to immediately notify PCCA of any actual or potential Organizational Conflict of Interest that develops during the

Term of this Agreement. Engineer agrees that PCCA may terminate this Agreement immediately if it becomes aware of any Organizational Conflict of Interest during the term of the Agreement.

Section 14.14 Defamation

The Parties covenant and agree that in no event, and at no time during the Term of this Agreement or at any time thereafter, shall either of them disparage, denigrate, slander, libel or otherwise defame the other or the other's businesses, services, properties or assets, or employees, personnel, agents, or representatives.

Section 14.15 Parties Bound

This Agreement binds and inures to the benefit of the Parties and their respective legal representatives, heirs, distributees, successors and assigns, where assignment is permitted by this Agreement.

Section 14.16 Attorneys' Fees; Default

In the event Engineer or PCCA breach any of the terms of this Agreement and the Party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting Party agrees to pay reasonable attorney's fees and costs incurred by the prevailing Party.

ARTICLE 15
EXHIBITS

Section 15.01 Suggested Form of Service Order

The Suggested Form of Service Order is attached as Attachment One, and shall be used as the basis for preparing a specific Service Order for each Specific Project under this Agreement.

Section 15.02 Exhibits Included

A. **Exhibit A**, *Engineer's Services for Service Order*. Services, tasks, and terms in **Exhibit A** as included with this Agreement are for reference in preparing the scope of services for specific Service Orders, and are contractually binding only to the extent expressly incorporated in a specific Service Order.

B. **Exhibit B**, *Engineer's Standard Hourly Rates for Work performed under the Service Order*. This Exhibit, as updated from time to time, applies to all Service Orders.

C. **Exhibit C**, *Engineer's Reimbursable Expenses Schedule for costs incurred by Engineer when performing Work under the Service Order.* The terms of **Exhibit C** that will be applicable to and govern compensation under a specific Service Order will be determined by the selection of compensation methods made in Paragraph 5, "*Payments to Engineer*," of the specific Service Order.

D. **Exhibit D**, *Duties, Responsibilities and Limitations of Authority of Resident Project Representative.* This Exhibit is not contractually binding except when expressly incorporated in a specific Service Order.

E. **Exhibit E**, *Notice of Acceptability of Work.* Engineer shall use this Notice of Acceptability of Work form at the conclusion of construction on a Specific Project if the form is expressly incorporated by reference in a specific Service Order, and Engineer's scope of services in the specific Service Order includes providing such a Notice.

F. **Exhibit E**, *Amendment to Service Order*. PCCA and Engineer may use this form during a Specific Project to modify the specific Service Order.

[Signature page follows this page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Effective Date.

PCCA:

Port of Corpus Christi Authority of Nueces County, Texas

By: _____

Name: Sean C. Strawbridge

Title: Chief Executive Officer

Date Signed: _____

Address for giving notice:
222 Power Street
Corpus Christi, Texas 78401
Attention: Director of Engineering Services

PCCA's Contract Representative:

David L. Krams, P.E.

Title: Director of Engineering Services

Phone Number: 361-885-6134

Facsimile Number: 361-881-5161

E-Mail Address: krams@pocca.com

Engineer:

Terracon Consultants, Inc.

By: _____

Name: Chuck A Gregory

Title: Sr Principal / VP

Date Signed: 5-9-18

Address for giving notice:
3606 Wow Road
Corpus Christi TX 78413

Engineer's Contract Representative:

_____ Chuck A Gregory

Title: Sr Principal / VP

Phone Number: 210 641 2112

Facsimile Number: 210 641 2124

E-Mail Address: chuck.gregory@terracon.com

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ATTACHMENT ONE
TO MASTER SERVICES AGREEMENT NO. ____ ***(Insert Master Services Agreement number)***

SUGGESTED FORM OF SERVICE ORDER
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER SERVICES AGREEMENT NO. _____

PROJECT NAME ***(Insert Project name)***
PROJECT NO. ***(Insert Project number)***
SERVICE ORDER NO. ***(Insert Service Order number)***
COMMENCEMENT DATE ***(Insert Commencement Date of Service Order)***

This Service Order is executed by any between the Port of Corpus Christi Authority of Nueces County, Texas ("**PCCA**") and *(Insert name of Engineer)* ("**Engineer**"). PCCA and Engineer agree that all of the Services authorized by this Service Order shall be subject to the terms and conditions of PCCA's Master Services Agreement No. *(Insert Master Services Agreement number)* between PCCA and Engineer, as amended ("**Agreement**"). Upon execution of this Service Order, the Agreement shall be incorporated into and be considered part of this Service Order as if set forth herein in its entirety. Any capitalized terms in this Service Order that are not defined herein shall have the meanings given to them in the Agreement. If there is any inconsistency between the terms of this Service Order and the terms of the Agreement, the terms of this Service Order will control.

Engineer will provide the Services described in the Services of Engineer below in connection with the Specific Project described below.

1. Description of Specific Project:

[Insert a paragraph that describes the Specific Project that is the subject of this Service Order.]

2. Services of Engineer (Scope of Services)

A. The specific services to be provided or furnished by Engineer under this Service Order are: ***[Select one of the following options and delete the other.]***

☐ set forth in "Part 1—Services" of **Exhibit A**, "*Engineer's Services for Service Order*," modified for this specific Service Order, and attached to and incorporated as part of this Service Order.

[or]

☐ as follows: [ ] ***[Note: Insert detailed scope of services here.]***

B. Resident Project Representative (RPR) Services

If the scope of services established in Paragraph 2.A above includes RPR services, then **Exhibit D** of the Agreement is expressly incorporated in this Service Order by reference. The RPR shall provide ***[Select one of the following options]*:**

☐ full time representation; or
☐ part time representation as follows: _____.

[1. If RPR services are not in the scope of this Service Order, do not include any references to RPR services in Exhibit A (Paragraph A1.05(A)(1)) for this Service Order (or state "Does not apply" or similar), or in any other scope of services text or document.

2. If appropriate, modify Exhibit D for this specific Service Order, and attach it, rather than incorporating the Exhibit D that is included with the Agreement.]

C. Designing to a Construction Cost Limit

[If the design under this Service Order will be governed by a Construction Cost Limit, then include the following clause, with blanks filled in; if not, then delete the clause or indicate "Does not apply" or similar.]

Under this Service Order, Engineer will design to a Construction Cost Limit, subject to the terms of Section 7.03 of the Agreement. The Construction Cost Limit is $_____. The bidding or negotiating contingency to be added to the Construction Cost Limit is _____ percent per PCCA's Contingency Guidelines for General or Marine or Rehabilitation projects accordingly.

D. Other Services

Engineer shall also provide the following services:

[Summarize or provide a brief description of other services (if any) that are to be provided by Engineer, but have not been addressed in Paragraphs 2.A through 2.C.]

3. PCCA's Responsibilities

PCCA shall have those responsibilities set forth in Section 5.01 of the Agreement, subject to the following: ***[State any additions or modifications to Section 5.01 for this Specific Project here.]***

4. Service Order Schedule

In addition to any schedule provisions provided in **Exhibit A** or elsewhere, the parties shall meet the following schedule: ***[Revise and amend for each specific Service Order.]***

Party	Action	Schedule
Engineer	**Furnish [ ] review copies of the Report and other Study and Report Phase deliverables to PCCA.**	**Within [ ] days of the Commencement Date of the Service Order.**
PCCA	**Submit comments regarding Report and other Study and Report Phase deliverables to Engineer.**	**Within [ ] days of the receipt of Report and other Study and Report Phase deliverables from Engineer.**
Engineer	**Furnish [ ] copies of the revised Report and other Study and Report Phase deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the Report and other Study and Report Phase deliverables.**
Engineer	**Furnish [ ] review copies of the Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to PCCA.**	**Within [ ] days of PCCA's authorization to proceed with Preliminary Design Phase services.**
PCCA	**Submit comments regarding Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to Engineer.**	**Within [ ] days of the receipt of Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables from Engineer.**
Engineer	**Furnish [ ] copies of the revised Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables.**
Engineer	**Furnish [ ] copies of the 60% Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the Preliminary Design Phase documents, opinion of probable Construction Cost, and other**

		Preliminary Design Phase deliverables.
Engineer	**Furnish [ ] copies of the 90% Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables.**
Engineer	**Furnish [ ] copies of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, to PCCA.**	**Within [ ] days of PCCA's authorization to proceed with Final Design Phase services.**
PCCA	**Submit comments and instructions regarding the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, to Engineer.**	**Within [ ] days of the receipt of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables from Engineer.**
Engineer	**Furnish [ ] copies of the revised final Drawings and Specifications, assembled Construction Contract Documents, bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, to PCCA.**	**Within [ ] days of the receipt of PCCA's comments and instructions regarding the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables**

Should PCCA not return comments and/or instructions in the time listed in the schedule, the Engineer's schedule for subsequent items will be extended by the same number of days by which PCCA comments or instructions exceed the scheduled review with no further recourse by the Engineer against PCCA.

5. Method of Compensation

A. PCCA shall pay Engineer for services rendered under this Service Order using the following method of compensation: ***[Select one of the following options.]***

☐ Lump Sum plus Named Reimbursable Expenses, if any; or
☐ Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price.

B. If this is a Lump Sum Service Order, PCCA shall pay Engineer the following lump sum amount for the services described in this Service Order: $_____. In addition, PCCA shall reimburse Engineer for the following Named Reimbursable Expenses (if any): _____.

C. If this is an Hourly Rates Service Order, the Ceiling Price for this Service Order is $_____. In addition, PCCA shall reimburse Engineer for the Reimbursable Expenses described in Exhibit C.

D. If this is an Hourly Rates Service Order, the estimated amount of compensation payable for each category of services rendered under this Service Order is as follows:

[Notes: 1. Delete line items that do not apply to this Service Order. 2. Cross-references are to Exhibit A. Revise if necessary, or delete cross-references if Exhibit A is not used to establish the scope of services under this Service Order.]

Description of Service	Amount
Study and Report Phase (*A1.01 of Ex. A*)	$[ ]
Preliminary Design Phase (*A1.02 of Ex. A*)	$[ ]
Final Design Phase (*A1.03 of Ex. A*)	$[ ]
Bidding or Negotiating Phase (*A1.04 of Ex. A*)	$[ ]
Construction Phase (*A1.05 of Ex. A*)	$[ ]
Resident Project Representative Services (*A1.05(A)(1) of Ex. A*)	$[ ]
Post-Construction Phase (A1.06 of Ex. A)	$[ ]
Commissioning Phase (*A1.07 of Ex. A*)	$[ ]
Other Services (list as appropriate) (*A2.01 of Ex. A*)	$[ ]
Reimbursable expenses (if any)	$[ ]
ESTIMATED TOTAL COMPENSATION	$[ ]

E. The terms of payment are set forth in Article 4 of the Agreement.

6. Consultants retained or that will be retained as of the Commencement Date of the Service Order: ***[List name of Consultants, if any]***

7. Other Modifications to the Agreement or the Exhibits to the Agreement:

[Supplement or modify the Agreement and Exhibits, if appropriate.]

8. Exhibits or Attachments to this Service Order:

9. Documents (other than the Agreement) Incorporated by Reference:

10. Terms and Conditions

Execution of this Service Order by PCCA and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Service Order signed by PCCA.

IN WITNESS WHEREOF, each Party has executed this Service Order effective for all purposes as of the Commencement Date.

PCCA:

Port of Corpus Christi Authority of Nueces County, Texas

By:_____

Name: _____

Title: _____

Date Signed:_____

Address for giving notice:
222 Power Street
Corpus Christi, Texas 78401
Attention: Director of Engineering Services

PCCA's Designated Representative:

David L. Krams, P.E.

Title: Director of Engineering Services

Phone Number: 361-885-6134

Facsimile Number: 361-881-5161

E-Mail Address: krams@pocca.com

Engineer:

(Insert name of Engineer)

By:_____

Name:_____

Title:_____

Date Signed:_____

Address for giving notice:
(Insert address of Engineer

Engineer's Designated Representative:

_____

Title:_____

Phone Number:_____

Facsimile Number:_____

E-Mail Address:_____

EXHIBIT A TO SERVICE ORDER
ENGINEER'S SERVICES FOR SERVICE ORDER

[Introductory Note to User: The parties should prepare a specific, modified Exhibit A for each specific Service Order, state the scope of services for the Specific Project directly in the specific Service Order, or incorporate all or portions of Exhibit A by reference.

The following text as published describes a variety of services that may be included, in whole or in part, in a specific Service Order issued under the Agreement. Until this exhibit is customized for inclusion in a specific Service Order, or some or all of the exhibit is incorporated in a specific Service Order by reference, it has no legal or contractual effect.

Not all possible services are included in this exhibit. Language provided is intended to provide a basic framework, ideas for inclusion, and to avoid omissions; none, any, or most of this language may be applicable to a Specific Project. The user should revise and supplement the descriptions of services provided here for purposes of drafting the scope of Engineer's Services for each specific Service Order.]

PART 1—SERVICES

A1.01 *Study and Report Phase Services*

A. As Study and Report Services, Engineer shall:

1. If PCCA has already identified one or more potential solutions to meet its Specific Project requirements, Engineer will proceed with the study and evaluation of: ***[List the specific potential solutions here.]***

2. If PCCA has not identified specific potential solutions to meet its Specific Project requirements, Engineer will identify up to ____ potential solution(s) and then proceed with the study and evaluation of these potential solution(s).

3. Visit the Site, or potential Specific Project sites, to review existing conditions and facilities, unless such visits are not necessary or applicable to meeting the objectives of the Study and Report Phase.

4. Advise PCCA of any need for PCCA to obtain, furnish, or otherwise make available to Engineer additional Specific Project-related data and information, for Engineer's use in the study and evaluation of potential solution(s) to PCCA's Specific Project requirements, and preparation of a related report.

5. After consultation with PCCA, recommend to PCCA the solution(s) which in Engineer's judgment meet PCCA's requirements for the Specific Project.

6. Identify, consult with, and analyze requirements of governmental authorities having jurisdiction to approve the portions of the Specific Project to be designed or specified by Engineer, including but not limited to mitigating measures identified in an environmental assessment for the Specific Project.

7. Prepare a report (the "***Report***") which will, as appropriate, contain schematic layouts, sketches, and conceptual design criteria with appropriate exhibits to indicate the agreed-to requirements, considerations involved, and Engineer's recommended solution(s). For each recommended solution Engineer will provide the following, which will be separately itemized: opinion of probable Construction Cost; proposed allowances for contingencies; the estimated total costs of design, professional, and related services to be provided by Engineer and its Consultants; and, on the basis of information furnished by PCCA, a tabulation of other items and services included within the definition of Total Project Costs.

8. Review available survey, geotechnical, environmental, and other data and recommend additional investigations, studies, tests, professional services that may be required to support design of the alternatives.

9. When mutually agreed, assist PCCA in evaluating the possible use of building information modeling; civil integrated management; geotechnical baselining of subsurface site conditions; innovative design, contracting, or procurement strategies; or other strategies, technologies, or techniques for assisting in the design, construction, and operation of PCCA's facilities.

10. If requested to do so by PCCA, assist PCCA in identifying opportunities for enhancing the sustainability of the Specific Project, and pursuant to PCCA's instructions plan for the inclusion of sustainable features in the design.

11. Pursuant to the Service Order schedule, furnish the required number of review copies of the Report and any other Study and Report Phase deliverables to PCCA, and review it with PCCA. PCCA shall submit to Engineer any comments regarding the furnished items within the time established in the Service Order schedule.

12. Pursuant to the Service Order schedule, revise the Report and any other Study and Report Phase deliverables in response to PCCA's comments, as appropriate, and furnish the required number of copies of the revised Report and any other Study and Report Phase deliverables to the PCCA.

B. Engineer's services under the Study and Report Phase will be considered complete on the date when Engineer has delivered to PCCA the revised Report and any other Study and Report Phase deliverables.

A1.02 *Preliminary Design Phase NOT APPLICABLE*

A. Engineer shall:

1. Prepare Preliminary Design Phase documents consisting of final design criteria, preliminary drawings, outline specifications, and written descriptions of the Specific Project.

2. In preparing the Preliminary Design Phase documents, use any specific applicable Specific Project Strategies, Technologies, and Techniques authorized by PCCA during or following the Study and Report Phase, and include sustainable features, as appropriate, pursuant to PCCA's instructions.

3. Provide necessary field surveys and topographic and utility mapping for Engineer's design purposes. Comply with the scope of work and procedure for the identification and mapping of existing utilities selected and authorized by PCCA pursuant to advice from Engineer based on ASCE 38, "Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data," as set forth in Paragraph A1.01.A.12 above. If no such scope of work and procedure for utility mapping has been selected and authorized, then at a minimum the utility mapping will include Engineer contacting utility owners and obtaining available information.

4. Visit the Site as needed to prepare the Preliminary Design Phase documents.

5. Advise PCCA if additional reports, data, information, or services necessary so support final design and assist PCCA in obtaining such reports, data, information, or services. Include as appropriate scope for:

   (a) geotechnical for investigation

   (b) topographical surveys

   (c) utility mapping

6. Continue to assist PCCA with Specific Project Strategies, Technologies, and Techniques that PCCA has chosen to implement.

7. Based on the information contained in the Preliminary Design Phase documents, prepare a revised opinion of probable Construction Cost, and assist PCCA in tabulating the various cost categories which comprise Total Project Costs.

8. Pursuant to the Service Order schedule, furnish the required number of review copies of the Preliminary Design Phase documents, opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables to PCCA, and review them with PCCA. Within the time established in the Service Order schedule, PCCA shall submit to Engineer any comments regarding the furnished items.

9. Pursuant to the Service Order schedule, revise the Preliminary Design Phase documents, opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables in response to PCCA's comments, as appropriate, and furnish to PCCA the required number of copies of the revised Preliminary Design Phase documents, revised opinion of probable Construction Cost, and revised estimate of design and related professional services, and any other Preliminary Design Phase deliverables.

B. Engineer's services under the Preliminary Design Phase will be considered complete on the date when Engineer has delivered to PCCA the revised Preliminary Design Phase documents, revised opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables.

A1.03 ***Final Design Phase NOT APPLICABLE***

A. Engineer shall:

1. Prepare final Drawings and Specifications indicating the scope, extent, and character of the Work to be performed and furnished by Contractor.

2. Visit the Site as needed to assist in preparing the final Drawings and Specifications.

3. Provide technical criteria, written descriptions, and design data for PCCA's use in filing applications for permits from or approvals of governmental authorities having jurisdiction to review or approve the final design; assist PCCA in consultations with such authorities; and revise the Drawings and Specifications in response to directives from such authorities, as appropriate.

4. Advise PCCA of any recommended adjustments to the opinion of probable Construction Cost as design progresses.

5. Assist PCCA in assembling known reports and drawings of Site conditions, and in identifying the technical data contained in such reports and drawings upon which bidders or other prospective contractors may rely.

6. In addition to preparing the final Drawings and Specifications, assemble drafts of other Construction Contract Documents based on specific instructions and contract forms, text, or content received from PCCA.

7. Prepare or assemble 60% Design documents (or requests for proposals or other construction procurement documents), based on the specific bidding or procurement-related instructions and forms, text, or content provided by PCCA. As directed by PCCA, organize the proposed work and related construction documents to provide for additive or alternative bids.

8. Prepare or assemble 90% Design and bidding-related documents (or requests for proposals or other construction procurement documents), based on the specific

bidding or procurement-related instructions and forms, text, or content provided by PCCA. As directed by PCCA, organize the proposed work and related construction documents to provide for additive or alternative bids.

9. Prepare or assemble draft bidding-related documents (or requests for proposals or other construction procurement documents), based on the specific bidding or procurement-related instructions and forms, text, or content provided by PCCA. As directed by PCCA, organize the proposed work and related construction documents to provide for additive or alternative bids.

10. Pursuant to the Service Order schedule, furnish for review by PCCA, the required number of copies of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, and review them with PCCA. Within the time required by the Service Order schedule, PCCA shall submit to Engineer any comments regarding the furnished items, and any instructions for revisions sealed by Registered Professional Engineer licensed to practice in the State of Texas.

11. Pursuant to the Service Order schedule, revise the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables in accordance with comments and instructions from the PCCA, as appropriate, and submit the required number of final copies of such documents to PCCA after receipt of PCCA's comments and instructions.

B. Engineer's services under the Final Design Phase will be considered complete on the date when Engineer has delivered to PCCA the final Drawings and Specifications, other assembled Construction Contract Documents, bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables.

A1.04 ***Bidding or Negotiating Phase NOT APPLICABLE***

A. Engineer shall:

1. Attend pre-bid conference and provide a presentation of the technical aspect of the project.

2. Prepare and issue Addenda as appropriate, and as requested by PCCA, to clarify, correct, or change the issued documents.

3. Provide information or assistance needed by PCCA in the course of any review of proposals or negotiations with prospective contractors.

4. Consult with PCCA as to the qualifications of prospective contractors.

5. Consult with PCCA as to the qualifications of Subcontractors, suppliers, and other individuals and entities proposed by prospective contractors, for those portions of the Work as to which review of qualifications is required by the issued documents.

6. If the issued documents require, the Engineer shall evaluate and determine the acceptability of "or equals" and substitute materials and equipment proposed by prospective contractors, provided that such proposals are allowed by the bidding-related documents (or requests for proposals or other construction procurement documents) prior to award of contracts for the Work. Services under this paragraph are subject to the provisions of Paragraph A2.01(A)(16) of this **Exhibit A**.

7. Attend the bid opening, and assist PCCA in evaluating bids or proposals, assembling final contracts for the Work for execution by PCCA and Contractor, and in issuing notices of award of such contracts.

8. If PCCA engages in negotiations with bidders or proposers, assist PCCA with respect to technical and engineering issues that arise during the negotiations.

9. Engineer shall prepare and submit issued for construction drawings and specifications incorporating addenda issued during the Bid phase. Issued for Construction Drawings shall be sealed by Registered Professional Engineer licensed to practice in the State of Texas.

B. The Bidding or Negotiating Phase will be considered complete upon commencement of the Construction Phase or upon cessation of negotiations with prospective contractors (except as may be required if a Construction Cost limit is a part of this Service Order).

A1.05 ***Construction Phase NOT APPLICABLE***

A. Engineer shall:

1. *Resident Project Representative (RPR)*: Provide the services of an RPR at the Site to assist the Engineer and to provide more extensive observation of Contractor's work. Duties, responsibilities, and authority of the RPR are as set forth in **Exhibit D**. The furnishing of such RPR's services will not limit, extend, or modify Engineer's responsibilities or authority except as expressly set forth in **Exhibit D. [*If Engineer will not be providing the services of an RPR, then delete this Paragraph 2 by inserting the word "DELETED" after the paragraph title, and do not include Exhibit D in the Task Order.*]**

2. *Selection of Independent Testing Laboratory:* Assist PCCA, as requested, in the selection of an independent testing laboratory to perform the testing services identified in the contract documents.

3. *Pre-Construction Conference:* Participate in a pre-construction conference prior to commencement of Work at the Site.

4. *Electronic Transmittal Protocols:* If the Construction Contract Documents do not specify protocols for the transmittal of Project-related correspondence, documents, text, data, drawings, information, and graphics, in electronic media or digital format, either directly, or through access to a secure Project website, then together with PCCA and Contractor jointly develop such protocols for transmittals between and among PCCA, Contractor, and Engineer during the Construction Phase and Post-Construction Phase.

5. *Schedules:* Receive, review, and determine the acceptability of any and all schedules that Contractor is required to submit to Engineer, including the Progress Schedule, Schedule of Submittals, and Schedule of Values.

6. *Baselines and Benchmarks:* As appropriate, establish baselines and benchmarks for locating the Work which in Engineer's judgment are necessary to enable Contractor to proceed.

7. Visits *to Site and Observation of Construction:* In connection with observations of Contractor's Work while it is in progress:

   (a) Make visits to the Site at intervals appropriate to the various stages of construction, as Engineer deems necessary, to observe as an experienced and qualified design professional the progress of Contractor's executed Work. Based on information obtained during such visits and observations, Engineer will determine in general if the Work is proceeding in accordance with the Construction Contract Documents, and Engineer shall keep PCCA informed of the progress of the Work.

   (b) The purpose of Engineer's visits to the Site, and representation by the Resident Project Representative, if any, at the Site, will be to enable Engineer to better carry out the duties and responsibilities assigned to and undertaken by Engineer during the Construction Phase, and, in addition, by the exercise of Engineer's efforts as an experienced and qualified design professional, to provide for PCCA a greater degree of confidence that the completed Work will conform in general to the Construction Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Construction Contract Documents. Engineer shall not, during such visits or as a result of such observations of the Work, supervise, direct, or have control over the Work, nor shall Engineer have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, for security or safety at the Site, for safety precautions and programs incident to any Constructor's work in progress, for the coordination of the Constructors' work or schedules, nor for any failure of any Constructor to comply with Laws and Regulations applicable to furnishing and performing of its work. Accordingly, Engineer neither guarantees the performance of any Constructor nor assumes

responsibility for any Constructor's failure to furnish or perform the Work, or any portion of the Work, in accordance with the Construction Contract Documents.

8. *Defective Work:* Recommend rejection of Work if, on the basis of Engineer's observations, Engineer believes that such Work is defective under the terms and standards set forth in the Construction Contract Documents. Provide recommendations to PCCA regarding whether Contractor should correct such Work or remove and replace such Work, or whether PCCA should consider accepting such Work as provided in the Construction Contract Documents.

9. *Compatibility with Design Concept:* If Engineer has express knowledge that a specific part of the Work that is not defective under the terms and standards set forth in the Construction Contract Documents is nonetheless not compatible with the design concept of the completed Project as a functioning whole, then inform PCCA of such incompatibility, and provide recommendations for addressing such Work.

10. *Clarifications and Interpretations:* Accept from Contractor and PCCA submittal of all matters in question concerning the requirements of the Construction Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Construction Contract Documents. With reasonable promptness, render a written clarification, interpretation, or decision on the issue submitted, or an amendment or supplement to the Construction Contract Documents.

11. *Change Orders and Work Change Directives:* Recommend Change Orders and Work Change Directives to PCCA, as appropriate, and support preparation of Change Orders and Work Change Directives as required.

12. *Differing Site Conditions:* Respond to any notice from Contractor of differing site conditions, including conditions relating to underground facilities such as utilities, and hazardous environmental conditions. Promptly conduct reviews, obtain information, and prepare findings, conclusions, and recommendations for PCCA's use, subject to the limitations and responsibilities under the Agreement and the Construction Contract.

13. *Shop Drawings, Samples, and Other Submittals:* Review and approve or take other appropriate action with respect to Shop Drawings, Samples, and other required Contractor submittals, but only for conformance with the information given in the Construction Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated by the Construction Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Engineer shall meet any Contractor's submittal schedule that Engineer has accepted.

14. *Substitutes and "or-equal":* Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor.

15. *Inspections and Tests:*

    (a) Receive and review certificates of inspections, tests, and approvals required by Laws and Regulations or the Construction Contract Documents. Engineer's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Construction Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Construction Contract Documents. Engineer shall be entitled to rely on the results of such inspections and tests.

    (b) Pursuant to the terms of the Construction Contract, recommend additional inspections or testing of the Work, whether or not the Work is fabricated, installed, or completed.

16. *Change Proposals and Claims:* (a) Review and respond to Change Proposals. Review each duly submitted Change Proposal from Contractor and, within 30 days after receipt of the Contractor's supporting data, either deny the Change Proposal in whole, approve it in whole, or deny it in part and approve it in part. Such actions shall be in writing, with a copy provided to PCCA and Contractor. If the Change Proposal does not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters, then Engineer will notify the parties that the Engineer will not resolve the Change Proposal. (b) Provide information or data to PCCA regarding engineering or technical matters pertaining to Claims.

17. Applications *for Payment:* As requested by PCCA, review Contractor's applications for payment and provide PCCA with a recommendation to pay, partially pay, or request a revised pay application.

18. *Contractor's Completion Documents:* As required and directed by PCCA, review, and transmit to PCCA maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance required by the Construction Contract Documents, certificates of inspection, tests and approvals, and Shop Drawings, Samples, and other data approved as provided from Contractor. Review, and transmit to PCCA the annotated record documents which are to be assembled by Contractor in accordance with the Construction Contract Documents to obtain final payment.

19. *Substantial Completion:* Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with PCCA and Contractor, visit the Site to review the Work and determine the status of completion. Follow the procedures in the Construction Contract regarding the preliminary

certificate of Substantial Completion, punch list of items to be completed, PCCA's objections, notice to Contractor, and issuance of a final certificate of Substantial Completion. Assist PCCA regarding any remaining engineering or technical matters affecting PCCA's use or occupancy of the Work following Substantial Completion.

20. *Final Notice of Acceptability of the Work:* Conduct a final visit to the specific Project to determine if the Work is complete and acceptable so that Engineer may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, Engineer shall also provide a notice to PCCA and Contractor in the form attached hereto as **Exhibit E** ("**Notice of Acceptability of Work**") that the Work is acceptable.

21. *Standards for Certain Construction-Phase Decisions:* Engineer will render decisions regarding the requirements of the Construction Contract Documents, and judge the acceptability of the Work, pursuant to the specific procedures set forth in the Construction Contract for initial interpretations, Change Proposals, and acceptance of the Work. In rendering such decisions and judgments, Engineer will not show partiality to PCCA or Contractor.

22. Preparing Record Drawings, and furnishing such Record Drawings to PCCA.

23. Supplementing Record Drawings with information regarding the completed Project, Site, and immediately adjacent areas obtained from field observations, PCCA, utility companies, and other reliable sources.

24. Conducting surveys, investigations, and field measurements to verify the accuracy of Record Drawing content obtained from Contractor, PCCA, utility companies, and other sources; revise and supplement Record Drawings as needed.

B. *Duration of Construction Phase:* The Construction Phase will commence with the execution of the first Construction Contract for the Specific Project or any part thereof and will terminate upon written recommendation by Engineer for final payment to Contractors. If the specific Project involves more than one prime contract then Construction Phase services may be rendered at different times in respect to the separate contracts.

A1.06 ***Post-Construction Phase NOT APPLICABLE***

A. Upon written authorization from PCCA during the Post-Construction Phase, Engineer shall:

1. Together with PCCA, visit the Project to observe any apparent defects in the Work, make recommendations as to replacement or correction of Defective Work, if any, or the need to repair of any damage to the Site or adjacent areas, and assist PCCA in consultations and discussions with Contractor concerning correction of any such Defective Work and any needed repairs.

2. Together with PCCA, visit the Project within one month before the end of the Construction Contract's Correction Period to ascertain whether any portion of the Work or the repair of any damage to the Site or adjacent areas is defective and therefore subject to correction by Contractor.

B. The Post-Construction Phase services may commence during the Construction Phase and will terminate twelve months after the commencement of the Construction Contract's Correction Period.

A1.07 ***Commissioning Phase NOT APPLICABLE***

A. Engineer shall:

1. Assist PCCA in connection with the adjusting of Specific Project equipment and systems.

2. Assist PCCA in training PCCA's staff to operate and maintain Specific Project equipment and systems.

3. Prepare operation and maintenance manuals.

4. Assist PCCA in developing procedures for (a) control of the operation and maintenance of Specific Project equipment and systems, and (b) related record-keeping.

5. Prepare and furnish to PCCA, in the format agreed to, Record Drawings showing appropriate record information based on Project annotated record documents received from Contractor.

PART 2—OTHER SERVICES

A2.01 ***Other Services Required to be Listed in the Service Order***

A. Each specific Service Order may include Services that do not fit into the categories described in Part 1, such as the types of Services listed in this Part 2. Such services should be expressly stated in the specific Service Order itself.

1. Preparation of applications and supporting documents (in addition to those furnished under Services) for private or governmental grants, loans, or advances in connection with the Specific Project; preparation or review of environmental assessments and impact statements; review and evaluation of the effects on the design requirements for the Specific Project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Specific Project.

2. Services to make measured drawings of existing conditions or facilities, to conduct tests or investigations of existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by PCCA or others.

3. Services resulting from significant changes in the scope, extent, or character of the portions of the Specific Project designed or specified by Engineer, or the Specific Project's design requirements, including, but not limited to, changes in size, complexity, PCCA's schedule, character of construction, or method of financing; and revising previously accepted studies, reports, Drawings, Specifications, or Construction Contract Documents when such revisions are required by changes in Laws and Regulations enacted subsequent to the Commencement Date of the Service Order or are due to any other causes beyond Engineer's control.

4. Providing renderings or models for PCCA's use, including services in support of building information modeling or civil integrated management.

5. Undertaking investigations and studies including, but not limited to:

   a) detailed consideration of operations, maintenance, and overhead expenses;

   b) based on the engineering and technical aspects of the Project, the preparation of feasibility studies (such as those that include projections of output capacity, utility project rates, project market demand, or project revenues) and cash flow analyses, provided that such services do not include rendering advice regarding municipal financial products or the issuance of municipal securities;

   c) evaluating processes available for licensing, and assisting PCCA in obtaining process licensing;

   d) detailed quantity surveys of materials, equipment, and labor; and

   e) audits or inventories required in connection with construction performed or furnished by PCCA.

6. Preparing for, coordinating with, participating in and responding to structured independent review processes, including, but not limited to, construction management, cost estimating, project peer review, value engineering, and constructability review requested by PCCA; and performing or furnishing services required to revise studies, reports, Drawings, Specifications, or other documents as a result of such review processes.

7. Assistance in connection with bid protests, rebidding, or renegotiating contracts for construction, materials, equipment, or services, except when such assistance is required to complete services required by Section 3.02.

8. Preparation of operation, maintenance, and staffing manuals.

9. Protracted or extensive assistance in refining and adjusting of Project equipment and systems (such as initial startup, testing, and balancing).

10. Assistance to PCCA in training PCCA's staff to operate and maintain Specific Project equipment and systems.

11. Assistance to PCCA in developing systems and procedures for (a) control of the operation and maintenance of Project equipment and systems, and (b) related recordkeeping.

12. Preparing to serve or serving as a consultant or witness for PCCA in any litigation, arbitration, mediation, lien or bond claim, or other legal or administrative proceeding involving the Project.

13. Providing construction surveys and staking to enable Contractor to perform its work other than as required under Paragraph A1.05(A)(6), and any type of property surveys or related engineering services needed for the transfer of interests in real property; and providing other special field surveys.

14. Provide assistance in responding to the presence of any Constituent of Concern at any Site, in compliance with current Laws and Regulations.

15. Services in connection with Work Change Directives and Change Orders to reflect changes requested by PCCA.

16. Services in making revisions to Drawings and Specifications occasioned by the acceptance of substitute materials or equipment other than "or equal" items; services after the award of the Construction Contract in evaluating and determining the acceptability of a proposed "or equal" or substitution which is found to be inappropriate for the Project; evaluation and determination of an excessive number of proposed "or equals" or substitutions, whether proposed before or after award of the Construction Contract.

17. Services resulting from significant delays, changes, or price increases occurring as a direct or indirect result of materials, equipment, or energy shortages.

18. Additional or extended services arising from (a) the presence at the Site of any Constituent of Concern or items of historical or cultural significance, (b) emergencies or acts of God endangering the Work, (c) damage to the Work by fire or other causes during construction, (d) a significant amount of defective, neglected, or delayed Work, (e) acceleration of the progress schedule involving services beyond normal working hours, or (f) default by Contractor.

19. Reviewing a Shop Drawing or other Contractor submittal more than three times, as a result of repeated inadequate submissions by Contractor.

EXHIBIT B
TO MASTER SERVICES AGREEMENT NO. 18-11

Standard Hourly Rates Schedule

The Standard Hourly Rates Schedule for Services performed under this Agreement is:

Title	NSPE Grade	Billing Rate
Field Engineer	IV	$69.01/Hour
Field Geologist	N/A	$ 51.67/Hour
Field Supervisor	N/A	$ 88.96/Hour
Staff Engineer	N/A	$61.06/Hour
Project Engineer	N/A	$ 89.71/Hour
Senior Engineer 1	V	$120.08/Hour
Assistant Project Manager	N/A	$ 74.92/Hour
Senior Project Manager 1	N/A	$ 115.23/Hour
Senior Project Manager 2	N/A	$136.04/Hour
Group Engineer	VII	$91.37/Hour
Senior Consulting Engineer	N/A	$ 179.99/Hour
Regional Manager	VIII	$210.33/Hour
Sr. CAD Technician	N/A	$74.21/Hour
Administrative/Clerical Staff	N/A	$39.67/Hour
Technician I	N/A	$32.29/Hour
Technician II	N/A	$38.75/Hour
Technician III	N/A	$ 44.49/Hour
Technician IV	N/A	$ 54.54/Hour

EXHIBIT C
TO MASTER SERVICES AGREEMENT NO. 18-11

Reimbursable Expenses Schedule

The Reimbursable Expenses Schedule for Services performed under the Agreement is:

Fax	$_____/Page
Copies 8½" x 11"	$_____/Page
Copies of Drawings 24" x 36"	$_____/Sheet
Copies of Drawings 11" x 17"	$_____/Sheet
Mileage	$0.545 /Mile
Confined Space Equipment	$_____/Day + Expenses
CAD Charge	$_____/Hour
Soil Gas Kit	$_____/Day
Soil Sampling	$_____/Sample
Groundwater Sampling	$_____/Sample
Long Distance Phone Calls	At Cost
Meals & Lodging	At Cost
Travel Expenses (other than mileage)	At Cost

EXHIBIT D
TO MASTER SERVICES AGREEMENT NO. 18-11

SCHEDULE OF DUTIES, RESPONSIBILITIES, AND LIMITATIONS OF AUTHORITY OF RESIDENT PROJECT REPRESENTATIVE

The following duties, responsibilities, and limitations of authority may be incorporated in the Service Order for a Specific Project:

Resident Project Representative

A. Engineer shall furnish a Resident Project Representative ("**RPR**") to assist Engineer in observing progress and quality of the Work. The RPR shall provide full-time or part-time representation as indicated in the Service Order. RPR is Engineer's representative at the Site, will act as directed by and under the supervision of Engineer, and will confer with Engineer regarding RPR's actions.

B. Through RPR's observations of the Work, including field checks of materials and installed equipment, Engineer shall endeavor to provide further protection for PCCA against defects and deficiencies in the Work. However, Engineer shall not, as a result of such RPR observations of the Work, supervise, direct, or have control over the Work, nor shall Engineer (including the RPR) have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, for security or safety at the Site, for safety precautions and programs incident to the Work or any Constructor's work in progress, for the coordination of the Constructors' work or schedules, or for any failure of any Constructor to comply with Laws and Regulations applicable to the performing and furnishing of its work. The Engineer (including RPR) neither guarantees the performances of any Constructor nor assumes responsibility for any Constructor's failure to furnish and perform the Work, or any portion of the Work, in accordance with the Construction Contract Documents.

C. The duties and responsibilities of the RPR are as follows:

1. *General:* RPR's dealings in matters pertaining to the Work in general shall be with Engineer and Contractor. RPR's dealings with Subcontractors shall only be through or with the full knowledge and approval of PCCA and the Contractor. RPR shall generally communicate with PCCA only with the knowledge of and under the direction of Engineer.

2. *Schedules:* Review the progress schedule, schedule of Shop Drawing and Sample submittals, schedule of values, and other schedules prepared by Contractor and consult with Engineer and PCCA concerning acceptability of such schedules.

3. *Conferences and Meetings:* Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences, and other Project-related meetings (but not including Contractor's safety meetings), and as appropriate prepare and circulate copies of minutes thereof.

4. *Safety Compliance:* Comply with Site safety programs, as they apply to RPR, and if required to do so by such safety programs, receive safety training specifically related to RPR's own personal safety while at the Site.

5. *Liaison*

    a. Serve as Engineer's and PCCA's liaison with Contractor. Working principally through Contractor's authorized representative or designee, assist in providing information regarding the provisions and intent of the Construction Contract Documents.

    b. Assist Engineer in serving as PCCA's liaison with Contractor when Contractor's operations affect PCCA's on-Site operations.

    c. Assist in obtaining from PCCA additional details or information, when required for proper execution of the Work.

6. *Clarifications and Interpretations:* Receive from Contractor submittal of any matters in question concerning the requirements of the Construction Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Construction Contract Documents. Report to Engineer and PCCA regarding such RFIs. Report to Engineer and PCCA when clarifications and interpretations of the Construction Contract Documents are needed, whether as the result of a Contractor RFI or otherwise. Transmit Engineer's and PCCA's clarifications, interpretations, and decisions to Contractor. ,

7. *Shop Drawings and Samples*

    a. Record date of receipt of Samples and Contractor-approved Shop Drawings.

    b. Receive Samples that are furnished at the Site by Contractor, and notify Engineer of availability of Samples for examination.

    c. Advise Engineer and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal, if RPR believes that the submittal has not been received from Contractor, or has not been approved by Contractor or Engineer.

8. *Proposed* M*odifications:* Consider and evaluate Contractor's suggestions for modifications to the Drawings or Specifications, and report such suggestions, together with RPR's recommendations, if any, to Engineer and PCCA. Transmit Engineer's and PCCA's response (if any) to such suggestions to Contractor.

9. *Review of Work; Defective Work*

    a. Report to Engineer and PCCA whenever RPR believes that any part of the Work is defective under the terms and standards set forth in the Construction Contract

Documents, and provide recommendations as to whether such Work should be corrected, removed and replaced, or accepted as provided in the Construction Contract Documents.

b. Inform Engineer and PCCA of any Work that RPR believes is not defective under the terms and standards set forth in the Construction Contract Documents, but is nonetheless not compatible with the design concept of the completed Project as a functioning whole, and provide recommendations to Engineer and PCCA for addressing such Work; and

c. Advise Engineer and PCCA of that part of the Work that RPR believes should be uncovered for observation, or requires special testing, inspection, or approval.

10. *Inspections, Tests, and System Start-ups*

a. Consult with Engineer and PCCA in advance of scheduled inspections, tests, and systems start-ups.

b. Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate PCCA's personnel, and that Contractor maintains adequate records thereof.

c. Observe, record, and report to Engineer and PCCA appropriate details relative to the test procedures and systems start-ups.

d. Observe whether Contractor has arranged for inspections required by Laws and Regulations, including but not limited to those to be performed by public or other agencies having jurisdiction over the Work.

e. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Work, record the results of these inspections, and report to Engineer and PCCA.

11. *Records*

a. Maintain at the Site orderly files for correspondence, reports of job conferences, copies of Construction Contract Documents including all Change Orders, Field Orders, Work Change Directives, Addenda, additional Drawings issued subsequent to the execution of the Construction Contract, RFIs, Engineer's clarifications and interpretations of the Construction Contract Documents, progress reports, Shop Drawing and Sample submittals received from and delivered to Contractor, and other Project-related documents.

b. Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site, Subcontractors present at the Site, weather conditions, data relative to questions of Change Orders, Field Orders, Work Change Directives, or changed conditions, Site visitors, deliveries of equipment or materials, daily activities, decisions, observations in general, and specific observations in more

detail as in the case of observing test procedures; and send copies to Engineer and PCCA.

c. As requested by PCCA to Engineer, photograph or video work in progress or Site conditions.

d. Record and maintain accurate, up-to-date lists of the names, addresses, fax numbers, e-mail addresses, websites, and telephone numbers (including mobile numbers) of all Contractors, Subcontractors, and major Suppliers of materials and equipment.

e. Maintain records for use in preparing Specific Project documentation.

f. Upon completion of the Work, furnish original set of all RPR Project documentation to Engineer and PCCA.

12. *Reports*

a. Furnish to Engineer and PCCA periodic reports as required of progress of the Work and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.

b. Draft and recommend to Engineer and PCCA proposed Change Orders, Work Change Directives, and Field Orders. Obtain backup material from Contractor.

c. Furnish to Engineer and PCCA copies of all inspection, test, and system start-up reports.

d. Immediately inform Engineer and PCCA of the occurrence of any Site accidents, emergencies, acts of God endangering the Work, possible force majeure or delay events, damage to property by fire or other causes, or the discovery of any potential differing site condition or Constituent of Concern.

13. *Payment Requests:* Review applications for payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to PCCA, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.

14. *Certificates, Operation and Maintenance Manuals:* During the course of the Work, verify that materials and equipment certificates, operation and maintenance manuals and other data required by the Construction Contract Documents to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Construction Contract Documents, and have these documents delivered to Engineer for review and forwarding to PCCA prior to payment for that part of the Work.

15. *Completion*:

a. Participate in Engineer's and PCCA's visits to the Site regarding Substantial Completion, assist in the determination of Substantial Completion, and prior to the issuance of a Certificate of Substantial Completion, submit a punch list of observed items requiring completion or correction.

b. Participate in Engineer's and PCCA's visit to the Site in the company of, PCCA, and Contractor, to determine completion of the Work, and prepare a final punch list of items to be completed or corrected by Contractor.

c. Observe whether all items on the final punch list have been completed or corrected, and make recommendations to Engineer and PCCA concerning acceptance and issuance of the Notice of Acceptability of the Work (**Exhibit E**).

D. Resident Project Representative shall not:

1. Authorize any deviation from the Construction Contract Documents or substitution of materials or equipment (including "or-equal" items).

2. Exceed limitations of Engineer's authority as set forth in this Agreement.

3. Undertake any of the responsibilities of Contractor, Subcontractors, or Suppliers, or any Constructor.

4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences or procedures of the Work, by Contractor or any other Constructor.

5. Advise on, issue directions regarding, or assume control over security or safety practices, precautions, and programs in connection with the activities or operations of PCCA or Contractor.

6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer and/or PCCA.

7. Accept Shop Drawing or Sample submittals from anyone other than Contractor.

EXHIBIT E
TO MASTER SERVICES AGREEMENT NO. 18-11

NOTICE OF ACCEPTABILITY OF WORK

PROJECT TITLE:

PCCA PROJECT NUMBER:

MASTER SERVICES AGREEMENT NO.:

SERVICE ORDER NO.:

DATE OF CONSTRUCTION AGREEMENT:

DATE OF NOTICE

To: Port of Corpus Christi Authority (PCCA)

And To: *(Insert name of Contractor)* (Contractor)

From: Terracon Consultants, Inc. (Engineer)

The undersigned (Engineer) hereby gives notice to PCCA and Contractor that the completed Work furnished and performed by Contractor under the above Contract is acceptable, expressly subject to the provisions of the related Construction Contract Documents and the terms and conditions set forth on the reverse side hereof. Engineer further recommends PCCA issue a Notice of Final Acceptance to the Contractor.

Engineer:_____

By:_____

Name:_____

Title:_____

Date:_____

(See Reverse Side of Notice)

CONDITIONS OF NOTICE OF ACCEPTABILITY OF WORK

The Notice of Acceptability of Work ("**Notice**") on the front side of this sheet is expressly made subject to the following terms and conditions to which all persons who receive said notice and rely thereon agree:

1. Said Notice is given with the skill and care ordinarily used by members of the engineering profession practicing under similar conditions at the same time and in the same locality.

2. Said Notice reflects and is an expression of the professional judgment of Engineer.

3. Said Notice is given as to the best of Engineer's knowledge, information, and belief as of the date hereof.

4. Said Notice is based entirely on and expressly limited by the Scope of Services Engineer has been employed by PCCA to perform or furnish during construction of the Project (including observation of the Contractor's Work) under Engineer's Agreement with PCCA and under the Construction Contract referenced on the reverse hereof, and applies only to facts that are within Engineer's knowledge or could reasonably have been ascertained by Engineer as a result of carrying out the responsibilities specifically assigned to Engineer under Engineer's Agreement with PCCA and the Construction Contract referenced on the reverse hereof.

5. Said Notice affirms Contractor's performance under the Construction Contract referenced on the reverse hereof but is not an assumption of responsibility for any failure of Contractor to furnish and perform the Work thereunder in accordance with the Construction Contract Documents.

6. Said Notice affirms that the design of the Project complies with all City of Corpus Christi building codes regardless of whether or not the Project is located within the city limits of the City of Corpus Christi.

EXHIBIT F
TO MASTER SERVICES AGREEMENT NO. 18-11

AMENDMENT TO SERVICE ORDER NO. _____

1. Background Data:

a. Commencement Date of Service Order:

b. PCCA:

c. Engineer:

d. Specific Project:

2. Description of Modifications

[Include the following paragraphs that are applicable and delete those not applicable to this amendment. Refer to paragraph numbers used in the Agreement or a previous amendment for clarity with respect to the modifications to be made. Use paragraph numbers in this document for ease of reference herein and in future correspondence or amendments.]

a. Engineer shall perform the following Services: [ ]

b. The Scope of Services currently authorized to be performed by Engineer in accordance with the Service Order and previous amendments, if any, is modified as follows: [ ]

c. The responsibilities of PCCA with respect to the Service Order are modified as follows: [ ]

d. For the additional services or the modifications to services set forth above, PCCA shall pay Engineer the following additional or modified compensation: [ ]

e. The schedule for rendering services under this Service Order is modified as follows: [ ]

f. Other portions of the Service Order (including previous amendments, if any) are modified as follows: [ ]

[List other Attachments, if any]

3. Service Order Summary (Reference only)

a.	Original Service Order amount:	$[ ]
b.	Net change for prior amendments:	$[ ]
c.	This amendment amount:	$[ ]
d.	Adjusted Service Order amount:	$[ ]

The foregoing Service Order Summary is for reference only and does not alter the terms of the Service Order.

PCCA and Engineer hereby agree to modify the above-referenced Service Order as set forth in this Amendment. All provisions of the Agreement and Service Order not modified by this or previous Amendments remain in effect. The effective date of this Amendment is _____.

PORT OF CORPUS CHRISTI AUTHORITY		ENGINEER:	
By:	_____	By:	_____
Title:	_____	Title:	_____
Date Signed:	_____	Date Signed:	_____

SERVICE ORDER
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER SERVICES AGREEMENT NO. 18-11

PROJECT NAME: Geotechnical Investigation Services
PROJECT NO. 04-027
SERVICE ORDER NO. 1
COMMENCEMENT DATE: May 15, 2018

This Service Order is executed by any between the Port of Corpus Christi Authority of Nueces County, Texas ("**PCCA**") and Terracon Consultants, Inc. ("**Engineer**"). PCCA and Engineer agree that all of the Services authorized by this Service Order shall be subject to the terms and conditions of PCCA's Master Services Agreement No. 18-11 between PCCA and Engineer, as amended ("**Agreement**"). Upon execution of this Service Order, the Agreement shall be incorporated into and be considered part of this Service Order as if set forth herein in its entirety. Any capitalized terms in this Service Order that are not defined herein shall have the meanings given to them in the Agreement. If there is any inconsistency between the terms of this Service Order and the terms of the Agreement, the terms of this Service Order will control.

Engineer will provide the Services described in the Services of Engineer below in connection with the Specific Project described below.

Description of Specific Project:

Engineer will perform geotechnical investigation services along the Corpus Christi Ship Channel to support development of plans and specifications for Deepening and Widening the Corpus Christi Ship Channel.

Services of Engineer (Scope of Services)

The specific services to be provided or furnished by Engineer under this Service Order are set forth in "Part 1—Services" of Exhibit A, "Engineer's Services for Service Order," modified for this specific Service Order, and attached to and incorporated as part of this Service Order.

PCCA's Responsibilities

PCCA shall have those responsibilities set forth in Section 5.01 of the Agreement and as noted below:

A. PCCA will provide readily available information about pipeline crossings in the area of the geotechnical investigation.

B. PCCA and USACE will complete and return testing assignments for each boring log to Engineer within 48 hours of receipt of preliminary boring log.

Service Order Schedule

In addition to any schedule provisions provided in Exhibit A or elsewhere, the parties shall meet the following schedule:

Party	Action	Schedule
Engineer	**Begin Field Work**	**June 1, 2018**
Engineer	**Conclude Field Work**	**July 19, 2018**
Engineer	**Submit Draft Report (3 Review Copies)**	**August 2, 2018**
PCCA	**Submit comments regarding Report**	**August 31, 2018**
Engineer	**Submit Final Report (3 Copies)**	**September 14, 2018**

Should PCCA not return comments and/or instructions in the time listed in the schedule, the Engineer's schedule for subsequent items will be extended by the same number of days by which PCCA comments or instructions exceed the scheduled review with no further recourse by the Engineer against PCCA.

Method of Compensation

A. PCCA shall pay Engineer for services rendered under this Service Order using the Standard Hourly Rates with a Ceiling Price of **$724,000**.

B. For this Hourly Rates Service Order, the estimated amount of compensation payable for each category of services rendered under this Service Order is as follows:

Description of Service	Est. Amounts
Field Collection and Testing	$[402,300]
Laboratory Testing	$[108,600]
Engineering and Geotechnical Reporting	$[119,100]
Allowance for Additional Drilling (10 days at $9,000/day)	$[90,000]
Allowance for Additional Professional Services	$[4,000]
CEILING PRICE	**$[724,000]**

C. The terms of payment are set forth in Article 4 of the Agreement.

Consultants retained or that will be retained as of the Commencement Date of the Service Order:

Envirocore
Peninsula Marine

Other Modifications to the Agreement or the Exhibits to the Agreement:

Not applicable

Exhibits or Attachments to this Service Order:

None

Documents (other than the Agreement) Incorporated by Reference:

None

Terms and Conditions

Execution of this Service Order by PCCA and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Service Order signed by PCCA.

[Signature page follows this page]

IN WITNESS WHEREOF, each Party has executed this Service Order effective for all purposes as of the Commencement Date.

PCCA:

Port of Corpus Christi Authority of Nueces County, Texas

By: _____

Name: Sean C. Strawbridge

Title: Chief Executive Officer

Date Signed: _____

Address for giving notice:
222 Power Street
Corpus Christi, Texas 78401
Attention: Director of Engineering Services

PCCA's Contract Representative:

David L. Krams, P.E.

Title: Director of Engineering Services

Phone Number: 361-885-6134

Facsimile Number: 361-881-5161

E-Mail Address: krams@pocca.com

Engineer:

Terracon Consultants, Inc.

By: _____

Name: Chuck A. Gregory

Title: SR Principal / VP

Date Signed: 5-9-18

Address for giving notice:
3606 Wow Road
Corpus Christi TX 78413

Engineer's Contract Representative:

_____ Chuck A Gregory

Title: SR Principal / VP

Phone Number: (210) 641-2112

Facsimile Number: (210) 641-2124

E-Mail Address: chuck.gregory@terracon.com

EXHIBIT A
ENGINEER'S SERVICES FOR SERVICE ORDER

SERVICES

A1.01 *Project Kickoff and Safety*

1. Engineer will conduct a project kickoff meeting with USACE and PCCA personnel to prioritize and determine sampling locations, sampling intervals, and coordinate participation in the field investigation by PCCA and USACE personnel. Conduct other kickoff meetings as necessary.

2. Perform the necessary job safety analyses to perform work in accordance with Engineer's safety initiatives.

A1.02 *Sample Collection*

1. Review existing utility and pipeline hazard information provided by the PCCA and complete the Texas 811 procedure to notify all participating parties of expected activities and locations. This process may involve relocating select exploration points to provide sufficient buffers from known hazards.

2. Mobilize a rotary drill rig as well as a jack-up barge to Corpus Christi to complete the field drilling activities.

3. Perform field investigations including borings in the ship channel to a target elevation as specified in 4. below.

4. Complete a total of 60 geotechnical borings in the Corpus Christi Ship Channel at the locations provided by PCCA (all locations will be on the existing channel side slope) and to depths noted below:

    - 36 borings in the Lower Bay reach with sampling from El-25 MLLW to El-85 MLLW.
    - 24 borings in the Upper Bay reach with sampling from El-25 MLLW to El-75 MLLW.
    - Sampling intervals of every 5 feet from El-25 MLLW to El-55 MLLW in all borings.
    - Sampling intervals of every 2 feet from El-55 MLLW to the completion depth.

5. Provide preliminary computer generated boring logs within 36 hours of boring completion to allow PCCA and USACE to assign laboratory testing regime.

6. Engineer onsite shall log the drilling and sampling records (SPT hammer blow counts, visual soil classification, pocket penetrometer readings and so on) to prepare the raw boring logs.

7. Engineer onsite shall oversight the careful handling of soil samples and shall record the SPT hammer blow counts during drilling.

8. Off board drill rig from the jack up barge and demobilize both equipment sets.

A1.03 ***Laboratory Testing***

1. Perform laboratory testing and analysis in accordance with ASTM standard test methods D2216, D6903, D4318, D1140, D7263, D2166, D4767, D2850 and D4186.

2. Complete assigned laboratory test regime in accordance with the schedule below, dependent on the soils encountered and as assigned by the PCCA and USACE.

    - Moisture Content (ASTM D2216)
    - Sieve Analysis (ASTM D6903)
    - Atterberg Limit (ASTM D4318)
    - Percent Passing No. 200 Sieve (ASTM D1140)
    - Dry Unit Weight (ASTM D7263)
    - Unconfined Compression (ASTM D2166)
    - Consolidated Undrained Triaxial Compression (ASTM D4767)
    - Unconsolidated-Undrained Triaxial Compression (ASTM D2850)
    - One-Dimensional Consolidation (CRS) (ASTM D4186)

3. Provide final boring logs as the laboratory testing is completed per boring and submit under a formal submittal letter.

A1.04 ***Investigation Report***

1. Complete a final report reviewed and sealed by a Texas Professional Engineer which includes all field and laboratory data performed on for this project.

A1.05 ***Coordination***

1. Professional services to support Port Authority Program or Project Management and/or coordination with USACE during CCSC Lower Bay and Upper Bay Geotechnical Investigation.

2. Conduct project meetings and participate in conference calls with PCCA and USACE staff, as received.

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: David L. Krams, P.E.
Director of Engineering Services
Krams@pocca.com
(361) 885-6134

ANTICIPATED STAFF PRESENTER: Dan Koesema, P.E., CFM
Chief of Channel Development

Approve a Master Services Agreement and Service Order No. 1 in the Amount of $1,488,515 with Rock Engineering and Testing Laboratory, Inc., for Geotechnical Investigation Services for the Beneficial Use and Dredged Material Placement Area Sites Associated with the Corpus Christi Ship Channel - Channel Improvement Project.

SUMMARY: Staff requests approval of the attached Master Services Agreement with Rock Engineering and Testing Laboratory, Inc. and approval of Service Order No. 1 in an amount not to exceed $1,488,515 to provide geotechnical investigation services for the beneficial use and dredge material placement area sites associated with the Corpus Christi Ship Channel – Channel Improvement Project.

BACKGROUND: On September 9, 2017, the U.S. Army Corps of Engineers (USACE) and the Port of Corpus Christi Authority (PCCA) entered into a Project Partnership Agreement to deepen and widen the Corpus Christi Ship Channel from the Gulf of Mexico to the Viola Turning Basin and construct barge shelves across Corpus Christi Bay. The USACE will soon commence physical construction of the channel reach from the Gulf of Mexico to Harbor Island and have begun design activities for the reaches across the Lower and Upper Bays. In order to expeditiously collect and analyze the geotechnical data required for the design of the Lower and Upper Bay Channel Reaches, the PCCA received approval from USACE for the PCCA to perform geotechnical investigations as in-kind services. The work will generally include geotechnical field exploration, drilling, sampling, laboratory testing, investigation, and reporting for the Lower and Upper bay reaches. Because geotechnical data is on the critical path to complete the design, PCCA staff selected two consultants to perform the geotechnical investigation services: 1) for the Beneficial Use and Dredged Material Placement Area Sites; and 2) for the Ship Channel.

Staff negotiated the attached Master Services Agreement and its Service Order No. 1 with Rock Engineering and Testing Laboratory, Inc. to provide geotechnical investigation services for the Beneficial Use and Dredge Material Placement Area Sites. The sampling and laboratory work will consist of up to 52 borings on land and in water, 35’ to 40’ in

length; 122 cone penetrometer tests on land and in water, 45' to 50' in length; 293 vibracore drills in water, 15' in length; and an estimated 1,618 laboratory tests. The data obtained will support the design of four beneficial use sites, and levees and outfall structures at a dredge material placement area. The scope of work is designed so that if consistent data is revealed among adjacent borings, the frequency of borings and quantity of tests and resulting contract cost can be reduced.

The Master Services Agreement provides the general terms, conditions, insurance, etc. for this and any subsequent service orders that may be issued to Rock Engineering and Testing, Inc., during the three-year term of the Master Services Agreement.

ALTERNATIVES: N/A

CONFORMITY TO PORT POLICY: The project conforms to the PCCA's Strategic Plan (Strategic Goal #2 – Provide Facilities and Services to Meet Customer Needs).

EMERGENCY: No.

FINANCIAL IMPACT: The 2018 Engineering budget included $40,000,000 for design and construction associated with the Channel Improvement Project. Completing the geotechnical analysis is required for design. Per the Project Partnership Agreement, PCCA funding for the geotechnical investigation would be eligible for credit toward the PCCA's cost-share requirement for the CCSC-CIP.

STAFF RECOMMENDATION:
Staff recommends approval of the attached Master Services Agreement with Rock Engineering and Testing Laboratory, Inc. and approve Service Order No. 1 in an amount not to exceed $1,488,515 to provide geotechnical investigation services for the beneficial use and dredge material placement area sites associated with the Corpus Christi Ship Channel – Channel Improvement Project.

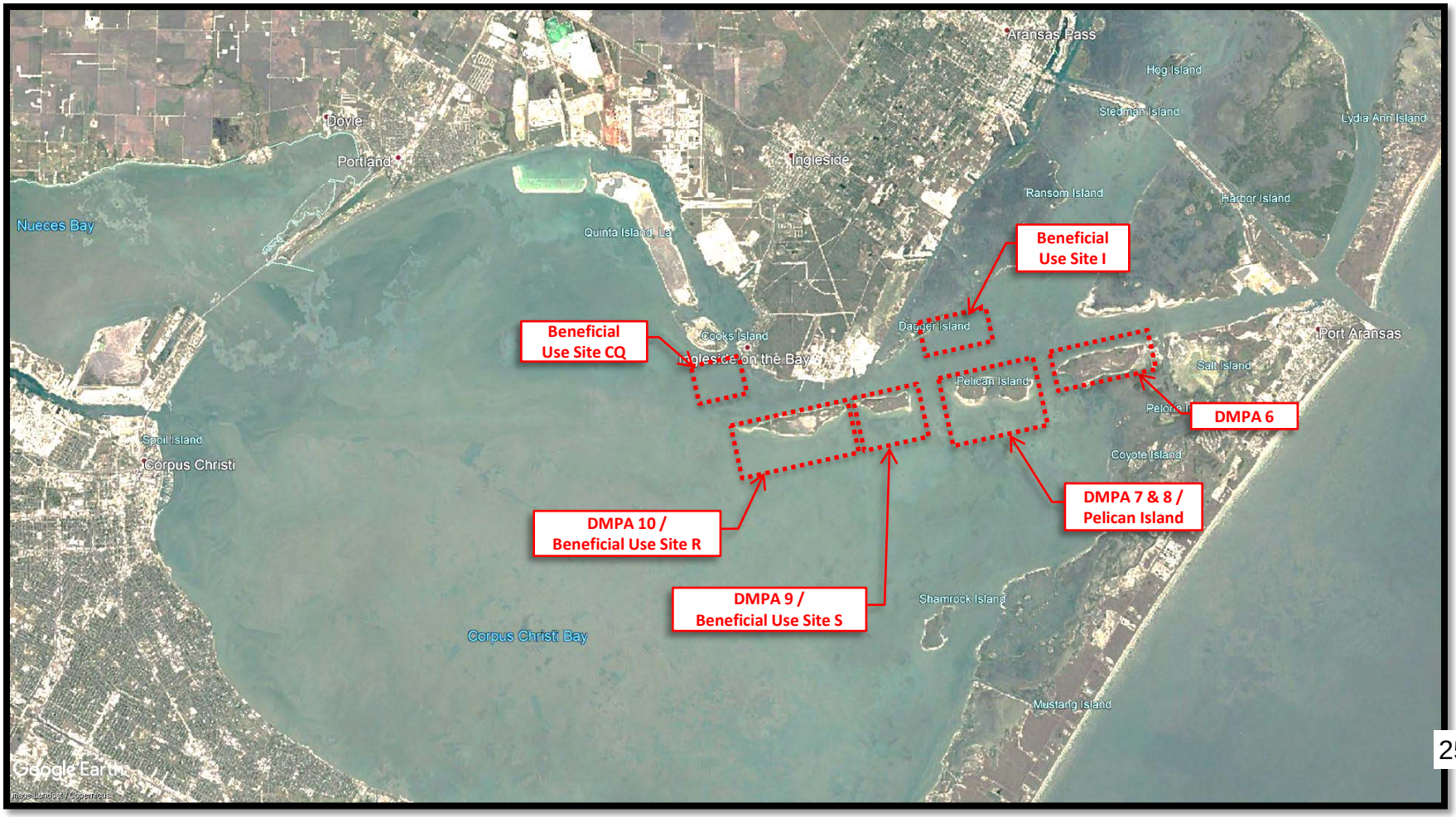
DEPARTMENTAL CLEARANCES:

Originating Department	Engineering Services
Reviewed & Approved	David Krams
	Dan Koesema
Legal	PCCA's Standard Master Services Agreement & Service Order
Senior Staff	John LaRue
	Sean Strawbridge
	Dennis DeVries

LIST OF SUPPORTING DOCUMENTS:
Master Services Agreement
Service Order No. 1
Map Exhibit

PORT CORPUS CHRISTI®
Moving America's Energy

Geotechnical Investigation Services for Beneficial Use Sites and Dredge Material Placement Areas



MASTER SERVICES AGREEMENT
BETWEEN THE
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS,
AND
ROCK ENGINEERING AND TESTING LABORATORY, INC.
FOR
PROFESSIONAL ENGINEERING SERVICES
ON A
SERVICE ORDER BASIS

MASTER SERVICES AGREEMENT NO. 18-12

EFFECTIVE DATE MAY 15, 2018

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PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER SERVICES AGREEMENT NO. 18-12
FOR PROFESSIONAL ENGINEERING SERVICES

THIS MASTER SERVICES AGREEMENT FOR PROFESSIONAL ENGINEERING SERVICES ("**Agreement**") is made effective as of the 15th day of May 2018 ("**Effective Date**") between the Port of Corpus Christi Authority of Nueces County, Texas, ("**PCCA**") and Rock Engineering and Testing Laboratory, Inc. ("**Engineer**"), each a "**Party**" and collectively the "**Parties**".

RECITALS

(a) From time to time PCCA may request that the Engineer provide professional services for Specific Projects. Each engagement will be documented by a Service Order.

(b) This Agreement sets forth the general terms and conditions which shall apply to all Service Orders duly executed under this Agreement.

NOW, THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

ARTICLE 1
DEFINITIONS AND INTERPRETATION

Section 1.01 Certain Definitions

A. Wherever used in this Agreement (including the Exhibits hereto) and printed with initial or all capital letters, the terms listed below shall have the meanings set forth in this Section, which are applicable to both the singular and plural thereof:

1. *Addenda*. Written or graphic instruments issued prior to the opening of Bids that clarify, correct, or change the Bid Documents or the proposed Construction Contract Documents.

2. *Agreement.* This "Master Services Agreement between PCCA and Engineer for Professional Engineering Services," including all Attachments and Exhibits attached hereto.

3. *Bid*. The offer or proposal of the bidder submitted on the PCCA-prescribed form setting forth the prices and schedule for the Work to be performed.

4. *Bid Documents*. The notice or invitation to submit bids or proposals for construction of a Specific Project, including the instructions to bidders, the Bid form and

attachments, the bid bond, if any, the Construction Contract Documents, and all Addenda, if any.

5. *Business Day*. means any day other than Saturday or Sunday or any other day on which banks in Texas are permitted or required to be closed.

6. *Change Order*. A document which is signed by a Contractor and PCCA and authorizes an addition, deletion, or revision in the Work or an adjustment in the Construction Contract Price or the Construction Contract Times, or other revision to the Construction Contract, issued on or after the effective date of the Construction Contract.

7. *Change Proposal*. A written request by a Contractor, duly submitted in compliance with the procedural requirements set forth in the Construction Contract, seeking an adjustment in Construction Contract Price or Construction Contract Times, or both; contesting an initial decision by Engineer concerning the requirements of the Construction Contract Documents or the acceptability of Work under the Construction Contract Documents; challenging a set-off against payments due; or seeking other relief with respect to the terms of the Construction Contract.

8. *Ceiling Price*. The maximum amount PCCA will pay for the Work or phases of Work described in a Service Order.

9. *Commencement Date of a Service Order*. The date indicated in a Service Order on which the Service Order becomes effective; but if no such date is indicated, it means the date on which this Service Order is signed and delivered by the last of the two Parties to sign and deliver.

10. *Constituent of Concern*—Asbestos, petroleum, radioactive material, polychlorinated biphenyls (PCBs), hazardous waste, and any substance, product, waste, or other material of any nature whatsoever that is or becomes listed, regulated, or addressed pursuant to (a) the Comprehensive Environmental Response, Compensation and Liability Act, 42 U.S.C. §§9601 et seq. ("CERCLA"); (b) the Hazardous Materials Transportation Act, 49 U.S.C. §§5101 et seq.; (c) the Resource Conservation and Recovery Act, 42 U.S.C. §§6901 et seq. ("RCRA"); (d) the Toxic Substances Control Act, 15 U.S.C. §§2601 et seq.; (e) the Clean Water Act, 33 U.S.C. §§1251 et seq.; (f) the Clean Air Act, 42 U.S.C. §§7401 et seq.; or (g) any other federal, state, or local statute, law, rule, regulation, ordinance, resolution, code, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning, any hazardous, toxic, or dangerous waste, substance, or material.

11. *Construction Contract*. The entire and integrated written contract between PCCA and Contractor concerning the Work.

12. *Construction Contract Documents*. The documents described in the Construction Contract as the "Contract Documents."

13. *Construction Contract Price*—The money that PCCA has agreed to pay Contractor for completion of the Work in accordance with the Construction Contract Documents.

14. *Construction Contract Times*—The numbers of days or the dates by which a Contractor shall: (a) achieve milestones, if any, in the Construction Contract; (b) achieve Substantial Completion, and (c) complete the Work.

15. *Construction Cost*. The cost to PCCA of the construction of those portions of an entire Specific Project designed or specified by or for Engineer under this Agreement and the specific Service Order, including construction labor, services, materials, testing, equipment, insurance, and bonding costs, and allowances for contingencies. The Construction Cost does not include costs of Services of Engineer or other design professionals and Consultants; costs of land, rights-of-way, or compensation for damages to properties; or PCCA's costs for legal, accounting, insurance counseling or auditing services, or interest and financing charges incurred in connection with a Specific Project; or the cost of services to be provided to PCCA by others. Construction Cost is one of the items comprising Total Project Costs.

16. *Constructor*. Any person or entity (not including the Engineer, its employees, agents, representatives, and Consultants), performing or supporting construction activities relating to the Specific Project, including but not limited to Contractors, Subcontractors, Suppliers, PCCA's work forces, utility companies, other contractors, construction managers, testing firms, shippers, and truckers, and their employees, agents, and representatives.

17. *Consultants*—Individuals or entities having a contract with Engineer to furnish services with respect to a Specific Project as Engineer's independent professional associates, consultants, subcontractors, or vendors.

18. *Contractor*. The individual or entity with which PCCA enters into a Construction Contract.

19. *Correction Period*. The time after Substantial Completion during which Contractor must correct, at no cost to PCCA, any Defective Work; normally one year after the date of Substantial Completion or such longer period of time as may be prescribed by Laws or Regulations or by the terms of any applicable special guarantee or specific provision of the Construction Contract Documents.

20. *Day*. For purposes of this Agreement and associated Service Orders, the term "day" means a calendar day of 24 hours.

21. *Defective Work*. Any part of the Work the Engineer or the RPR believes is defective under the terms and standards set forth in the Construction Contract Documents.

22. *Documents*. Data, reports, Drawings, Specifications, Record Drawings, and other deliverables, whether in printed or electronic media format, generated, provided or furnished in appropriate phases by Engineer to PCCA pursuant to this Agreement and any attached Service Orders.

23. *Drawings*. That part of the Construction Contract Documents prepared or approved by Engineer that graphically shows the scope, extent, and character of the Work to be performed by Contractor. Shop drawings are not Drawings as so defined.

24. *Effective Date*. The date indicated in this Agreement on which it becomes effective; but if no such date is indicated, it means the date on which this Agreement is signed and delivered by the last of the two Parties to sign and deliver it.

25. *Engineer*. The individual or entity named as such in this Agreement.

26. *Engineer's Contract Representative*. The Engineer's Contract Representative is the person appointed to represent the Engineer's interests in this Agreement as more particularly described in Section 8.01(B).

27. *Field Order*. A written order issued by Engineer which directs minor changes in the Work but which does not involve a change in the Contract Price or the Contract Times.

28. *Final Acceptance*. That point in a Specific Project wherein PCCA considers the Project complete and PCCA issues a Certificate of Final Acceptance.

29. *General Conditions*. That part of the Construction Contract Documents that sets forth the terms, conditions, and procedures that govern the Work to be performed or furnished by Contractor with respect to a Specific Project.

30. *Hourly Rates Service Order*. A Service Order under which PCCA agrees to pay Engineer based on the amount of time spent by the Engineer's employees in performing the Work described in the Service Order and for the Reimbursable Expenses incurred by Engineer in performing the services, but limited to the Ceiling Price specified in the Service Order.

31. *Laws and Regulations; Laws or Regulations*. Any and all applicable laws, rules, regulations, ordinances, codes, standards, and orders of any and all governmental bodies, agencies, authorities, and courts having jurisdiction.

32. *Lump Sum Service Order*. A Service Order under which PCCA agrees to pay Engineer a specified agreed amount for the services described in the Service Order regardless of the number hours it takes to complete the work.

33. *Named Reimbursable Expenses.* Only the Reimbursable Expenses expressly listed, if any, in a Lump Sum Service Order.

34. *PCCA's Contract Representative.* PCCA's Contract Representative is the person appointed to represent PCCA's interests in this Agreement as more particularly described in Section 8.01(A).

35. *PCCA Parties.* PCCA and its agents, servants, representatives, employees, officers, directors, and Port Commissioners.

36. *Proposal*. Document representing technical qualifications, approach to specific work, and costs associated with construction of a Specific Project or project specific services.

37. *Record Drawings*. Drawings depicting the completed Specific Project, or a specific portion of the completed Specific Project, prepared by Engineer and based solely on Contractor's record copy of all Drawings, Specifications, Addenda, Change Orders, Work Change Directives, Field Orders, and written interpretations and clarifications, as delivered to Engineer and annotated by Contractor to show changes made during construction and to depict the final state of work.

38. *Reimbursable Expenses*. The expenses incurred directly by Engineer in connection with performing or furnishing Services for a Specific Project for which PCCA will pay Engineer as indicated in the Service Order and **Exhibit C**.

39. *Resident Project Representative.* The authorized representative, if any, of Engineer assigned to assist Engineer at the Site of a Specific Project during the Construction Phase. As used herein, the term Resident Project Representative or "**RPR**" includes any assistants or field staff of the RPR.

40. *Samples*. Physical examples of materials, equipment, or workmanship that are representative of some portion of the Work and which establish the standards by which such portion of the Work will be judged.

41. *Scope of Services.* The scope of the professional engineering services to be provided by Engineer for any Specific Project as outlined in the Service Order for that Project.

42. *Services*. The professional engineering services to be provided by Engineer under any Service Order.

43. *Service Order*. A document in the form of **Attachment One** executed by PCCA and Engineer pursuant to this Agreement, including amendments if any, stating the scope of services, Engineer's compensation, times for performance of services, deliverables, and other relevant information for a Specific Project.

44. *Shop Drawings*. All drawings, diagrams, illustrations, schedules, and other data or information that are specifically prepared or assembled by or for Contractor and submitted by Contractor to PCCA or Engineer to illustrate some portion of the Work. Shop Drawings, whether approved or not, are not Drawings and are not Construction Contract Documents.

45. *Site*. Lands or areas indicated in the Construction Contract Documents for a Specific Project as being furnished by PCCA upon which the Work is to be performed, including rights-of-way and easements, and such other lands furnished by PCCA which are designated for use of a Contractor for the construction of a Specific Project.

46. *Specific Project*. The total specific undertaking to be accomplished for PCCA by engineers, contractors, and others, including planning, study, design, construction, testing, commissioning, and start-up, and of which the services to be performed or furnished by Engineer under a specific Service Order are a part.

47. *Specifications*. That part of the Construction Contract Documents consisting of written technical descriptions of materials, equipment, systems, standards, and workmanship as applied to the Work and certain administrative details applicable thereto.

48. *Standard Hourly Rates*. The Standard Hourly Rates listed in Engineer's Standard Hourly Rates Schedule attached hereto as **Exhibit B**.

49. *Subcontractor*. An individual or entity having a direct contract with a Contractor or with any other Subcontractor for the performance of a part of the Work.

50. *Substantial Completion*. The time at which the Work (or a specified part thereof) has progressed to the point where, in the opinion of PCCA or Engineer, the Work (or a specified part thereof) is sufficiently complete, in accordance with the Construction Contract Documents, so that the Work (or a specified part thereof) can be utilized for the purposes for which it is intended. The terms "substantially complete" and "substantially completed" as applied to all or part of the Work refer to Substantial Completion thereof.

51. *Special Conditions*. That part of the Construction Contract Documents which amends or supplements the General Conditions.

52. *Term* or *Term of this Agreement.* The Term of this Agreement is the period from the Effective Date until the date on which this Agreement expires or is terminated in accordance with the provisions of this Agreement.

53. *Total Project Costs*. The total cost of planning, permitting, studying, designing, constructing, testing, commissioning, and start-up of the Specific Project, including Construction Cost and all other Specific Project labor, services, materials,

equipment, insurance, and bonding costs, allowances for contingencies, the total costs of services of Engineer or other design professionals and consultants, cost of land, rights-of-way, or compensation for damages to properties, or PCCA's costs for legal, accounting, insurance counseling, and auditing services, interest and financing charges incurred in connection with the Specific Project, and the cost of other services to be provided by others to PCCA.

54. *Work.* The entire construction or the various separately identifiable parts thereof required to be provided by Construction Contract Documents for a Specific Project. Work includes and is the result of performing or providing all labor, equipment, materials, services, and documentation necessary to produce such construction; furnishing, installing, and incorporating all materials and equipment into such construction; and may include related services such as testing, start-up, and commissioning; all as required by such Construction Contract Documents.

55. *Work Change Directive*. A written directive to a Contractor issued on or after the effective date of the Construction Contract, signed by PCCA and recommended by Engineer, ordering an addition, deletion, or revision in the Work.

B. Capitalized terms in this Agreement which are not defined in Section 1.01 are defined in the text of this Agreement the first time they occur.

Section 1.02 Terminology and Interpretation

A. The terms defined in Section 1.01 or in the text of this Agreement shall apply throughout this Agreement. All references in this Agreement to "Section" or "Article" shall refer to a section or article of this Agreement, unless otherwise expressly stated. All references in this Agreement to "Paragraph" shall refer to a paragraph of a Service Order or a paragraph of an Exhibit to this Agreement, unless otherwise expressly stated. All references to "Exhibits" shall mean the exhibits attached to this Agreement. All such Exhibits and any other attachments to this Agreement are incorporated in this Agreement by this reference. All references to herein, hereof, hereto, hereunder or similar terms shall be deemed to refer to this Agreement in its entirety. As used in this Agreement, the term "including" shall mean "including but not limited to." The headings of Articles and Sections in this Agreement and the headings of Paragraphs in the Service Order and the Exhibits to this Agreement shall be for convenience only and shall not affect the interpretation hereof.

B Words used in the singular number shall include the plural, and vice-versa, and any gender shall be deemed to include each other gender. Reference to any agreement means such agreement as amended or modified and in effect from time to time in accordance with the terms thereof.

C. Unless otherwise indicated, for purposes of this Agreement, a period of days shall be deemed to begin on the first day after the event that began the period and to end at 5:00 p.m. on the last day of the period. If, however, the last day of the period does not fall on a Business Day, the period shall be deemed to end at 5:00 p.m. on the next Business Day. All references to time herein are to time in Corpus Christi, Texas.

ARTICLE 2
SERVICES OF ENGINEER AND REPORTS

Section 2.01 Scope of Services

A. Engineer's Services will be detailed in a duly executed Service Order for each Specific Project. The general format of a Service Order is shown in **Attachment One** to this Agreement. This Agreement shall be referred to in any Service Order issued pursuant hereto as "Master Services Agreement No. 18-12." Each Service Order will indicate the specific services to be performed, deliverables to be provided, schedule and specific compensation terms.

B. Engineer shall not be obligated to perform work under a prospective Service Order unless and until PCCA and Engineer agree as to the particulars of the scope of Engineer's services, time for performance, Engineer's compensation, and all other appropriate matters and the specific Service Order is executed by both parties.

Section 2.02 Service Order Procedure

A. PCCA and Engineer shall agree on the scope, time for performance, and method of compensation for each Service Order. With respect to the scope of Engineer's services, each specific Service Order shall either (1) be accompanied by and incorporate a customized **Exhibit A**, "Engineer's Services for Service Order," prepared for the Specific Project, (2) state the scope of services in the Service Order document itself, or (3) incorporate by reference all or portions of **Exhibit A**, "Engineer's Services for Service Order," as attached to this Agreement. Each duly executed Service Order shall be subject to the terms and conditions of this Master Services Agreement, unless specifically modified within the Service Order.

B. Engineer shall provide, or cause to be provided, the services set forth in the fully executed Service Order.

Section 2.03 Times for Rendering Services

A. Engineer is not authorized to begin work or to incur costs under a Service Order until the time set forth in the Service Order.

B. The Commencement Date of each Service Order and the times for completing services or providing deliverables will be stated in each Service Order. Engineer is authorized to begin rendering services under a Service Order as of the Commencement Date of the Service Order unless otherwise specified in the Service Order.

C. Unless specific periods of time or specific dates for providing Services are specified in a Service Order, Engineer's obligation to render Services hereunder will be for a period which may reasonably be required for the completion of the Services.

D. If PCCA has requested changes in the scope, extent, or character of the Specific Project, the time of performance and completion of Engineer's Services may be adjusted equitably as agreed by the Parties.

E. If, through no fault of Engineer, the orderly and continuous progress of Engineer's services is impaired, or Engineer's services are delayed or suspended, then the time for performance and completion of Engineer's services shall be adjusted equitably.

Section 2.04 PCCA Project Manual

In addition to the terms and conditions set forth herein and in associated Service Orders, the Engineer will perform Services in accordance with the latest version of the PCCA Project Manual issued prior to the date of the Service Order.

Section 2.05 No Guaranteed Amount of Services

Services pursuant to this Agreement will be required on an irregular and as needed basis during the Term of this Agreement, and PCCA has not made nor does it make any representation of any kind or guarantee regarding the amount of services PCCA will require from Engineer under this Agreement.

Section 2.06 Progress Reports

A. Unless otherwise provided in a Service Order, Engineer will provide PCCA with a monthly progress report ("***Monthly Progress Report***") on the services being performed or furnished by Engineer under each Service Order. At a minimum, the report shall cover the following items:

1. The percentage of Work performed during the previous month.
2. The total percentage of the Specific Project completed.
3. Significant findings, problems, delays, inclusions, events, trends, etc. of the reporting period which result from or affect the performance of the Construction Contract.
4. Specific actions required of PCCA, to assist in the resolution of a problem or to affect the timely progression of the Work
5. The percentage of the Service Order budget expended during the reporting period and total expended to-date.
6. A statement that Services are on schedule, or an explanation of variance and proposed corrective actions.

B. The Monthly Progress Report for each Specific Project shall be delivered to the PCCA Project Manager within ten working days following the end of the month being reported.

ARTICLE 3
CHANGES TO SERVICE ORDERS AND PERSONNEL

Section 3.01 Changes to Service Orders Requested by PCCA

PCCA may change the Scope of Services set forth in a Service Order, by sending written notice to Engineer. Should Engineer believe that such changes require an equitable adjustment in Engineer's agreed compensation and/or schedule for the Services or other terms of the Services, Engineer shall notify PCCA in writing of its request for such adjustments no later than fourteen (14) calendar days following its receipt of such requested changes from PCCA. Except as otherwise instructed in writing by PCCA, Engineer shall not commence the changed Services until PCCA and Engineer have mutually accepted Engineer's timely requested adjustments, if any, to its compensation or schedule for its Services or other terms of the Services and a written amendment to Service Order is executed by the Parties.

Section 3.02 Changes to Service Orders Requested by Engineer

Should an event or condition occur after the initiation of a Service Order, that in the opinion of the Engineer, will result in a change in scope, schedule and/or budget, the Engineer will provide timely written notice to PCCA stating: the nature of the event or condition; detailing the impact on scope, schedule and/or, budget; and providing the Engineer's recommendation or request for modification of the affected Service Order. Such notice will be provided upon recognition of the event or condition and prior to the completion of the services stated in the Service Order. PCCA will not consider a request for an increase in the Ceiling Price of a Service Order that is submitted after completion of the services stated in the Service Order, if PCCA determines, in its sole discretion, that the event or condition cited as the cause for the increase in the Ceiling Price was, or could reasonably have been, known in time to submit a change request prior to completion of the services stated in the Service Order. PCCA will review the Engineer's recommendation or request and provide a written response agreeing with the requested recommendation or request or not accepting said recommendation or request. Any changes or modification to the scope, schedule and/or budget will be detailed in a written modification to the Service Order. No changes to the Services shall be made by Engineer except with PCCA's prior written agreement.

Section 3.03 Replacement of Personnel

PCCA, in its sole discretion, shall have the right to demand that Engineer replace any personnel providing Services to PCCA under the terms of a Service Order. Upon receipt of PCCA's demand, Engineer will immediately replace the specified personnel with personnel substantially equal in ability and qualifications. The criteria for demanding replacement of an individual will be based on, but not limited to, the following: technical incompetence, inability to meet the position qualifications, failure to perform an assignment, poor attendance, ethics violation, unsafe work habits, damage to PCCA property, or reasonable PCCA dissatisfaction.

ARTICLE 4
PAYMENTS TO ENGINEER FOR SERVICES AND REIMBURSABLE EXPENSES

Section 4.01 Methods of Compensation

A. The method of compensation for Services (including, if applicable, the method of compensation for individual phases of Services) shall be identified in each specific Service Order. PCCA shall pay Engineer for Services in accordance with the applicable method of compensation.

B. The method of compensation for services under a Service Order will be specified in that Service Order. The possible methods of compensation are as follows:

1. Lump Sum plus Named Reimbursable Expenses, if any;
2. Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price.

Section 4.02 Explanation of Compensation Methods

A. Lump Sum plus Named Reimbursable Expenses

1. PCCA shall pay Engineer a Lump Sum amount for the specified services or category of services stated in a Service Order regardless of the amount of time it takes to complete the services.
2. The Lump Sum will include compensation for Engineer's services and services of Consultants, if any. The Lump Sum constitutes full and complete compensation for Engineer's services in the specified category, including labor costs, overhead, profit, expenses (other than those expenses expressly eligible for reimbursement, if any), and Consultant charges. In other words, Engineer will only be reimbursed for the Named Reimbursable Expenses (see Section 4.02(A)(3)).
3. In addition to the Lump Sum, Engineer shall also be entitled to reimbursement from PCCA for the Named Reimbursable Expenses explicitly listed in the Service Order, if any, that are reasonably and necessarily incurred by Engineer in connection with the performing or furnishing of the services (see **Exhibit C** for rates or charges for these specific expenses).
4. Progress payments may be allowed in a Lump Sum Service Order. If so, the portion of the Lump Sum amount billed for Engineer's services will be based upon Engineer's estimate of the proportion of the total services actually completed during the billing period, subject to acceptance and approval of PCCA.

B. Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price

1. For the specified services or category of services, the PCCA shall pay Engineer an amount equal to the cumulative hours charged to the Specific Project by each class of Engineer's employees times the Standard Hourly Rates for each applicable billing class. Under this method, Engineer shall also be entitled to reimbursement from PCCA for the Reimbursable Expenses identified in **Exhibit C**, as the same may be modified in the individual Service Order. But the total amount payable to

Engineer for the services rendered under the Service Order plus the Reimbursable Expenses shall not exceed the Ceiling Price stated in the Service Order.

2. The Ceiling Price will be stated in the Service Order. It may be called the Ceiling Price or the "Not-to-Exceed Amount."

3. Standard Hourly Rates include salaries and wages paid to personnel in each billing class plus the cost of customary and statutory benefits, general and administrative overhead, non-project operating costs, and operating margin or profit.

4. Each Standard Hourly Rates Schedule attached hereto as **Exhibit B** shall remain in effect until changed in accordance with Section 4.03.

5. The Reimbursable Expenses Schedule attached hereto as **Exhibit C** shall remain in effect for the Term of this Agreement.

6. The total estimated compensation for the specified category of services shall be stated in the Service Order. This total estimated compensation will incorporate all labor at Standard Hourly Rates, and Reimbursable Expenses (including Consultants' charges, if any).

7. The amounts billed by Engineer will be based on the cumulative hours charged to the specified category of services on the Specific Project during the billing period by each class of Engineer's employees times Standard Hourly Rates for each applicable billing class, plus Reimbursable Expenses (including Consultant's charges, if any), but PCCA shall not be required to pay more than the Ceiling Price stated in the applicable Service Order without a duly executed amendment to the Service Order.

8. For Service Orders that included definable deliverables to be provided to the PCCA, Engineer will continue to prosecute work necessary to provide those deliverables even when the Ceiling Price has been reached, at no additional cost to PCCA unless the parties agree in writing to modify the Ceiling Price.

9. Where no definable deliverable exists, the Engineer's services will terminate when the Ceiling Price is reached.

Section 4.03 Standard Hourly Rates for Service Orders

A. Engineer's Standard Hourly Rates Schedule are in **Exhibit B.** Engineer hereby certifies by its execution of this Agreement that the hourly rates in **Exhibit B** for each class of Engineer's employees are less than or equal to the lowest hourly rates Engineer is currently charging any of its other clients. Engineer agrees that if during the Term of this Agreement it charges any of its clients lower hourly rates than the rates in **Exhibit B**, then Engineer shall charge PCCA such lower hourly rate or rates for the services under any Service Order, current or future, for the remainder of the Term of this Agreement and such lower hourly rate or rates will be standard for the remaining Term of this Agreement.

B. The Engineer may adjust its Standard Hourly Rates as of the first day of each calendar year during the Term of this Agreement by submitting to PCCA a new **Exhibit** B with Engineer's new

Standard Hourly Rates on or before January 15th of such calendar year; provided, however, that the new Standard Hourly Rate for each class of Engineer's employees may not be more than five percent (5%) higher than previous Standard Hourly Rates for that class. The new Standard Hourly Rates will apply to all services performed by each class of Engineer's employees on and after the effective date of such new rates, but these adjustments will not affect the Ceiling Prices stated in the Service Orders executed under this Agreement.

C. Generally, the compensation method specified in a Service Order executed under this Agreement will be Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price. PCCA reserves the right, however, to issue Lump Sum Services Orders when they are deemed to be in the best interest of PCCA

Section 4.04 Reimbursable Expenses

A. Under the Lump Sum method of compensation to Engineer, unless expressly indicated otherwise, the following categories of expenses are included in the Lump Sum amount: transportation (including mileage), lodging, and subsistence incidental thereto; providing and maintaining field office facilities including furnishings and utilities; providing field and office equipment necessary for the prosecution of the work; toll telephone calls, mobile phone services, and courier charges; reproduction of reports, Drawings, Specifications, bidding-related or other procurement documents, Construction Contract Documents, and similar Specific Project-related items; and Consultant charges. **These expenses are not reimbursable under the Lump Sum method, unless expressly indicated otherwise in the specific Service Order.**

B. Expenses eligible for reimbursement under the Standard Hourly Rates method of compensation include the following expenses reasonably and necessarily incurred by Engineer in connection with the performing or furnishing of the services under a specific Service Order: transportation (including mileage), lodging, and subsistence incidental thereto; providing and maintaining field office facilities including furnishings and utilities; providing field and office equipment necessary for the prosecution of the work; toll telephone calls, mobile phone services, and courier services; reproduction of reports, Drawings, Specifications, bidding-related or other procurement documents, Construction Contract Documents, and similar Specific Project-related items; Consultant charges; and any other expenses identified in **Exhibit C**.

C. Reimbursement for lodging and meals may not exceed the maximum allowable per diem rates for domestic or foreign travel as set by the U.S. Department of Defense, Defense Travel Management Office. Lodging and meal per diem rates for specific locations (foreign and domestic) may be found on the Defense Travel Management Office's website. Engineer shall submit proper documentation of any such approved travel expenses to PCCA from time to time, and such costs and expenses shall be billed to PCCA at Engineer's actual cost.

Section 4.05 Invoice Procedure and Payment

A. Engineer shall submit invoices monthly to PCCA for work performed during the preceding calendar month. Such invoices shall be due and payable by PCCA within thirty (30) days after receipt and acceptance of the invoice by PCCA. Monthly compensation will be for the Services

actually performed during the billing period, invoiced in accordance with the prices in the Fee Schedules. On a Lump Sum Service Order, monthly billing will be based on the percentage of work completed. Invoices shall also describe any work performed by subcontractors retained by Engineer and Reimbursable Expenses. Engineer will provide sufficient detail with each invoice to substantiate the requested amount of monthly payment. At PCCA's request, Engineer will provide additional backup such as signed time sheets, invoices for materials and subcontracted service or other documentation sufficient to establish the accuracy of the invoices. Invoices are to be submitted in a format previously approved by PCCA. The Engineer's fees will cover all of Engineer's overhead costs, including office rent, long distance telephone charges, postage, and payroll.

B. Engineer will provide written notice to PCCA when the sum of previous payments and a current invoice meet or exceed 70% of the approved Ceiling Price of a Service Order. Engineer will include a statement that the remaining budget will be sufficient to complete the services, or provide an estimate of cost to complete, an explanation of the need for additional funding, and a request for a modification to the Service Order.

ARTICLE 5
RESPONSIBILITIES AND STANDARDS OF PERFORMANCE

Section 5.01 PCCA's Responsibilities

A. PCCA shall pay Engineer as set forth in each Service Order and Article 4.

B. PCCA shall be responsible for the requirements and instructions that it furnishes to the Engineer pursuant to this Agreement, and for the accuracy and completeness of the programs, reports, data, and other information furnished by PCCA to Engineer pursuant to this Agreement or any Service Order for use of Engineer in performing or furnishing services under any Service Order, subject to any express limitations or reservations applicable to the furnished items

C. PCCA shall give prompt written notice to Engineer whenever PCCA observes or otherwise becomes aware of: (1) any development that affects the scope or time of performance of Engineer's services; (2) the presence at the Site of a Specific Project of any Constituent of Concern; or (3) any relevant, material defect or nonconformance in Engineer's services, the Work or the performance of any Constructor or consultant managed by the Engineer.

D. PCCA shall:

1. Provide Engineer with criteria and information as to PCCA's requirements for each Specific Project, including design objectives and constraints, space, capacity and performance requirements, flexibility, and expandability, and any budgetary limitations.

2. Furnish Engineer with copies of design and construction standards that PCCA will require to be included in the Drawings and Specifications; and furnish copies of

PCCA's standard forms, conditions, and related documents to be included in the Bid Documents and Construction Documents, as applicable.

3. Following the Engineer's assessment of initially available Specific Project information and data and upon Engineer's request, furnish or otherwise make available such additional Project-related information and data as is reasonably required to enable Engineer to complete its Services, unless the Service Order requires Engineer to obtain this information from other sources. Such additional information or data would generally include the following:

   a. Property descriptions.

   b. Zoning, deed, and other land-use restrictions.

   c. Property, boundary, easement, right-of-way, and other special surveys or data, including establishing relevant reference points.

   d. Explorations and tests of subsurface conditions at the Site, drawings of physical conditions in or relating to existing surface or subsurface structures at the Site, or hydrographic surveys with appropriate professional interpretation thereof.

   e. Environmental assessments, audits, investigations, impact statements, and other environmental or cultural studies relevant to the Specific Project and the Site.

   f. Data or consultations as required for the Specific Project but not otherwise identified in this Agreement or the Exhibits thereto.

4. Arrange for access to and make provisions for Engineer to enter upon PCCA property as required for Engineer to perform Services under the Service Order.

5. Examine alternate solutions, studies, reports, sketches, Drawings, Specifications, proposals, and other documents required by the terms of the Service Order which are presented by the Engineer and render, in writing, timely decisions pertaining thereto.

6. Provide reviews, approvals, and permits from governmental authorities having jurisdiction to approve phases of the Specific Project designed or specified by Engineer, and such reviews, approvals, and consents from others as may be necessary for completion of each phase of the Project, unless the Service Order requires Engineer to obtain these reviews, approvals, or consents from other sources.

7. Place and pay for advertisement of Bids in appropriate publications, as required, for a Specific Project.

8. Advise Engineer of the identity and scope of services of any independent consultants employed by PCCA to perform or furnish Services in regard to the Project, including cost estimating, project peer review, value engineering, and

constructability review unless such Services are related to an issue under legal review or are included in the Engineer's Scope of Services.

9. Furnish to Engineer data as to PCCA's anticipated costs for Services to be provided by others for PCCA so that Engineer may make the necessary calculations to develop and periodically adjust Engineer's opinion of Total Project Costs as required by a specific Service Order.

Section 5.02 Standards of Performance

A. *Standard of Care:* Engineer shall perform the professional engineering and related services required by each Service Order issued under this Agreement with the professional skill and care ordinarily provided by competent engineers practicing under the same or similar circumstances and professional license, and as expeditiously as is prudent considering the ordinary professional skill and care of a competent engineer.

B. *Technical Accuracy:* PCCA shall not be responsible for discovering deficiencies in the technical accuracy of Engineer's services. Engineer shall correct deficiencies in technical accuracy without additional compensation, unless such corrective action is directly attributable to deficiencies in PCCA-furnished information or an identifiable and documented change in conditions or circumstances impacting the Engineer's work.

C. *Consultants:* Engineer may retain such Consultants as Engineer deems necessary to assist in the performance or furnishing of the services, subject to reasonable, timely, and substantive objections by PCCA.

D. *Reliance on Others:* Subject to the standard of care set forth in Section 5.02(A), Engineer and its Consultants may use or rely upon design elements and information ordinarily or customarily furnished by others, including, but not limited to, specialty contractors, manufacturers, suppliers, and the publishers of technical standards.

E. *Compliance with Laws and Regulations, and Policies and Procedures*

1. Engineer and PCCA shall comply with applicable Laws and Regulations.

2. Engineer shall comply with the policies, procedures, and instructions of PCCA that are applicable to Engineer's performance of services under this Agreement and that PCCA provides to Engineer in writing, subject to the standard of care set forth in Section 5.02(A), and to the extent compliance is not inconsistent with professional practice requirements.

3. Each Service Order is based on Laws and Regulations and PCCA-provided written policies and procedures as of the Commencement Date of the Service Order. The following may be the basis for modifications to PCCA's responsibilities or to Engineer's scope of services, times of performance, or compensation:

   a. changes after the Commencement Date of the Service Order to Laws and Regulations; or

b. the receipt by Engineer after the Commencement Date of the Service Order of PCCA-provided written policies and procedures or changes to PCCA-provided policies or procedures.

F. Engineer shall not be required to sign any document, no matter by whom requested, that would result in Engineer having to certify, guarantee, or warrant the existence of conditions whose existence Engineer cannot ascertain within its services for that Specific Project. PCCA agrees not to make resolution of any dispute with Engineer or payment of any amount due to the Engineer in any way contingent upon Engineer signing any such document.

G. Engineer shall not at any time supervise, direct, control, or have authority over any Constructor's work, nor shall Engineer have authority over or be responsible for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, or the safety precautions and programs incident thereto, for security or safety at the Site of a Specific Project, nor for any failure of a Constructor to comply with Laws and Regulations applicable to such Constructor's furnishing and performing of its work. Engineer shall not be responsible for the acts or omissions of any Constructor.

H. Engineer neither guarantees the performance of any Constructor nor assumes responsibility for any Constructor's failure to furnish and perform the Work in accordance with the Construction Contract Documents.

I. Engineer shall not be responsible for any decision made regarding the Construction Contract Documents, or any application, interpretation, clarification, or modification of the Construction Contract Documents, other than those made by Engineer or its Consultants.

J. Engineer is not required to provide and does not have any responsibility for surety bonding or insurance-related advice, recommendations, counseling, or research, or for enforcement of construction insurance or surety bonding requirements.

K. Engineer's services do not include providing legal advice or representation.

L. While at a Site, Engineer, its Consultant, and their employees and representatives shall comply with the applicable requirements of Contractor's and PCCA's safety programs of which Engineer has been informed in writing.

Section 5.03 Design without Construction Phase Services

It is understood and agreed that if Engineer's Services under this Agreement do not include Project observation, review of Contractor's performance, or any other construction phase services, and that such services will be provided by PCCA, then PCCA assumes responsibility for interpretation of the Construction Contract Documents and for construction observation or review except where such interpretation is attributable to the design are an obvious design error or omission and requires correction by the Engineer of record.

Section 5.04 Inspection and Acceptance

Deliverables and/or services furnished under this Agreement shall be subject to review and inspection and, as applicable, test by PCCA at times and places covered under the period of performance for Services and the applicable Service Order. PCCA reserves the right to reject deliverables which do not conform to the Specifications, Drawings, and/or other data or which do not comply with the terms and conditions of this Agreement and individual Service Orders. If rejected after delivery, rejected deliverables will be returned to Engineer at Engineer's risk and expense. Payment for any Services or deliverables shall not be deemed acceptance thereof, and if such Services or deliverables are rejected after payment, PCCA shall be entitled to an equitable refund. Additional or varying acceptance terms may be mutually agreed under individual Service Orders.

ARTICLE 6
TERM, RENEWAL, SUSPENSION OR TERMINATION

Section 6.01 Term

A. This Agreement shall be effective and applicable to Service Orders issued hereunder for three (3) years from the Effective Date of this Agreement.

Section 6.02 Renewal

A. The Parties may extend or renew this Agreement, with or without changes, by written instrument establishing a new term, provided the terms and conditions, including insurance coverages, hourly and reimbursable rates and other particulars remain unchanged.

Section 6.03 Termination

A. PCCA may terminate a Service Order or this Agreement for convenience with seven (7) days prior written notice to Engineer of such action. Upon termination of this Agreement in accordance with this paragraph, PCCA will have no further obligation to the Engineer hereunder except to pay the Engineer unpaid fees and expenses which the Engineer can reasonably show to have been earned under this Agreement. **Under no circumstances may Engineer claim or recover consequential damages from PCCA.**

B. Either Party may terminate this Agreement by giving written notice to the other Party if the other Party ("***Defaulting Party***"): (a) materially breaches any term, condition or provision of this Agreement and fails to cure the breach to the satisfaction of the notifying Party within ten (10) days after the Defaulting Party receives a written notice of the breach from the notifying Party, or (b) becomes the subject of any proceedings under state or federal law for the relief of debtors or otherwise becomes insolvent, or bankrupt, or makes any assignments for the benefit of one or more creditors.

Section 6.04 Suspension

A. PCCA may suspend a Service Order for convenience with seven (7) days prior written notice to Engineer of such action.

B. If PCCA fails to give prompt written authorization to proceed with any phase of Services after completion of the immediately preceding phase, or if Engineer's Services are delayed through no fault of Engineer, Engineer may, after giving seven (7) days written notice to PCCA, suspend Services under this Agreement.

C. PCCA may, upon written notice to the Engineer, suspend work on a Service Order until such time that PCCA determines that it is in the best interest of PCCA to resume the work or to terminate the Service Order.

D. In the event of suspension of Services, the Engineer shall resume the full performance of the Services when directed in writing to do so by PCCA. Suspension of the Services for reasons other than the Engineer's negligence or failure to perform shall not affect the Engineer's compensation as provided for in this Agreement. The schedule for performance of the Services shall be amended by a mutually agreed, written modification to the Service Order in progress to reflect the suspension.

E. If Engineer's Services are delayed or suspended in whole or in part by PCCA for more than ninety (90) days after the date of the beginning of the delay or suspension through no fault of Engineer, Engineer may be entitled to an equitable adjustment of compensation provided for elsewhere in this Agreement to reflect reasonable costs incurred by Engineer in connection with, among other things, such delay or suspension and reactivation and the fact that the time for performance under this Agreement has been revised, to the extent that the Engineer can demonstrate that an actual increase in cost has been incurred and is equitable and compensable.

ARTICLE 7
OPINIONS OF COST

Section 7.01 Opinions of Probable Construction Cost

A. Engineer's opinions (if any) of probable Construction Cost are to be made on the basis of Engineer's experience and qualifications and represent Engineer's judgment as an experienced and qualified professional generally familiar with the industry. However, since Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over the Contractor's methods of determining prices, or over competitive bidding or market conditions, Engineer cannot and does not guarantee that proposals, Bids, or actual Construction Cost will not vary from opinions of probable Construction Cost prepared by Engineer.

B. PCCA reserves the right to request that the Engineer provide a written explanation of significant variations between the Engineer's opinion of probable Construction Cost and the actual Construction Cost.

Section 7.02 Opinions of Total Project Costs

A. The services, if any, of Engineer with respect to Total Project Costs for a Specific Project shall be limited to assisting the PCCA in tabulating the various categories that comprise Total Project Costs. Engineer's opinions (if any) of probable Total Project Costs are to be made on the basis of Engineer's experience and qualifications and represent Engineer's best judgment as an experienced and qualified professional generally familiar with the industry. However, since Engineer has no control over the cost of labor, materials, equipment, or services furnished by others, or over methods of determining prices, or over competitive bidding or market conditions, Engineer cannot and does not guarantee that Total Project Costs will not vary from opinions of probable Total Project Costs prepared by Engineer.

Section 7.03 Designing to Construction Cost Limit

A. If a Construction Cost Limit for a Specific Project is established between PCCA and Engineer in a Service Order, then such Construction Cost Limit and a statement of Engineer's rights and responsibilities with respect thereto will be specifically set forth in the applicable Service Order.

B. If a Construction Cost Limit is set forth in a Service Order, then the Service Order will also specify a percentage bidding or negotiating contingency to be added to such Construction Cost Limit.

C. Should an opinion of Probable Construction Cost or a revised Opinion of Probable Construction Cost be provided by the Engineer during the execution of the Services that is in excess of the then established Construction Cost Limit, PCCA shall have the option of increasing the Construction Cost Limit, modifying the design criteria and Engineer's Scope of Services, or suspending or terminating the Service Order in accordance with terms herein. Alternately, PCCA may direct the Engineer to separate the work into a Base Bid with alternative or additive bid items that can be awarded at PCCA's discretion.

D. Engineer will be permitted to determine what types of materials, equipment and component systems, and the types and quality thereof, are to be included in the Drawings and Specifications and to make reasonable adjustments in the scope, extent, and character of the Project to the extent consistent with the Project requirements and sound engineering practices to bring the Project within the Construction Cost Limit, subject to final approval and acceptance of PCCA. Engineer will present proposed changes in materials, equipment and component systems to PCCA for review and approval prior to incorporating such into the design.

E. If PCCA does not request Bids for a Project within six months after completion of the final design of the Project or if industry-wide prices are changed because of unusual or unanticipated events affecting the general level of prices or times of delivery in the construction industry, the established Construction Cost Limit will not be binding on Engineer, and PCCA (i) may consent to an adjustment in such Construction Cost Limit commensurate with any applicable change in the general level of prices in the construction industry between the date of completion of the final design of the Project and the date on which Bids are requested, or (ii) may, at PCCA's sole discretion, terminate the Service Order in accordance with terms and conditions herein.

F. If the lowest *bona fide* Bid exceeds the established Construction Cost Limit, PCCA will: (1) give written approval to increase such Construction Cost Limit, (2) cooperate in revising the Project's scope, extent, or character to the extent consistent with the Project's requirements and with sound engineering practices and re-advertise or re-bid the Project, or (3) provide direction to the Engineer to revise contract documents to include additive or alternative bid items or add such additive or alternative bid items and re-bid the project, or (4) elect not to award additive or alternative bid items to keep the Project within the Construction Cost Limit. In the case of (2), above, Engineer will modify the Drawings and Specifications as necessary to bring the Construction Cost within the Construction Cost Limit at no cost to PCCA, and the providing of such Services will be the limit of Engineer's responsibility in this regard; and, having done so, Engineer will not otherwise be liable for damages attributable to the lowest *bona fide* Bid exceeding the established Construction Cost Limit.

ARTICLE 8
REPRESENTATIVES AND MANAGERS

Section 8.01 Contract Representatives

A. PCCA shall designate a Contract Representative on the signature page of this Agreement who will, on behalf of PCCA, coordinate with the Engineer and administer this Contract. It shall be the responsibility of the Engineer to coordinate all assignment-related activities under this Agreement with PCCA's Contract Representative. PCCA may change its Contract Representative at any time by giving the Engineer written notice of such change.

B. Engineer shall designate a Contract Representative on the signature page of this Agreement who will, on behalf of Engineer, coordinate with PCCA and administer this Contract. The Engineer's Contract Representative and PCCA's Contract Representative will coordinate all assignment-related activities under this Agreement. Engineer may change its Contract Representative at any time by giving PCCA written notice of such change, provided the recommended replacement has similar qualification and experience as the original contract representative.

Section 8.02 Designated Project Managers

A. Contemporaneously with the execution of each Service Order, Engineer and PCCA will each designate a specific individual to act on its behalf as Project Manager with respect to the Services to be performed or furnished by Engineer and the responsibilities of PCCA under such Service Order. The Project Managers for each Project will have authority to transmit instructions, receive information, and render decisions relative to the Project on behalf of the Party appointing the Project Manager. Either Party may change that Party's designated Project Manager by giving the other Party written notice of the change as provided in Article 9.

Section 8.03 Resident Project Representative

A. The Service Order for a Specific Project shall state whether Engineer must furnish a Resident Project Representative ("**RPR**") to assist Engineer in observing progress and quality of the Work on the Specific Project. The duties and responsibilities of the RPR, if any, will be as set forth in each Service Order.

ARTICLE 9
NOTICES

Section 9.01 Notices

A. All notices, demands or requests from Engineer to PCCA shall be given to PCCA's Contract Representative named on the signature page of this Agreement at (i) PCCA's address for notice provided on the signature page, or (ii) the facsimile number for PCCA's Contract Representative stated on the signature page, or to such other person, address or facsimile number as PCCA shall request in writing.

B. All payments, notices, demands or requests from PCCA to Engineer shall be given to Engineer's Contract Representative named on the signature page of this Agreement at (i) Engineer's address for notice provided on the signature page, or (ii) the facsimile number for Engineer's Contract Representative stated on the signature page, or to such other person, address or facsimile number as PCCA shall request in writing.

C. Notices required to be given to either Party may be given by certified first-class mail, by overnight delivery or by fax, to the appropriate Party at its address or fax number stated on the signature page of this Agreement. Notice may also be given by personal service. Any notice given by mail shall be deemed to have been given one day after such notice was deposited in the United States mail, certified and postage prepaid, properly addressed to the Contract Representative of the Party to be served. In all other cases, notice to a Party will be considered delivered when actually received by the Party's Contract Representative.

ARTICLE 10
DOCUMENTS

Section 10.01 Use of Documents

A. Upon payment of all fees owed for a Service Order, all Documents relative to that Service Order are the property of PCCA, including native files for each software package used.

B. Copies of PCCA-furnished data that may be used by Engineer are limited to the printed copies (also known as hard copies) that are delivered to Engineer by PCCA. Files in electronic media format of text, data, graphics, or of other types that are furnished by PCCA to the Engineer are only for convenience of Engineer. Any conclusion or information obtained or derived from such files, written or electronic, will be at the user's sole risk. Engineer will review documents

provided by PCCA and determine applicability and usability of information. Engineer will request additional information as necessary.

C. Copies of Documents that may be relied upon by PCCA are limited to the printed copies (also known as hard copies) that are signed or sealed by Engineer. Files in electronic media format of text, data, graphics, or of other types that are furnished by Engineer to PCCA are only for convenience of PCCA. Any conclusion or information obtained or derived from such electronic files will be at the user's sole risk.

D. Because data stored in electronic media format can deteriorate or be modified inadvertently or otherwise without authorization of the data's creator, the Party receiving electronic files agrees that it will perform acceptance tests or procedures within 90 days, after which the receiving Party will be deemed to have accepted the data thus transferred. Any errors detected within the 90-day acceptance period will be corrected by the Party delivering the electronic files. Engineer is not responsible to maintain documents stored in electronic media format after acceptance by PCCA.

E. When transferring documents in electronic media format, neither PCCA nor Engineer make any representation to the other as to long-term compatibility, usability, or readability of documents resulting from the use of software application packages, operating systems, or computer hardware differing from those used by PCCA or Engineer on the Effective Date.

F. Documents provided by Engineer are not intended or represented to be suitable for reuse by PCCA or others on extensions of the Project or on any other project. PCCA may, however, reuse such documents without any payment to Engineer. Any such reuse or modification without written verification or adaptation by Engineer, as appropriate for the specific purpose intended, will be at PCCA's sole risk and without liability or legal exposure to Engineer or to Engineer's Consultants.

G. If there is a discrepancy between the electronic files and the hard copies, the hard copies govern.

Section 10.02 Records Retention

A. Engineer shall maintain on file in legible form, for a period of five years following completion or termination of its services under each Service Order, all Documents, records (including cost records), and design calculations related to Engineer's services or pertinent to Engineer's performance under the Service Order. Upon PCCA's request, Engineer shall provide a copy of any such item to PCCA at cost.

ARTICLE 11
INSURANCE

Section 11.01 Standard Insurance Policy Requirements

A. Without limiting the indemnity obligations or liabilities of Engineer or its insurers, provided herein, Engineer agrees to carry and maintain at its sole expense during the Term of this

Agreement the following policies of insurance (individually, a "***Policy***" and, collectively, the "***Policies***") in at least the minimum amounts specified below.

B. At least five (5) days prior to execution of this Agreement by PCCA, Engineer will provide to PCCA's Risk Program Manager certificates of insurance issued by each insurance company providing any of the required insurance coverage, and the text entered in each certificate must be acceptable to PCCA. The requirement to provide acceptable certificates of insurance is a material condition of this Agreement, and work under this Agreement and any associated Service Order may not commence until such certificates of insurance have been received, reviewed, and accepted by PCCA.

	TYPE OF INSURANCE	LIMITS OF LIABILITY
1.	Workers' Compensation	Statutory
2.	Employer's Liability	$1,00,000 per Occurrence $1,00,000 Aggregate
3.	Commercial General Liability	$1,000,000 per Occurrence $2,000,000 Aggregate

The CGL Policy will provide contractual liability coverage at the aforementioned limits.

4.	Business Automobile Liability	$1,000,000 per Occurrence

Automobile liability insurance coverage will include all owned, non-owned, and hired vehicles.

5.	Professional Liability	$2,000,000

Engineer will procure and maintain professional liability insurance for protection from claims arising out of performance of its Services under this Agreement caused by any error, omission, or act for which the Engineer is legally liable. Policies written on a claims-made basis shall have an extended reporting period of at least two (2) years beyond termination of the Agreement.

6.	Umbrella Liability	$5,000,000 per Occurrence

Umbrella liability coverage will apply to Employer's Liability, Commercial General Liability, and Business Automobile Liability.

Section 11.02 Additional Insurance Policies Required for Certain Work

A. Under certain circumstances, based on the scope and/or location of the services to be performed under a Service Order, the Service Order may require Engineer to carry and

maintain some or all of the additional types of insurance policies described in this Section. If the Service Order for a Specific Project requires additional insurance, Engineer understands and agrees that it will not be allowed to commence any work under the Service Order until the additional insurance policies have been issued to the Company and the Company provides PCCA with appropriate Certificates of Insurance.

Section 11.03 General Insurance Requirements

A. Each Policy, except Professional Liability, must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the PCCA Parties. Additionally, the PCCA Parties shall be designated as an additional insured either by a blanket additional insured or a specific endorsement on all Policies, except for Worker's Compensation, Employer's Liability, and Professional Liability.

B. In the event that the work of Engineer's employees falls within the purview of the United States Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or the Federal Employer's Liability Act, Engineer shall extend its insurance coverage to provide insurance against the liabilities imposed under the applicable Act or Acts even if not specifically required by the PCCA.

C. Each Policy, except Workers' Compensation and Professional Liability, must contain an endorsement that the Policy is primary to any other insurance available to the additional insureds with respect to claims arising under this Agreement.

D. The insurance required as listed above, shall apply to any Consultant performing for or on behalf of Engineer, and Engineer shall ensure that any such Consultant is aware of and complies with the insurance requirements during any period such Consultant is performing work under this Agreement.

E. The minimum insurance required may be increased periodically upon request by PCCA to commercially reasonable limits. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least "A-, VII".

F. Engineer's liability shall not be limited to the specified amounts of insurance required herein.

ARTICLE 12
RELEASE, INDEMNIFICATION AND MUTUAL WAIVER

Section 12.01 Release by Engineer

A. To the fullest extent permitted by Laws and Regulations, Engineer hereby releases and discharges the PCCA Parties from liability for and assumes the risk of loss or damage to the property of Engineer and the injury or death of any person employed by Engineer.

Section 12.02 Indemnification by Engineer

A. To the fullest extent permitted by Laws and Regulations, Engineer shall indemnify and hold harmless the PCCA Parties from all damages, losses, costs and expenses, of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including reasonable consultants' and attorneys' fees) (collectively, "*Damages*") arising from third-party claims or actions relating to this Agreement, any Service Order, or any Specific Project, but only to the extent that the Damages are caused by or result from an act of negligence, intentional tort, intellectual property infringement, or failure to pay a subcontractor or supplier committed by the Engineer or the Engineer's agent, consultant under contract, or another entity over which the Engineer exercises control.

B. Engineer's indemnity obligations under this Article 12 shall not be limited by a limitation on the amount or type of damages, compensation or benefits owed by Engineer to any employee of Engineer under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts.

C. The obligations of the Engineer under this Article 12 shall survive the end of the Term of this Agreement.

Section 12.03 Percentage Share of Negligence

A. The Engineer's total liability to the PCCA Parties for any Damages caused in part by the negligence of the Engineer Parties and in part by the negligence of the PCCA Parties or any other negligent entity or individual, shall not exceed the percentage share that the negligence of the Engineer Parties bears to the total negligence of all negligent parties.

Section 12.04 Mutual Waiver

A. To the fullest extent permitted by law, PCCA and Engineer waive against each other, and the other's employees, officers, Port Commissioners, directors, members, agents, insurers, partners, and consultants, any and all claims for or entitlement to special, incidental, indirect, or consequential damages arising out of, resulting from, or in any way related to this Agreement, any Service Order, or a Specific Project, from any cause or causes.

ARTICLE 13
DISPUTE RESOLUTION

A. In the event a dispute arises between the Parties regarding the application or interpretation of, or in any way relating to, this Agreement, the Parties agree to attempt to resolve all such disputes arising hereunder promptly, equitably and in a good faith manner. If the Parties shall have failed to resolve the dispute within the ten (10) Business Days after any written notice of the dispute has been received by the other Party, then either Party may elect to refer the dispute to the respective upper management of the Parties by notice in writing to the other Party, and the appropriate upper management of the Parties shall meet within the ten (10) Business Days after the date of the notice, to resolve the dispute. If the dispute is not resolved within five (5) Business

Days after such a meeting has commenced (but in any event within ten (10) Business Days after the date of the letter referring the matter to upper management), then either Party may at any time thereafter resort to mediation, under the remaining provisions of this Article.

B. PCCA and Engineer agree they will, before taking any other legal action, including the filing of an action in State or Federal Court, attempt in good faith, to mediate in Corpus Christi, Texas, any controversy or claim arising out of or related to this Agreement before a mediator to be agreed upon by PCCA and Engineer. PCCA and Engineer must use their best efforts to agree upon a mediator within fifteen (15) Business Days after a written request for mediation by either Party, and if PCCA and Engineer are unable to agree upon a mediator within such time either Party may request that the American Arbitration Association appoint a mediator. The mediator will schedule a mediation meeting at a time and place determined by the mediator. PCCA and Engineer will each pay one-half of the costs of mediation to the mediator. Any mediation shall not extend beyond thirty (30) days after the appointment of the mediator, and should the Parties fail to resolve any dispute by mediation within such 30-day period, the Parties shall have all rights available under this Agreement and at law or in equity.

ARTICLE 14
GENERAL PROVISIONS

Section 14.01 Severability

If any part of this Agreement is held to be invalid, illegal, or unenforceable in any respect, such determination shall not affect any other provision of this Agreement, and this Agreement shall then be construed as if the invalid, illegal, or unenforceable provision had not been included in this Agreement.

Section 14.02 No Waiver

Any waiver, expressed or implied, by either PCCA or Engineer to any breach of any agreement, covenant or obligation contained in this Agreement shall operate as such only in the specific instance, and shall not be construed as waiver to any subsequent breach of such agreement, covenant or obligation.

Section 14.03 Applicable Law

THIS AGREEMENT IS GOVERNED BY AND SHALL BE CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF TEXAS, EXCLUDING ANY CONFLICT-OF-LAWS RULE OR PRINCIPLE THAT MIGHT REFER THE GOVERNANCE OR THE CONSTRUCTION OF THIS AGREEMENT TO THE LAW OF ANOTHER JURISDICTION. PCCA and Engineer agree that if any controversy or claim arising out of or related to this Agreement cannot be resolved pursuant to and in accordance with the deadlines set forth in Article 13, then either Party may elect to resolve the controversy or claim though litigation filed and maintained in the federal or state courts located in Corpus Christi, Nueces County, Texas. PCCA and Engineer each submits to the exclusive jurisdiction of said courts and waives the right to change venue.

Section 14.04 Agreement and Service Orders Control

In the event of a conflict between the wording of a Service Order and any purchase order issued by PCCA in connection with the Service Order, the wording of the Service Order will control.

Section 14.05 Amendment of Agreement

This Agreement may be changed or modified at the request of either the Engineer or PCCA, provided both Parties agree to the requested change, and a written amendment of this Agreement is prepared and executed by the Parties.

Section 14.06 Assignment

Neither PCCA nor Engineer may assign or transfer any rights under or interest in this Agreement without the written consent of the other.

Section 14.07 No Third-Party Beneficiaries

This Agreement will be for the sole and exclusive benefit of PCCA and Engineer and not for the benefit of any other party, person, or entity. Nothing in this Agreement shall be construed to create, impose, or give rise to any duty owed by PCCA or Engineer to any Consultant, Contractor, Contractor's subcontractor, supplier, other individual or entity, or to any surety for or employee of any of them.

Section 14.08 Force Majeure

In the event either Party shall be delayed or hindered in or prevented from the performance required hereunder by reason of *force majeure*, which includes strikes, lockouts, labor troubles, failure of power, riots, insurrection, war, acts of God, or other reason of like nature not the fault of the Party delayed in performing work or doing acts (herein "***force majeure***"), such Party shall be excused for the period of time equivalent to the delay caused by such *force majeure*, or the Agreement may be terminated in accordance with terms herein should such delay be sufficient that termination is in the best interest of the PCCA.

Section 14.09 Public Disclosure

PCCA is a political subdivision of the state of Texas subject to the requirements of the Texas Open Meetings Act and the Texas Public Information Act (Texas Government Code, Chapters 551 and 552), and as such, PCCA is required to disclose to the public (upon request) this Agreement, the Service Orders issued hereunder, and certain other information and documents relating to the services contemplated hereby. In this regard, Engineer agrees that the disclosure of this Agreement, the Service Orders issued hereunder, or any other information or materials related to the services contemplated hereby, to the public by PCCA as required by the Texas Open Meetings Act, the Texas Public Information Act, or any other law will not expose PCCA (or any party acting by, through or under PCCA) to any claim, liability, or action by Engineer.

Section 14.10 Confidentiality

Engineer will keep confidential all information in whatever form produced, prepared, observed or received from PCCA to the extent that such information is: (a) confidential by law; (b) marked or designated "Confidential" or words to that effect; or (c) information that Engineer is otherwise required to keep confidential by this Agreement. Notwithstanding the above, Engineer will be permitted to disclose any information required by law or court order.

Section 14.11 Certificate of Interested Parties

Engineer will comply with the provisions of Section 2252.908 of the Texas Government Code and Chapter 46 of the Texas Ethics Commission Rules by preparing a Texas Form 1295, "Certificate of Interested Parties" and submitting the signed and notarized form to PCCA at the time Engineer submits the signed Agreement to PCCA. A separate Form 1295 may be required for subsequent Service Orders, as required by the referenced code and rules issued thereunder.

Section 14.12 Engineer's Certificate

Engineer certifies that it has not engaged in corrupt, fraudulent, or coercive practices in competing for or in executing this Agreement. For the purposes of this Section 14.12:

1. "corrupt practice" means the offering, giving, receiving, or soliciting of anything of value likely to influence the action of a public official in the selection process or in the execution of the Agreement;

2. "fraudulent practice" means an intentional misrepresentation of facts made (a) to influence the selection process or the execution of the Agreement to the detriment of PCCA, or (b) to deprive PCCA of the benefits of free and open competition;

3. "coercive practice" means harming or threatening to harm, directly or indirectly, persons or their property to influence their participation in the selection process or affect the execution of the Agreement.

Section 14.13 No Organizational Conflict of Interest

Engineer hereby certifies that it has no actual or potential Organizational Conflict of Interest. "***Organizational Conflict of Interest***" means that because of other activities or relationships with other persons or entities, the Engineer is unable or potentially unable to render impartial assistance or advice to PCCA or the Engineer's objectivity in performing the services under this Agreement and related Service Orders is or might otherwise be impaired. Engineer agrees to immediately notify PCCA of any actual or potential Organizational Conflict of Interest that develops during the Term of this Agreement. Engineer agrees that PCCA may terminate this Agreement immediately if it becomes aware of any Organizational Conflict of Interest during the term of the Agreement.

Section 14.14 Defamation

The Parties covenant and agree that in no event, and at no time during the Term of this Agreement or at any time thereafter, shall either of them disparage, denigrate, slander, libel or otherwise defame the other or the other's businesses, services, properties or assets, or employees, personnel, agents, or representatives.

Section 14.15 Parties Bound

This Agreement binds and inures to the benefit of the Parties and their respective legal representatives, heirs, distributees, successors and assigns, where assignment is permitted by this Agreement.

Section 14.16 Attorneys' Fees; Default

In the event Engineer or PCCA breach any of the terms of this Agreement and the Party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting Party agrees to pay reasonable attorney's fees and costs incurred by the prevailing Party.

ARTICLE 15
EXHIBITS

Section 15.01 Suggested Form of Service Order

The Suggested Form of Service Order is attached as Attachment One, and shall be used as the basis for preparing a specific Service Order for each Specific Project under this Agreement.

Section 15.02 Exhibits Included

A. **Exhibit A**, *Engineer's Services for Service Order*. Services, tasks, and terms in **Exhibit A** as included with this Agreement are for reference in preparing the scope of services for specific Service Orders, and are contractually binding only to the extent expressly incorporated in a specific Service Order.

B. **Exhibit B**, *Engineer's Standard Hourly Rates for Work performed under the Service Order*. This Exhibit, as updated from time to time, applies to all Service Orders.

C. **Exhibit C**, *Engineer's Reimbursable Expenses Schedule for costs incurred by Engineer when performing Work under the Service Order.* The terms of **Exhibit C** that will be applicable to and govern compensation under a specific Service Order will be determined by the selection of compensation methods made in Paragraph 5, "*Payments to Engineer*," of the specific Service Order.

D. **Exhibit D**, *Duties, Responsibilities and Limitations of Authority of Resident Project Representative.* This Exhibit is not contractually binding except when expressly incorporated in a specific Service Order.

E. **Exhibit E**, *Notice of Acceptability of Work.* Engineer shall use this Notice of Acceptability of Work form at the conclusion of construction on a Specific Project if the form is expressly incorporated by reference in a specific Service Order, and Engineer's scope of services in the specific Service Order includes providing such a Notice.

F. **Exhibit E**, *Amendment to Service Order*. PCCA and Engineer may use this form during a Specific Project to modify the specific Service Order.

[Signature page follows this page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Effective Date.

PCCA:

Port of Corpus Christi Authority

By:_____

Name: Sean C. Strawbridge

Title: Chief Executive Officer

Date Signed:_____

Address for giving notice:
222 Power Street
Corpus Christi, Texas 78401
Attention: Director of Engineering Services

PCCA's Contract Representative:

David L. Krams, P.E.

Title: Director of Engineering Services

Phone Number: 361-885-6134

Facsimile Number: 361-881-5161

E-Mail Address: krams@pocca.com

Engineer:

Rock Engineering and Testing Laboratory, Inc.

By: Curtis Rock

Name: Curtis Rock

Title: Chief Administrative Officer

Date Signed: 05-02-18

Address for giving notice:
6817 Leopard Street
Corpus Christi, Texas 78409

Engineer's Contract Representative:

Curtis Rock

Title: Chief Administrative Officer

Phone Number: 361/883-4555

Facsimile Number: 361/883-4711

E-Mail Address: curtis@rocktesting.com

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ATTACHMENT ONE
TO MASTER SERVICES AGREEMENT NO. 18-12

SUGGESTED FORM OF SERVICE ORDER

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER SERVICES AGREEMENT NO. 18-12

PROJECT NAME ***(Insert Project name)***
PROJECT NO. ***(Insert Project number)***
SERVICE ORDER NO. ***(Insert Service Order number)***
COMMENCEMENT DATE ***(Insert Commencement Date of Service Order)***

This Service Order is executed by any between the Port of Corpus Christi Authority of Nueces County, Texas ("**PCCA**") and Rock Engineering and Testing Laboratory, Inc. ("**Engineer**"). PCCA and Engineer agree that all of the Services authorized by this Service Order shall be subject to the terms and conditions of PCCA's Master Services Agreement No. 18-12 between PCCA and Engineer, as amended ("**Agreement**"). Upon execution of this Service Order, the Agreement shall be incorporated into and be considered part of this Service Order as if set forth herein in its entirety. Any capitalized terms in this Service Order that are not defined herein shall have the meanings given to them in the Agreement. If there is any inconsistency between the terms of this Service Order and the terms of the Agreement, the terms of this Service Order will control.

Engineer will provide the Services described in the Services of Engineer below in connection with the Specific Project described below.

1. Description of Specific Project:

[Insert a paragraph that describes the Specific Project that is the subject of this Service Order.]

2. Services of Engineer (Scope of Services)

A. The specific services to be provided or furnished by Engineer under this Service Order are: ***[Select one of the following options and delete the other.]***

☐ set forth in "Part 1—Services" of **Exhibit A**, "*Engineer's Services for Service Order*," modified for this specific Service Order, and attached to and incorporated as part of this Service Order.

[or]

☐ as follows: [ ] ***[Note: Insert detailed scope of services here.]***

B. Resident Project Representative (RPR) Services

If the scope of services established in Paragraph 2.A above includes RPR services, then **Exhibit D** of the Agreement is expressly incorporated in this Service Order by reference. The RPR shall provide ***[Select one of the following options]*:**

☐ full time representation; or
☐ part time representation as follows: _____.

[1. If RPR services are not in the scope of this Service Order, do not include any references to RPR services in Exhibit A (Paragraph A1.05(A)(1)) for this Service Order (or state "Does not apply" or similar), or in any other scope of services text or document.

2. If appropriate, modify Exhibit D for this specific Service Order, and attach it, rather than incorporating the Exhibit D that is included with the Agreement.]

C. Designing to a Construction Cost Limit

[If the design under this Service Order will be governed by a Construction Cost Limit, then include the following clause, with blanks filled in; if not, then delete the clause or indicate "Does not apply" or similar.]

Under this Service Order, Engineer will design to a Construction Cost Limit, subject to the terms of Section 7.03 of the Agreement. The Construction Cost Limit is $_____. The bidding or negotiating contingency to be added to the Construction Cost Limit is _____ percent per PCCA's Contingency Guidelines for General or Marine or Rehabilitation projects accordingly.

D. Other Services

Engineer shall also provide the following services:

[Summarize or provide a brief description of other services (if any) that are to be provided by Engineer, but have not been addressed in Paragraphs 2.A through 2.C.]

3. PCCA's Responsibilities

PCCA shall have those responsibilities set forth in Section 5.01 of the Agreement, subject to the following: ***[State any additions or modifications to Section 5.01 for this Specific Project here.]***

4. Service Order Schedule

In addition to any schedule provisions provided in **Exhibit A** or elsewhere, the parties shall meet the following schedule: ***[Revise and amend for each specific Service Order.]***

Party	**Action**	**Schedule**
Engineer	**Furnish [ ] review copies of the Report and other Study and Report Phase deliverables to PCCA.**	**Within [ ] days of the Commencement Date of the Service Order.**
PCCA	**Submit comments regarding Report and other Study and Report Phase deliverables to Engineer.**	**Within [ ] days of the receipt of Report and other Study and Report Phase deliverables from Engineer.**
Engineer	**Furnish [ ] copies of the revised Report and other Study and Report Phase deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the Report and other Study and Report Phase deliverables.**
Engineer	**Furnish [ ] review copies of the Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to PCCA.**	**Within [ ] days of PCCA's authorization to proceed with Preliminary Design Phase services.**
PCCA	**Submit comments regarding Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to Engineer.**	**Within [ ] days of the receipt of Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables from Engineer.**
Engineer	**Furnish [ ] copies of the revised Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables.**
Engineer	**Furnish [ ] copies of the 60% Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables.**

Engineer	**Furnish [ ] copies of the 90% Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables to PCCA.**	**Within [ ] days of the receipt of PCCA's comments regarding the Preliminary Design Phase documents, opinion of probable Construction Cost, and other Preliminary Design Phase deliverables.**
Engineer	**Furnish [ ] copies of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, to PCCA.**	**Within [ ] days of PCCA's authorization to proceed with Final Design Phase services.**
PCCA	**Submit comments and instructions regarding the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, to Engineer.**	**Within [ ] days of the receipt of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables from Engineer.**
Engineer	**Furnish [ ] copies of the revised final Drawings and Specifications, assembled Construction Contract Documents, bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, to PCCA.**	**Within [ ] days of the receipt of PCCA's comments and instructions regarding the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables**

Should PCCA not return comments and/or instructions in the time listed in the schedule, the Engineer's schedule for subsequent items will be extended by the same number of days

by which PCCA comments or instructions exceed the scheduled review with no further recourse by the Engineer against PCCA.

5. Method of Compensation

A. PCCA shall pay Engineer for services rendered under this Service Order using the following method of compensation: ***[Select one of the following options.]***

☐ Lump Sum plus Named Reimbursable Expenses, if any; or
☐ Standard Hourly Rates plus Reimbursable Expenses with a Ceiling Price.

B. If this is a Lump Sum Service Order, PCCA shall pay Engineer the following lump sum amount for the services described in this Service Order: $_____. In addition, PCCA shall reimburse Engineer for the following Named Reimbursable Expenses (if any): _____.

C. If this is an Hourly Rates Service Order, the Ceiling Price for this Service Order is $_____. In addition, PCCA shall reimburse Engineer for the Reimbursable Expenses described in Exhibit C.

D. If this is an Hourly Rates Service Order, the estimated amount of compensation payable for each category of services rendered under this Service Order is as follows:

[Notes: 1. Delete line items that do not apply to this Service Order. 2. Cross-references are to Exhibit A. Revise if necessary, or delete cross-references if Exhibit A is not used to establish the scope of services under this Service Order.]

Description of Service	Amount
Study and Report Phase (*A1.01 of Ex. A*)	$[ ]
Preliminary Design Phase (*A1.02 of Ex. A*)	$[ ]
Final Design Phase (*A1.03 of Ex. A*)	$[ ]
Bidding or Negotiating Phase (*A1.04 of Ex. A*)	$[ ]
Construction Phase (*A1.05 of Ex. A*)	$[ ]
Resident Project Representative Services (*A1.05(A)(1) of Ex. A*)	$[ ]
Post-Construction Phase (A1.06 of Ex. A)	$[ ]
Commissioning Phase (*A1.07 of Ex. A*)	$[ ]
Other Services (list as appropriate) (*A2.01 of Ex. A*)	$[ ]
Reimbursable expenses (if any)	$[ ]
ESTIMATED TOTAL COMPENSATION	$[ ]

E. The terms of payment are set forth in Article 4 of the Agreement.

6. Consultants retained or that will be retained as of the Commencement Date of the Service Order: ***[List name of Consultants, if any]***

7. Other Modifications to the Agreement or the Exhibits to the Agreement:

[Supplement or modify the Agreement and Exhibits, if appropriate.]

8. Exhibits or Attachments to this Service Order:

9. Documents (other than the Agreement) Incorporated by Reference:

10. Terms and Conditions

Execution of this Service Order by PCCA and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Service Order signed by PCCA.

IN WITNESS WHEREOF, each Party has executed this Service Order effective for all purposes as of the Commencement Date.

PCCA:	**Engineer:**
Port of Corpus Christi Authority of Nueces County, Texas	**Rock Engineering & Testing Laboratory, Inc.**
By:_____	By:_____
Name: _____	Name:_____
Title: _____	Title:_____
Date Signed:_____	Date Signed:_____
Address for giving notice: 222 Power Street Corpus Christi, Texas 78401 Attention: Director of Engineering Services	**Address for giving notice:** 6817 Leopard Street Corpus Christi, Texas 78409
PCCA's Designated Representative:	**Engineer's Designated Representative:**
_____	_____
Title:_____	Title:_____
Phone Number:_____	Phone Number:_____
Facsimile Number:_____	Facsimile Number:_____
E-Mail Address:_____	E-Mail Address:_____

EXHIBIT A TO SERVICE ORDER
ENGINEER'S SERVICES FOR SERVICE ORDER

[Introductory Note to User: The parties should prepare a specific, modified Exhibit A for each specific Service Order, state the scope of services for the Specific Project directly in the specific Service Order, or incorporate all or portions of Exhibit A by reference.

The following text as published describes a variety of services that may be included, in whole or in part, in a specific Service Order issued under the Agreement. Until this exhibit is customized for inclusion in a specific Service Order, or some or all of the exhibit is incorporated in a specific Service Order by reference, it has no legal or contractual effect.

Not all possible services are included in this exhibit. Language provided is intended to provide a basic framework, ideas for inclusion, and to avoid omissions; none, any, or most of this language may be applicable to a Specific Project. The user should revise and supplement the descriptions of services provided here for purposes of drafting the scope of Engineer's Services for each specific Service Order.]

PART 1—SERVICES

A1.01 *Study and Report Phase Services*

A. As Study and Report Services, Engineer shall:

1. If PCCA has already identified one or more potential solutions to meet its Specific Project requirements, Engineer will proceed with the study and evaluation of: ***[List the specific potential solutions here.]***

2. If PCCA has not identified specific potential solutions to meet its Specific Project requirements, Engineer will identify up to ____ potential solution(s) and then proceed with the study and evaluation of these potential solution(s).

3. Visit the Site, or potential Specific Project sites, to review existing conditions and facilities, unless such visits are not necessary or applicable to meeting the objectives of the Study and Report Phase.

4. Advise PCCA of any need for PCCA to obtain, furnish, or otherwise make available to Engineer additional Specific Project-related data and information, for Engineer's use in the study and evaluation of potential solution(s) to PCCA's Specific Project requirements, and preparation of a related report.

5. After consultation with PCCA, recommend to PCCA the solution(s) which in Engineer's judgment meet PCCA's requirements for the Specific Project.

6. Identify, consult with, and analyze requirements of governmental authorities having jurisdiction to approve the portions of the Specific Project to be designed or specified by Engineer, including but not limited to mitigating measures identified in an environmental assessment for the Specific Project.

7. Prepare a report (the "***Report***") which will, as appropriate, contain schematic layouts, sketches, and conceptual design criteria with appropriate exhibits to indicate the agreed-to requirements, considerations involved, and Engineer's recommended solution(s). For each recommended solution Engineer will provide the following, which will be separately itemized: opinion of probable Construction Cost; proposed allowances for contingencies; the estimated total costs of design, professional, and related services to be provided by Engineer and its Consultants; and, on the basis of information furnished by PCCA, a tabulation of other items and services included within the definition of Total Project Costs.

8. Review available survey, geotechnical, environmental, and other data and recommend additional investigations, studies, tests, professional services that may be required to support design of the alternatives.

9. When mutually agreed, assist PCCA in evaluating the possible use of building information modeling; civil integrated management; geotechnical baselining of subsurface site conditions; innovative design, contracting, or procurement strategies; or other strategies, technologies, or techniques for assisting in the design, construction, and operation of PCCA's facilities.

10. If requested to do so by PCCA, assist PCCA in identifying opportunities for enhancing the sustainability of the Specific Project, and pursuant to PCCA's instructions plan for the inclusion of sustainable features in the design.

11. Pursuant to the Service Order schedule, furnish the required number of review copies of the Report and any other Study and Report Phase deliverables to PCCA, and review it with PCCA. PCCA shall submit to Engineer any comments regarding the furnished items within the time established in the Service Order schedule.

12. Pursuant to the Service Order schedule, revise the Report and any other Study and Report Phase deliverables in response to PCCA's comments, as appropriate, and furnish the required number of copies of the revised Report and any other Study and Report Phase deliverables to the PCCA.

B. Engineer's services under the Study and Report Phase will be considered complete on the date when Engineer has delivered to PCCA the revised Report and any other Study and Report Phase deliverables.

A1.02 *Preliminary Design Phase*

A. Engineer shall:

1. Prepare Preliminary Design Phase documents consisting of final design criteria, preliminary drawings, outline specifications, and written descriptions of the Specific Project.

2. In preparing the Preliminary Design Phase documents, use any specific applicable Specific Project Strategies, Technologies, and Techniques authorized by PCCA during or following the Study and Report Phase, and include sustainable features, as appropriate, pursuant to PCCA's instructions.

3. Provide necessary field surveys and topographic and utility mapping for Engineer's design purposes. Comply with the scope of work and procedure for the identification and mapping of existing utilities selected and authorized by PCCA pursuant to advice from Engineer based on ASCE 38, "Standard Guideline for the Collection and Depiction of Existing Subsurface Utility Data," as set forth in Paragraph A1.01.A.12 above. If no such scope of work and procedure for utility mapping has been selected and authorized, then at a minimum the utility mapping will include Engineer contacting utility owners and obtaining available information.

4. Visit the Site as needed to prepare the Preliminary Design Phase documents.

5. Advise PCCA if additional reports, data, information, or services necessary so support final design and assist PCCA in obtaining such reports, data, information, or services. Include as appropriate scope for:

   (a) geotechnical for investigation

   (b) topographical surveys

   (c) utility mapping

6. Continue to assist PCCA with Specific Project Strategies, Technologies, and Techniques that PCCA has chosen to implement.

7. Based on the information contained in the Preliminary Design Phase documents, prepare a revised opinion of probable Construction Cost, and assist PCCA in tabulating the various cost categories which comprise Total Project Costs.

8. Pursuant to the Service Order schedule, furnish the required number of review copies of the Preliminary Design Phase documents, opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables to PCCA, and review them with PCCA. Within the time established in the Service Order schedule, PCCA shall submit to Engineer any comments regarding the furnished items.

9. Pursuant to the Service Order schedule, revise the Preliminary Design Phase documents, opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables in response to PCCA's comments, as appropriate, and furnish to PCCA the required number of copies of the revised Preliminary Design Phase documents, revised opinion of probable Construction Cost, and revised estimate of design and related professional services, and any other Preliminary Design Phase deliverables.

B. Engineer's services under the Preliminary Design Phase will be considered complete on the date when Engineer has delivered to PCCA the revised Preliminary Design Phase documents, revised opinion of probable Construction Cost, and any other Preliminary Design Phase deliverables.

A1.03 ***Final Design Phase***

A. Engineer shall:

1. Prepare final Drawings and Specifications indicating the scope, extent, and character of the Work to be performed and furnished by Contractor.

2. Visit the Site as needed to assist in preparing the final Drawings and Specifications.

3. Provide technical criteria, written descriptions, and design data for PCCA's use in filing applications for permits from or approvals of governmental authorities having jurisdiction to review or approve the final design; assist PCCA in consultations with such authorities; and revise the Drawings and Specifications in response to directives from such authorities, as appropriate.

4. Advise PCCA of any recommended adjustments to the opinion of probable Construction Cost as design progresses.

5. Assist PCCA in assembling known reports and drawings of Site conditions, and in identifying the technical data contained in such reports and drawings upon which bidders or other prospective contractors may rely.

6. In addition to preparing the final Drawings and Specifications, assemble drafts of other Construction Contract Documents based on specific instructions and contract forms, text, or content received from PCCA.

7. Prepare or assemble 60% Design documents (or requests for proposals or other construction procurement documents), based on the specific bidding or procurement-related instructions and forms, text, or content provided by PCCA. As directed by PCCA, organize the proposed work and related construction documents to provide for additive or alternative bids.

8. Prepare or assemble 90% Design and bidding-related documents (or requests for proposals or other construction procurement documents), based on the specific

bidding or procurement-related instructions and forms, text, or content provided by PCCA. As directed by PCCA, organize the proposed work and related construction documents to provide for additive or alternative bids.

9. Prepare or assemble draft bidding-related documents (or requests for proposals or other construction procurement documents), based on the specific bidding or procurement-related instructions and forms, text, or content provided by PCCA. As directed by PCCA, organize the proposed work and related construction documents to provide for additive or alternative bids.

10. Pursuant to the Service Order schedule, furnish for review by PCCA, the required number of copies of the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables, and review them with PCCA. Within the time required by the Service Order schedule, PCCA shall submit to Engineer any comments regarding the furnished items, and any instructions for revisions sealed by Registered Professional Engineer licensed to practice in the State of Texas.

11. Pursuant to the Service Order schedule, revise the final Drawings and Specifications, assembled drafts of other Construction Contract Documents, the draft bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables in accordance with comments and instructions from the PCCA, as appropriate, and submit the required number of final copies of such documents to PCCA after receipt of PCCA's comments and instructions.

B. Engineer's services under the Final Design Phase will be considered complete on the date when Engineer has delivered to PCCA the final Drawings and Specifications, other assembled Construction Contract Documents, bidding-related documents (or requests for proposals or other construction procurement documents), and any other Final Design Phase deliverables.

A1.04 ***Bidding or Negotiating Phase***

A. Engineer shall:

1. Attend pre-bid conference and provide a presentation of the technical aspect of the project.

2. Prepare and issue Addenda as appropriate, and as requested by PCCA, to clarify, correct, or change the issued documents.

3. Provide information or assistance needed by PCCA in the course of any review of proposals or negotiations with prospective contractors.

4. Consult with PCCA as to the qualifications of prospective contractors.

5. Consult with PCCA as to the qualifications of Subcontractors, suppliers, and other individuals and entities proposed by prospective contractors, for those portions of the Work as to which review of qualifications is required by the issued documents.

6. If the issued documents require, the Engineer shall evaluate and determine the acceptability of "or equals" and substitute materials and equipment proposed by prospective contractors, provided that such proposals are allowed by the bidding-related documents (or requests for proposals or other construction procurement documents) prior to award of contracts for the Work. Services under this paragraph are subject to the provisions of Paragraph A2.01(A)(16) of this **Exhibit A**.

7. Attend the bid opening, and assist PCCA in evaluating bids or proposals, assembling final contracts for the Work for execution by PCCA and Contractor, and in issuing notices of award of such contracts.

8. If PCCA engages in negotiations with bidders or proposers, assist PCCA with respect to technical and engineering issues that arise during the negotiations.

9. Engineer shall prepare and submit issued for construction drawings and specifications incorporating addenda issued during the Bid phase. Issued for Construction Drawings shall be sealed by Registered Professional Engineer licensed to practice in the State of Texas.

B. The Bidding or Negotiating Phase will be considered complete upon commencement of the Construction Phase or upon cessation of negotiations with prospective contractors (except as may be required if a Construction Cost limit is a part of this Service Order).

A1.05 ***Construction Phase***

A. Engineer shall:

1. *Resident Project Representative (RPR)*: Provide the services of an RPR at the Site to assist the Engineer and to provide more extensive observation of Contractor's work. Duties, responsibilities, and authority of the RPR are as set forth in **Exhibit D**. The furnishing of such RPR's services will not limit, extend, or modify Engineer's responsibilities or authority except as expressly set forth in **Exhibit D. [*If Engineer will not be providing the services of an RPR, then delete this Paragraph 2 by inserting the word "DELETED" after the paragraph title, and do not include Exhibit D in the Task Order.*]**

2. *Selection of Independent Testing Laboratory:* Assist PCCA, as requested, in the selection of an independent testing laboratory to perform the testing services identified in the contract documents.

3. *Pre-Construction Conference:* Participate in a pre-construction conference prior to commencement of Work at the Site.

4. *Electronic Transmittal Protocols:* If the Construction Contract Documents do not specify protocols for the transmittal of Project-related correspondence, documents, text, data, drawings, information, and graphics, in electronic media or digital format, either directly, or through access to a secure Project website, then together with PCCA and Contractor jointly develop such protocols for transmittals between and among PCCA, Contractor, and Engineer during the Construction Phase and Post-Construction Phase.

5. *Schedules:* Receive, review, and determine the acceptability of any and all schedules that Contractor is required to submit to Engineer, including the Progress Schedule, Schedule of Submittals, and Schedule of Values.

6. *Baselines and Benchmarks:* As appropriate, establish baselines and benchmarks for locating the Work which in Engineer's judgment are necessary to enable Contractor to proceed.

7. Visits *to Site and Observation of Construction:* In connection with observations of Contractor's Work while it is in progress:

   (a) Make visits to the Site at intervals appropriate to the various stages of construction, as Engineer deems necessary, to observe as an experienced and qualified design professional the progress of Contractor's executed Work. Based on information obtained during such visits and observations, Engineer will determine in general if the Work is proceeding in accordance with the Construction Contract Documents, and Engineer shall keep PCCA informed of the progress of the Work.

   (b) The purpose of Engineer's visits to the Site, and representation by the Resident Project Representative, if any, at the Site, will be to enable Engineer to better carry out the duties and responsibilities assigned to and undertaken by Engineer during the Construction Phase, and, in addition, by the exercise of Engineer's efforts as an experienced and qualified design professional, to provide for PCCA a greater degree of confidence that the completed Work will conform in general to the Construction Contract Documents and that Contractor has implemented and maintained the integrity of the design concept of the completed Project as a functioning whole as indicated in the Construction Contract Documents. Engineer shall not, during such visits or as a result of such observations of the Work, supervise, direct, or have control over the Work, nor shall Engineer have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, for security or safety at the Site, for safety precautions and programs incident to any Constructor's work in progress, for the coordination of the Constructors' work or schedules, nor for any failure of any Constructor to comply with Laws and Regulations applicable to furnishing and performing of its work. Accordingly, Engineer neither guarantees the performance of any Constructor nor assumes

responsibility for any Constructor's failure to furnish or perform the Work, or any portion of the Work, in accordance with the Construction Contract Documents.

8. *Defective Work:* Recommend rejection of Work if, on the basis of Engineer's observations, Engineer believes that such Work is defective under the terms and standards set forth in the Construction Contract Documents. Provide recommendations to PCCA regarding whether Contractor should correct such Work or remove and replace such Work, or whether PCCA should consider accepting such Work as provided in the Construction Contract Documents.

9. *Compatibility with Design Concept:* If Engineer has express knowledge that a specific part of the Work that is not defective under the terms and standards set forth in the Construction Contract Documents is nonetheless not compatible with the design concept of the completed Project as a functioning whole, then inform PCCA of such incompatibility, and provide recommendations for addressing such Work.

10. *Clarifications and Interpretations:* Accept from Contractor and PCCA submittal of all matters in question concerning the requirements of the Construction Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Construction Contract Documents. With reasonable promptness, render a written clarification, interpretation, or decision on the issue submitted, or an amendment or supplement to the Construction Contract Documents.

11. *Change Orders and Work Change Directives:* Recommend Change Orders and Work Change Directives to PCCA, as appropriate, and support preparation of Change Orders and Work Change Directives as required.

12. *Differing Site Conditions:* Respond to any notice from Contractor of differing site conditions, including conditions relating to underground facilities such as utilities, and hazardous environmental conditions. Promptly conduct reviews, obtain information, and prepare findings, conclusions, and recommendations for PCCA's use, subject to the limitations and responsibilities under the Agreement and the Construction Contract.

13. *Shop Drawings, Samples, and Other Submittals:* Review and approve or take other appropriate action with respect to Shop Drawings, Samples, and other required Contractor submittals, but only for conformance with the information given in the Construction Contract Documents and compatibility with the design concept of the completed Project as a functioning whole as indicated by the Construction Contract Documents. Such reviews and approvals or other action will not extend to means, methods, techniques, sequences, or procedures of construction or to safety precautions and programs incident thereto. Engineer shall meet any Contractor's submittal schedule that Engineer has accepted.

14. *Substitutes and "or-equal":* Evaluate and determine the acceptability of substitute or "or-equal" materials and equipment proposed by Contractor.

15. *Inspections and Tests:*

    (a) Receive and review certificates of inspections, tests, and approvals required by Laws and Regulations or the Construction Contract Documents. Engineer's review of such certificates will be for the purpose of determining that the results certified indicate compliance with the Construction Contract Documents and will not constitute an independent evaluation that the content or procedures of such inspections, tests, or approvals comply with the requirements of the Construction Contract Documents. Engineer shall be entitled to rely on the results of such inspections and tests.

    (b) Pursuant to the terms of the Construction Contract, recommend additional inspections or testing of the Work, whether or not the Work is fabricated, installed, or completed.

16. *Change Proposals and Claims:* (a) Review and respond to Change Proposals. Review each duly submitted Change Proposal from Contractor and, within 30 days after receipt of the Contractor's supporting data, either deny the Change Proposal in whole, approve it in whole, or deny it in part and approve it in part. Such actions shall be in writing, with a copy provided to PCCA and Contractor. If the Change Proposal does not involve the design (as set forth in the Drawings, Specifications, or otherwise), the acceptability of the Work, or other engineering or technical matters, then Engineer will notify the parties that the Engineer will not resolve the Change Proposal. (b) Provide information or data to PCCA regarding engineering or technical matters pertaining to Claims.

17. Applications *for Payment:* As requested by PCCA, review Contractor's applications for payment and provide PCCA with a recommendation to pay, partially pay, or request a revised pay application.

18. *Contractor's Completion Documents:* As required and directed by PCCA, review, and transmit to PCCA maintenance and operating instructions, schedules, guarantees, bonds, certificates or other evidence of insurance required by the Construction Contract Documents, certificates of inspection, tests and approvals, and Shop Drawings, Samples, and other data approved as provided from Contractor. Review, and transmit to PCCA the annotated record documents which are to be assembled by Contractor in accordance with the Construction Contract Documents to obtain final payment.

19. *Substantial Completion:* Promptly after notice from Contractor that Contractor considers the entire Work ready for its intended use, in company with PCCA and Contractor, visit the Site to review the Work and determine the status of completion. Follow the procedures in the Construction Contract regarding the preliminary

certificate of Substantial Completion, punch list of items to be completed, PCCA's objections, notice to Contractor, and issuance of a final certificate of Substantial Completion. Assist PCCA regarding any remaining engineering or technical matters affecting PCCA's use or occupancy of the Work following Substantial Completion.

20. *Final Notice of Acceptability of the Work:* Conduct a final visit to the specific Project to determine if the Work is complete and acceptable so that Engineer may recommend, in writing, final payment to Contractor. Accompanying the recommendation for final payment, Engineer shall also provide a notice to PCCA and Contractor in the form attached hereto as **Exhibit E** ("**Notice of Acceptability of Work**") that the Work is acceptable.

21. *Standards for Certain Construction-Phase Decisions:* Engineer will render decisions regarding the requirements of the Construction Contract Documents, and judge the acceptability of the Work, pursuant to the specific procedures set forth in the Construction Contract for initial interpretations, Change Proposals, and acceptance of the Work. In rendering such decisions and judgments, Engineer will not show partiality to PCCA or Contractor.

22. Preparing Record Drawings, and furnishing such Record Drawings to PCCA.

23. Supplementing Record Drawings with information regarding the completed Project, Site, and immediately adjacent areas obtained from field observations, PCCA, utility companies, and other reliable sources.

24. Conducting surveys, investigations, and field measurements to verify the accuracy of Record Drawing content obtained from Contractor, PCCA, utility companies, and other sources; revise and supplement Record Drawings as needed.

B. *Duration of Construction Phase:* The Construction Phase will commence with the execution of the first Construction Contract for the Specific Project or any part thereof and will terminate upon written recommendation by Engineer for final payment to Contractors. If the specific Project involves more than one prime contract then Construction Phase services may be rendered at different times in respect to the separate contracts.

A1.06 ***Post-Construction Phase***

A. Upon written authorization from PCCA during the Post-Construction Phase, Engineer shall:

1. Together with PCCA, visit the Project to observe any apparent defects in the Work, make recommendations as to replacement or correction of Defective Work, if any, or the need to repair of any damage to the Site or adjacent areas, and assist PCCA in consultations and discussions with Contractor concerning correction of any such Defective Work and any needed repairs.

2. Together with PCCA, visit the Project within one month before the end of the Construction Contract's Correction Period to ascertain whether any portion of the Work or the repair of any damage to the Site or adjacent areas is defective and therefore subject to correction by Contractor.

B. The Post-Construction Phase services may commence during the Construction Phase and will terminate twelve months after the commencement of the Construction Contract's Correction Period.

A1.07 ***Commissioning Phase***

A. Engineer shall:

1. Assist PCCA in connection with the adjusting of Specific Project equipment and systems.

2. Assist PCCA in training PCCA's staff to operate and maintain Specific Project equipment and systems.

3. Prepare operation and maintenance manuals.

4. Assist PCCA in developing procedures for (a) control of the operation and maintenance of Specific Project equipment and systems, and (b) related record-keeping.

5. Prepare and furnish to PCCA, in the format agreed to, Record Drawings showing appropriate record information based on Project annotated record documents received from Contractor.

PART 2—OTHER SERVICES

A2.01 ***Other Services Required to be Listed in the Service Order***

A. Each specific Service Order may include Services that do not fit into the categories described in Part 1, such as the types of Services listed in this Part 2. Such services should be expressly stated in the specific Service Order itself.

1. Preparation of applications and supporting documents (in addition to those furnished under Services) for private or governmental grants, loans, or advances in connection with the Specific Project; preparation or review of environmental assessments and impact statements; review and evaluation of the effects on the design requirements for the Specific Project of any such statements and documents prepared by others; and assistance in obtaining approvals of authorities having jurisdiction over the anticipated environmental impact of the Specific Project.

2. Services to make measured drawings of existing conditions or facilities, to conduct tests or investigations of existing conditions or facilities, or to verify the accuracy of drawings or other information furnished by PCCA or others.

3. Services resulting from significant changes in the scope, extent, or character of the portions of the Specific Project designed or specified by Engineer, or the Specific Project's design requirements, including, but not limited to, changes in size, complexity, PCCA's schedule, character of construction, or method of financing; and revising previously accepted studies, reports, Drawings, Specifications, or Construction Contract Documents when such revisions are required by changes in Laws and Regulations enacted subsequent to the Commencement Date of the Service Order or are due to any other causes beyond Engineer's control.

4. Providing renderings or models for PCCA's use, including services in support of building information modeling or civil integrated management.

5. Undertaking investigations and studies including, but not limited to:

   a) detailed consideration of operations, maintenance, and overhead expenses;

   b) based on the engineering and technical aspects of the Project, the preparation of feasibility studies (such as those that include projections of output capacity, utility project rates, project market demand, or project revenues) and cash flow analyses, provided that such services do not include rendering advice regarding municipal financial products or the issuance of municipal securities;

   c) evaluating processes available for licensing, and assisting PCCA in obtaining process licensing;

   d) detailed quantity surveys of materials, equipment, and labor; and

   e) audits or inventories required in connection with construction performed or furnished by PCCA.

6. Preparing for, coordinating with, participating in and responding to structured independent review processes, including, but not limited to, construction management, cost estimating, project peer review, value engineering, and constructability review requested by PCCA; and performing or furnishing services required to revise studies, reports, Drawings, Specifications, or other documents as a result of such review processes.

7. Assistance in connection with bid protests, rebidding, or renegotiating contracts for construction, materials, equipment, or services, except when such assistance is required to complete services required by Section 3.02.

8. Preparation of operation, maintenance, and staffing manuals.

9. Protracted or extensive assistance in refining and adjusting of Project equipment and systems (such as initial startup, testing, and balancing).

10. Assistance to PCCA in training PCCA's staff to operate and maintain Specific Project equipment and systems.

11. Assistance to PCCA in developing systems and procedures for (a) control of the operation and maintenance of Project equipment and systems, and (b) related recordkeeping.

12. Preparing to serve or serving as a consultant or witness for PCCA in any litigation, arbitration, mediation, lien or bond claim, or other legal or administrative proceeding involving the Project.

13. Providing construction surveys and staking to enable Contractor to perform its work other than as required under Paragraph A1.05(A)(6), and any type of property surveys or related engineering services needed for the transfer of interests in real property; and providing other special field surveys.

14. Provide assistance in responding to the presence of any Constituent of Concern at any Site, in compliance with current Laws and Regulations.

15. Services in connection with Work Change Directives and Change Orders to reflect changes requested by PCCA.

16. Services in making revisions to Drawings and Specifications occasioned by the acceptance of substitute materials or equipment other than "or equal" items; services after the award of the Construction Contract in evaluating and determining the acceptability of a proposed "or equal" or substitution which is found to be inappropriate for the Project; evaluation and determination of an excessive number of proposed "or equals" or substitutions, whether proposed before or after award of the Construction Contract.

17. Services resulting from significant delays, changes, or price increases occurring as a direct or indirect result of materials, equipment, or energy shortages.

18. Additional or extended services arising from (a) the presence at the Site of any Constituent of Concern or items of historical or cultural significance, (b) emergencies or acts of God endangering the Work, (c) damage to the Work by fire or other causes during construction, (d) a significant amount of defective, neglected, or delayed Work, (e) acceleration of the progress schedule involving services beyond normal working hours, or (f) default by Contractor.

19. Reviewing a Shop Drawing or other Contractor submittal more than three times, as a result of repeated inadequate submissions by Contractor.

EXHIBIT B
TO MASTER SERVICES AGREEMENT NO. 18-12

Standard Hourly Rates Schedule

The Standard Hourly Rates Schedule for Services performed under this Agreement is:

PERSONNEL

PRINCIPAL ENGINEER (HR)	HR	$	200.00
SR PROJECT ENGINEER (HR)	HR	$	180.00
PROJECT ENGINEER (HR)	HR	$	150.00
PROJECT EIT (HR)	HR	$	133.00
REPORT PREP	EA	$	1,875.00
PROJECT MANAGER	HR	$	140.00
OBSERVATIONS (Pier, Rebar, Grout Min 1 hour)	HR	$	115.00
ENGINEERING TECHNICIAN	HR	$	80.00
TECH SHOW UP/CANCELLATION TIME (Min 1 hour)	HR	$	80.00
TECHNICIAN STAND BY/ADDITIONAL HOUR	HR	$	80.00
WORK PERFORMED OUTSIDE NORMAL HOURS	HR	$	40.00
CERTIFIED WELDING INSPECTION (Min 4 hours)	HR	$	225.00
ADMINISTRATION FEE	LS	$	100.00

FIELD SERVICES

RIG

MOBILIZATION	EA	$	6,400.00
DRILLING / CPT (PER DAY)	DAY	$	5,200.00
DOWN TIME (PER DAY)	DAY	$	3,000.00

AMPHIBIOUS RIG

MOBILIZATION	EA	$	16,000.00
DRILLING / CPT (PER DAY)	DAY	$	8,000.00
DOWN TIME (PER DAY)	DAY	$	7,000.00

VIBRACORE AND SURVEYING

VIBRACORE (EACH)	EA	$	900.00
CORE TUBES (EACH)	EA	$	215.00
DATA PROCESSING & REPORTING (PER DAY)	DAY	$	1,000.00
LOGGER (PER DAY)	DAY	$	1,500.00

BARGE SERVICES

MOBILIZATION & DEMOBILIZATION	EA	$	11,000.00
BARGE - Max Spud Length of 30 Feet (PER DAY)	DAY	$	8,000.00
DOWN TIME (PER DAY)	DAY	$	7,500.00

MATERIALS TESTING

SOILS

ATTERBERG LIMITS/PLASTICITY INDEX (with Aggregate) ASTM D4318	EA	$	120.00
ATTERBERG LIMITS/PLASTICITY INDEX ASTM D4318	EA	$	80.00
CALIFORNIA BEARING RATIO (ASTM D1883)	EA	$	620.00
FIELD GRADATION	EA	$	100.00
FINER THAN #200 MESH (Decantation) ASTM C117	EA	$	85.00
GRADATION (Sieve Analysis) ASTM C136	EA	$	120.00
LA ABRASION (ASTM C131)	EA	$	410.00
LA ABRASION (ASTM C535)	EA	$	410.00
MATERIALS SAMPLING CHARGE	EA	$	75.00
NUCLEAR FIELD DENSITY Min 3 (ASTM D6938)(Call Out)	EA	$	60.00
PERMEABILITY (EXTRUDED) ASTM D5084	EA	$	315.00
PERMEABILITY (REMOLDED) ASTM D5084	EA	$	450.00
PROCTOR - MODIFIED ASTM D1557	EA	$	320.00
PROCTOR - STANDARD ASTM D698	EA	$	275.00
WET BALL MILL	EA	$	410.00
UNCONFINED COMPRESSIVE (EA)	EA	$	70.00
MOISTURE CONTENT TESTS (EA) (EVERY SAMPLE)	EA	$	15.00
CU TRIAXIAL TEST	EA	$	1,200.00
UU-TRIAXIAL TEST	EA	$	120.00
CONSOLS (D4186)	EA	$	620.00

CONCRETE

AIR CONTENT OF FRESHLY MIXED CONCRETE	EA	$	20.00
BEAM FLEXURAL TEST ASTM C293 (Set of 4)	SET	$	300.00
CONCRETE CYLINDERS (Min 4)	EA	$	58.00
CUBES/CYLINDERS PICK UP FEE	POUR	$	56.00

ASPHALT

ASPHALT CORED IN PLACE DENSITY	EA	$	127.00
ASPHALT FULL SERIES (ASTM C117, C136, D2041, D6307)	EA	$	780.00

GROUT & MORTAR

GROUT PRISMS (Min 4 per set)	EA	$	57.00
MORTAR CUBES (Min 3 per set)	EA	$	57.00

EXHIBIT C
TO MASTER SERVICES AGREEMENT NO. 18-12

Reimbursable Expenses Schedule

The Reimbursable Expenses Schedule for Services performed under the Agreement is:

Fax	$0.00/Page
Copies 8½" x 11"	$0.00/Page
Copies of Drawings 24" x 36"	$0.00/Sheet
Copies of Drawings 11" x 17"	$0.00/Sheet
Mileage	$0.545/Mile
Confined Space Equipment	$0/Day + Expenses
CAD Charge	$0/Hour
Soil Gas Kit	$0/Day
Soil Sampling	$0/Sample
Groundwater Sampling	$0/Sample
Long Distance Phone Calls	At Cost
Meals & Lodging	At Cost
Travel Expenses (other than mileage)	At Cost
Subconsultants	At Cost + 5%

EXHIBIT D
TO MASTER SERVICES AGREEMENT NO. 18-12

SCHEDULE OF DUTIES, RESPONSIBILITIES, AND LIMITATIONS OF AUTHORITY OF RESIDENT PROJECT REPRESENTATIVE

The following duties, responsibilities, and limitations of authority may be incorporated in the Service Order for a Specific Project:

Resident Project Representative

A. Engineer shall furnish a Resident Project Representative ("**RPR**") to assist Engineer in observing progress and quality of the Work. The RPR shall provide full-time or part-time representation as indicated in the Service Order. RPR is Engineer's representative at the Site, will act as directed by and under the supervision of Engineer, and will confer with Engineer regarding RPR's actions.

B. Through RPR's observations of the Work, including field checks of materials and installed equipment, Engineer shall endeavor to provide further protection for PCCA against defects and deficiencies in the Work. However, Engineer shall not, as a result of such RPR observations of the Work, supervise, direct, or have control over the Work, nor shall Engineer (including the RPR) have authority over or responsibility for the means, methods, techniques, sequences, or procedures of construction selected or used by any Constructor, for security or safety at the Site, for safety precautions and programs incident to the Work or any Constructor's work in progress, for the coordination of the Constructors' work or schedules, or for any failure of any Constructor to comply with Laws and Regulations applicable to the performing and furnishing of its work. The Engineer (including RPR) neither guarantees the performances of any Constructor nor assumes responsibility for any Constructor's failure to furnish and perform the Work, or any portion of the Work, in accordance with the Construction Contract Documents.

C. The duties and responsibilities of the RPR are as follows:

1. *General:* RPR's dealings in matters pertaining to the Work in general shall be with Engineer and Contractor. RPR's dealings with Subcontractors shall only be through or with the full knowledge and approval of PCCA and the Contractor. RPR shall generally communicate with PCCA only with the knowledge of and under the direction of Engineer.

2. *Schedules:* Review the progress schedule, schedule of Shop Drawing and Sample submittals, schedule of values, and other schedules prepared by Contractor and consult with Engineer and PCCA concerning acceptability of such schedules.

3. *Conferences and Meetings:* Attend meetings with Contractor, such as preconstruction conferences, progress meetings, job conferences, and other Project-related meetings (but not including Contractor's safety meetings), and as appropriate prepare and circulate copies of minutes thereof.

4. *Safety Compliance:* Comply with Site safety programs, as they apply to RPR, and if required to do so by such safety programs, receive safety training specifically related to RPR's own personal safety while at the Site.

5. *Liaison*

    a. Serve as Engineer's and PCCA's liaison with Contractor. Working principally through Contractor's authorized representative or designee, assist in providing information regarding the provisions and intent of the Construction Contract Documents.

    b. Assist Engineer in serving as PCCA's liaison with Contractor when Contractor's operations affect PCCA's on-Site operations.

    c. Assist in obtaining from PCCA additional details or information, when required for proper execution of the Work.

6. *Clarifications and Interpretations:* Receive from Contractor submittal of any matters in question concerning the requirements of the Construction Contract Documents (sometimes referred to as requests for information or interpretation—RFIs), or relating to the acceptability of the Work under the Construction Contract Documents. Report to Engineer and PCCA regarding such RFIs. Report to Engineer and PCCA when clarifications and interpretations of the Construction Contract Documents are needed, whether as the result of a Contractor RFI or otherwise. Transmit Engineer's and PCCA's clarifications, interpretations, and decisions to Contractor. ,

7. *Shop Drawings and Samples*

    a. Record date of receipt of Samples and Contractor-approved Shop Drawings.

    b. Receive Samples that are furnished at the Site by Contractor, and notify Engineer of availability of Samples for examination.

    c. Advise Engineer and Contractor of the commencement of any portion of the Work requiring a Shop Drawing or Sample submittal, if RPR believes that the submittal has not been received from Contractor, or has not been approved by Contractor or Engineer.

8. *Proposed* M*odifications:* Consider and evaluate Contractor's suggestions for modifications to the Drawings or Specifications, and report such suggestions, together with RPR's recommendations, if any, to Engineer and PCCA. Transmit Engineer's and PCCA's response (if any) to such suggestions to Contractor.

9. *Review of Work; Defective Work*

    a. Report to Engineer and PCCA whenever RPR believes that any part of the Work is defective under the terms and standards set forth in the Construction Contract

Documents, and provide recommendations as to whether such Work should be corrected, removed and replaced, or accepted as provided in the Construction Contract Documents.

b. Inform Engineer and PCCA of any Work that RPR believes is not defective under the terms and standards set forth in the Construction Contract Documents, but is nonetheless not compatible with the design concept of the completed Project as a functioning whole, and provide recommendations to Engineer and PCCA for addressing such Work; and

c. Advise Engineer and PCCA of that part of the Work that RPR believes should be uncovered for observation, or requires special testing, inspection, or approval.

10. *Inspections, Tests, and System Start-ups*

a. Consult with Engineer and PCCA in advance of scheduled inspections, tests, and systems start-ups.

b. Verify that tests, equipment, and systems start-ups and operating and maintenance training are conducted in the presence of appropriate PCCA's personnel, and that Contractor maintains adequate records thereof.

c. Observe, record, and report to Engineer and PCCA appropriate details relative to the test procedures and systems start-ups.

d. Observe whether Contractor has arranged for inspections required by Laws and Regulations, including but not limited to those to be performed by public or other agencies having jurisdiction over the Work.

e. Accompany visiting inspectors representing public or other agencies having jurisdiction over the Work, record the results of these inspections, and report to Engineer and PCCA.

11. *Records*

a. Maintain at the Site orderly files for correspondence, reports of job conferences, copies of Construction Contract Documents including all Change Orders, Field Orders, Work Change Directives, Addenda, additional Drawings issued subsequent to the execution of the Construction Contract, RFIs, Engineer's clarifications and interpretations of the Construction Contract Documents, progress reports, Shop Drawing and Sample submittals received from and delivered to Contractor, and other Project-related documents.

b. Prepare a daily report or keep a diary or log book, recording Contractor's hours on the Site, Subcontractors present at the Site, weather conditions, data relative to questions of Change Orders, Field Orders, Work Change Directives, or changed conditions, Site visitors, deliveries of equipment or materials, daily activities, decisions, observations in general, and specific observations in more

detail as in the case of observing test procedures; and send copies to Engineer and PCCA.

c. As requested by PCCA to Engineer, photograph or video work in progress or Site conditions.

d. Record and maintain accurate, up-to-date lists of the names, addresses, fax numbers, e-mail addresses, websites, and telephone numbers (including mobile numbers) of all Contractors, Subcontractors, and major Suppliers of materials and equipment.

e. Maintain records for use in preparing Specific Project documentation.

f. Upon completion of the Work, furnish original set of all RPR Project documentation to Engineer and PCCA.

12. *Reports*

a. Furnish to Engineer and PCCA periodic reports as required of progress of the Work and of Contractor's compliance with the progress schedule and schedule of Shop Drawing and Sample submittals.

b. Draft and recommend to Engineer and PCCA proposed Change Orders, Work Change Directives, and Field Orders. Obtain backup material from Contractor.

c. Furnish to Engineer and PCCA copies of all inspection, test, and system start-up reports.

d. Immediately inform Engineer and PCCA of the occurrence of any Site accidents, emergencies, acts of God endangering the Work, possible force majeure or delay events, damage to property by fire or other causes, or the discovery of any potential differing site condition or Constituent of Concern.

13. *Payment Requests:* Review applications for payment with Contractor for compliance with the established procedure for their submission and forward with recommendations to PCCA, noting particularly the relationship of the payment requested to the schedule of values, Work completed, and materials and equipment delivered at the Site but not incorporated in the Work.

14. *Certificates, Operation and Maintenance Manuals:* During the course of the Work, verify that materials and equipment certificates, operation and maintenance manuals and other data required by the Construction Contract Documents to be assembled and furnished by Contractor are applicable to the items actually installed and in accordance with the Construction Contract Documents, and have these documents delivered to Engineer for review and forwarding to PCCA prior to payment for that part of the Work.

15. *Completion*:

a. Participate in Engineer's and PCCA's visits to the Site regarding Substantial Completion, assist in the determination of Substantial Completion, and prior to the issuance of a Certificate of Substantial Completion, submit a punch list of observed items requiring completion or correction.

b. Participate in Engineer's and PCCA's visit to the Site in the company of, PCCA, and Contractor, to determine completion of the Work, and prepare a final punch list of items to be completed or corrected by Contractor.

c. Observe whether all items on the final punch list have been completed or corrected, and make recommendations to Engineer and PCCA concerning acceptance and issuance of the Notice of Acceptability of the Work (**Exhibit E**).

D. Resident Project Representative shall not:

1. Authorize any deviation from the Construction Contract Documents or substitution of materials or equipment (including "or-equal" items).

2. Exceed limitations of Engineer's authority as set forth in this Agreement.

3. Undertake any of the responsibilities of Contractor, Subcontractors, or Suppliers, or any Constructor.

4. Advise on, issue directions relative to, or assume control over any aspect of the means, methods, techniques, sequences or procedures of the Work, by Contractor or any other Constructor.

5. Advise on, issue directions regarding, or assume control over security or safety practices, precautions, and programs in connection with the activities or operations of PCCA or Contractor.

6. Participate in specialized field or laboratory tests or inspections conducted off-site by others except as specifically authorized by Engineer and/or PCCA.

7. Accept Shop Drawing or Sample submittals from anyone other than Contractor.

EXHIBIT E
TO MASTER SERVICES AGREEMENT NO. 18-12

NOTICE OF ACCEPTABILITY OF WORK

PROJECT TITLE:

PCCA PROJECT NUMBER:

MASTER SERVICES AGREEMENT NO.:

SERVICE ORDER NO.:

DATE OF CONSTRUCTION AGREEMENT:

DATE OF NOTICE

To: Port of Corpus Christi Authority (PCCA)

And To: *(Insert name of Contractor)* (Contractor)

From: *(Insert name of Engineer)* (Engineer)

The undersigned (Engineer) hereby gives notice to PCCA and Contractor that the completed Work furnished and performed by Contractor under the above Contract is acceptable, expressly subject to the provisions of the related Construction Contract Documents and the terms and conditions set forth on the reverse side hereof. Engineer further recommends PCCA issue a Notice of Final Acceptance to the Contractor.

Engineer:_____

By:_____

Name:_____

Title:_____

Date:_____

CONDITIONS OF NOTICE OF ACCEPTABILITY OF WORK

The Notice of Acceptability of Work ("**Notice**") on the front side of this sheet is expressly made subject to the following terms and conditions to which all persons who receive said notice and rely thereon agree:

1. Said Notice is given with the skill and care ordinarily used by members of the engineering profession practicing under similar conditions at the same time and in the same locality.

2. Said Notice reflects and is an expression of the professional judgment of Engineer.

3. Said Notice is given as to the best of Engineer's knowledge, information, and belief as of the date hereof.

4. Said Notice is based entirely on and expressly limited by the Scope of Services Engineer has been employed by PCCA to perform or furnish during construction of the Project (including observation of the Contractor's Work) under Engineer's Agreement with PCCA and under the Construction Contract referenced on the reverse hereof, and applies only to facts that are within Engineer's knowledge or could reasonably have been ascertained by Engineer as a result of carrying out the responsibilities specifically assigned to Engineer under Engineer's Agreement with PCCA and the Construction Contract referenced on the reverse hereof.

5. Said Notice affirms Contractor's performance under the Construction Contract referenced on the reverse hereof but is not an assumption of responsibility for any failure of Contractor to furnish and perform the Work thereunder in accordance with the Construction Contract Documents.

6. Said Notice affirms that the design of the Project complies with all City of Corpus Christi building codes regardless of whether or not the Project is located within the city limits of the City of Corpus Christi.

EXHIBIT F
TO MASTER SERVICES AGREEMENT NO. 18-12

AMENDMENT TO SERVICE ORDER NO. _____

1. Background Data:

a. Commencement Date of Service Order:

b. PCCA:

c. Engineer:

d. Specific Project:

2. Description of Modifications

[Include the following paragraphs that are applicable and delete those not applicable to this amendment. Refer to paragraph numbers used in the Agreement or a previous amendment for clarity with respect to the modifications to be made. Use paragraph numbers in this document for ease of reference herein and in future correspondence or amendments.]

a. Engineer shall perform the following Services: [ ]

b. The Scope of Services currently authorized to be performed by Engineer in accordance with the Service Order and previous amendments, if any, is modified as follows: [ ]

c. The responsibilities of PCCA with respect to the Service Order are modified as follows: [ ]

d. For the additional services or the modifications to services set forth above, PCCA shall pay Engineer the following additional or modified compensation: [ ]

e. The schedule for rendering services under this Service Order is modified as follows: [ ]

f. Other portions of the Service Order (including previous amendments, if any) are modified as follows: [ ]

[List other Attachments, if any]

3. Service Order Summary (Reference only)

a.	Original Service Order amount:	$[ ]
b.	Net change for prior amendments:	$[ ]
c.	This amendment amount:	$[ ]
d.	Adjusted Service Order amount:	$[ ]

The foregoing Service Order Summary is for reference only and does not alter the terms of the Service Order.

PCCA and Engineer hereby agree to modify the above-referenced Service Order as set forth in this Amendment. All provisions of the Agreement and Service Order not modified by this or previous Amendments remain in effect. The effective date of this Amendment is _____.

PORT OF CORPUS CHRISTI AUTHORITY		ENGINEER:	
By:	_____	By:	_____
Title:	_____	Title:	_____
Date Signed:	_____	Date Signed:	_____

SERVICE ORDER
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
MASTER SERVICES AGREEMENT NO. 18-12

PROJECT NAME: CCSC-CIP Geotechnical Investigation Services (BUS/DMPAs)
PROJECT NO. 04-027I
SERVICE ORDER NO. 1
COMMENCEMENT DATE: May 15, 2018

This Service Order is executed by any between the Port of Corpus Christi Authority of Nueces County, Texas ("**PCCA**") and Rock Engineering and Testing Laboratory, Inc. ("**Engineer**"). PCCA and Engineer agree that all of the Services authorized by this Service Order shall be subject to the terms and conditions of PCCA's Master Services Agreement No. 18-12 between PCCA and Engineer, as amended ("**Agreement**"). Upon execution of this Service Order, the Agreement shall be incorporated into and be considered part of this Service Order as if set forth herein in its entirety. Any capitalized terms in this Service Order that are not defined herein shall have the meanings given to them in the Agreement. If there is any inconsistency between the terms of this Service Order and the terms of the Agreement, the terms of this Service Order will control.

Engineer will provide the Services described in the Services of Engineer below in connection with the Specific Project described below.

Description of Specific Project:

Engineer will perform a subsurface investigation, laboratory testing program and provide geotechnical recommendations for the proposed Corpus Christi Ship Channel Improvement Project's Beneficial Use (BUS) and Dredge Material Placement Area (DMPA) Sites located along the Corpus Christi Ship Channel's Lower and Upper Bay Reaches including BUS I, S, R and CQ and DMPA 6. Engineer will provide on-site and laboratory construction material testing services in accordance with American Society for Testing and Materials (ASTM) standards or other industry standards as approved by PCCA and USACE. Testing services and schedule will be coordinated with PCCA and USACE. See Figure 1.

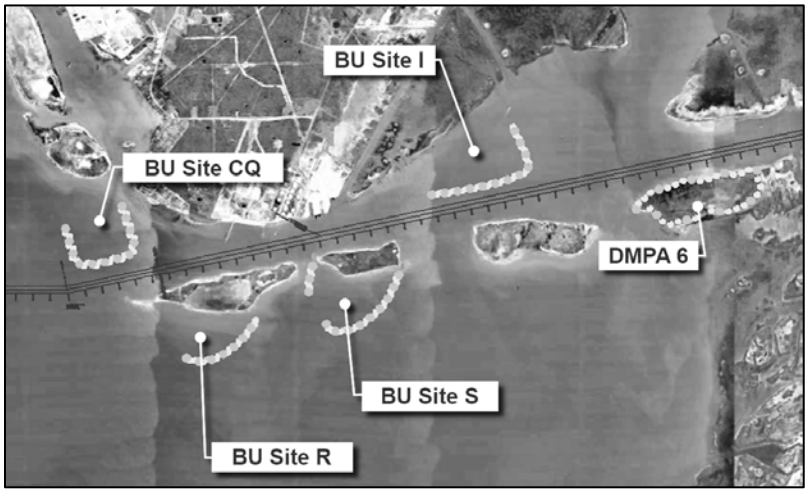


Figure 1

Services of Engineer (Scope of Services)

The specific services to be provided or furnished by Engineer under this Service Order are set forth in "Part 1—Services" of **Exhibit A**, "*Engineer's Services for Service Order*," modified for this specific Service Order, and attached to and incorporated as part of this Service Order.

PCCA's Responsibilities

PCCA shall have those responsibilities set forth in Section 5.01 of the Agreement and the following:

- PCCA will provide readily available information about pipeline crossings in the area of the geotechnical investigation.

- PCCA and USACE will complete and return testing assignments for each boring log to Engineer within 48 hours of receipt of boring logs.

Service Order Schedule

In addition to any schedule provisions provided in **Exhibit A** or elsewhere, the parties shall meet the following schedule:

Party	Action	Schedule
Engineer	**Begin Field Work**	**May 29, 2018**
Engineer	**Conclude Field Work**	**July 31, 2018**
Engineer	**Submit Draft Report (3 Review Copies)**	**August 28, 2018**
PCCA	**Submit comments regarding Report**	**September 28, 2018**
Engineer	**Submit Final Report (3 Copies)**	**October 2, 2018**

Should PCCA not return comments and/or instructions in the time listed in the schedule, the Engineer's schedule for subsequent items will be extended by the same number of days by which PCCA comments or instructions exceed the scheduled review with no further recourse by the Engineer against PCCA.

Method of Compensation

A. PCCA shall pay Engineer for services rendered under this Service Order using the Standard Hourly Rates with a Ceiling Price of **$1,488,515**.

B. For this Hourly Rates Service Order, the estimated amount of compensation payable for each category of services rendered under this Service Order is as follows:

Description of Service	Est. Amounts
Field Collection and Testing	$1,070,007
Laboratory Testing	$ 173,993
Engineering and Geotechnical Report	$ 131,575
Allowance for approved downtime	$ 112,940
CEILING PRICE	$1,488,515

C. The terms of payment are set forth in Article 4 of the Agreement.

Consultants retained or that will be retained as of the Commencement Date of the Service Order:

Encore
Naismith Marine

Other Modifications to the Agreement or the Exhibits to the Agreement:

None

Exhibits or Attachments to this Service Order:

None

Documents (other than the Agreement) Incorporated by Reference:

None

Terms and Conditions

Execution of this Service Order by PCCA and Engineer shall make it subject to the terms and conditions of the Agreement (as modified above), which Agreement is incorporated by this reference. Engineer is authorized to begin performance upon its receipt of a copy of this Service Order signed by PCCA.

[Signature page follows this page]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement effective as of the Effective Date.

PCCA:

Port of Corpus Christi Authority

By:_____

Name: Sean C. Strawbridge

Title: Chief Executive Officer

Date Signed:_____

Address for giving notice:
222 Power Street
Corpus Christi, Texas 78401
Attention: Director of Engineering Services

PCCA's Contract Representative:

David L. Krams, P.E.

Title: Director of Engineering Services

Phone Number: 361-885-6134

Facsimile Number: 361-881-5161

E-Mail Address: krams@pocca.com

Engineer:

Rock Engineering and Testing Laboratory, Inc.

By: Curtis Rock

Name: Curtis Rock

Title: Chief Administrative Officer

Date Signed: 05-09-18

Address for giving notice:
6817 Leopard Street
Corpus Christi, Texas 78409

Engineer's Contract Representative:

Curtis Rock

Title: Chief Administrative Officer

Phone Number: 361/883-4555

Facsimile Number: 361/883-4711

E-Mail Address: curtis@rocktesting.com

EXHIBIT A
ENGINEER'S SERVICES FOR SERVICE ORDER

PART 1—SERVICES

A1.01 *Project Kickoff and Safety*

A. Engineer will conduct a project kickoff meeting with USACE and PCCA personnel to prioritize and determine sampling locations, sampling intervals, and coordinate participation in the field investigation by PCCA and USACE personnel. Conduct other kickoff meetings as necessary.

B. Perform the necessary job safety analyses to perform work in accordance with Engineer's safety initiatives.

A1.02 *Sample Collection*

A. Engineer shall utilize a combination of amphibious drilling equipment, standard geotechnical truck mounted drilling rigs mounted on barges, and other small watercraft to access the boring locations and perform the proposed sampling.

B. Barges will be used to transport the geotechnical drilling rig(s) to access the boring locations within the bay and will be properly equipped and manned for safe transport and operation of the drilling equipment. Drilling operations will be performed as close and safely as possible to the boring locations as determined by the barge/tug captain. The borings will be advanced to the target termination elevation. The vibracores and CPT soundings may be terminated at shallower depths if refusal is encountered.

C. The borings and soundings will be performed as close as feasible to the boring location provided on the Proposed Geotechnical Investigation Plan based on the GPS coordinates obtained from a commercially available Garmin handheld GPS model Etrex Venture.

D. Engineer will coordinate with the Texas 811 System to identify underground utilities in the proximity of the boring and sounding locations. The borings and soundings will be relocated if necessary.

E. Engineer will obtain approximate water depths at the boring locations during the field investigation. The time that the water depth is measured will be recorded and tidal data will be obtained from either National Oceanic and Atmospheric Administration (NOAA) or the Blucher Institute to determine the approximate elevation of the borings.

F. Geotechnical drilling operations will be completed utilizing a standard geotechnical drilling rig equipped with a rotary head turning hollow stem augers or wet rotary drilling techniques to advance the boreholes.

G. The borings will be sampled at 2-foot intervals to a depth of 10-feet and at 5-foot intervals thereafter to the termination depths of the borings.

H. Soil samples will be obtained at predetermined depths, unless conditions warrant variations to sampling.

I. Relatively undisturbed samples will be obtained using thin-wall tube sampling procedures in accordance with "Thin Walled Tube Sampling of Soils, (ASTM D1587)", where applicable.

J. Vibracore sampling will be performed using aluminum tubes. The vibracores will be advanced to depths up to 15-feet, or until refusal. In the event the vibracore tube is unable to penetrate the sea floor, drop sampling or hand excavation will be utilized to obtain a grab sample.

K. For water pushes, the borings will be allowed to collapse upon completion of drilling.

L. For land pushes, Engineer shall backfill drill holes and abandon in accordance with all Federal, State, and local laws, regulations and ordinances. As a minimum, all holes shall be grouted from the bottom of the hole to within 2 feet of the ground surface using a grout mixture of six to eight gallons of water per sack (94 pounds) of portland cement.

M. GPS coordinates, obtained in the field at the boring locations, will be recorded using a commercially available Garmin handheld GPS model Etrex Venture using NAD 83 map datum.

N. As directed by the PCCA and USACE the estimated number and depth of the vibracores, borings, and CPT soundings are provided in the table below:

PROPOSED FIELD INVESTIGATION				
Location	**Investigation Type**	**Number**	**Estimated Depth (feet)**	**Total Estimated Linear Feet**
BUS I	Vibracore	85	15	1275
BUS I	CPT (in water)	23	45	1035
BUS I	Boring (in water)	12	35	420
BUS S	Vibracore	75	15	1125
BUS S	CPT (in water)	20	45	900
BUS S	Boring (in water)	12	35	420
BUS R	Vibracore	51	15	765
BUS R	CPT (in water)	14	45	630
BUS R	Boring (in water)	7	35	245
BUS CQ	Vibracore	82	15	1230
BUS CQ	CPT (in water)	22	45	990
BUS CQ	Boring (in water)	12	35	420
DMPA 6	CPT (on land)	25	50	1250
DMPA 6	Boring (on land)	9	40	360
Total				
---	Vibracore	293	---	4395
---	CPT (in water)	79	---	3555
---	CPT (on land)	25	---	1250
---	Boring (in water)	43	---	1505
---	Boring (on land)	9	---	360

O. Driller shall follow dry-auger technique above groundwater level and follow with wet-rotary technique up to target bottom elevation.

P. Sampling Methods: 3-inch dia. thin-walled tube sampler (ASTM D1587) for Clayey soils & SPT Split-Barrel Sampling of Soils (ASTM D1586) for Granular Soils.

Q. Engineer onsite shall log the drilling and sampling records (SPT hammer blowcounts, visual soil classification, pocket penetrometer readings and so on) to prepare the raw boring logs.

R. Engineer onsite shall oversight the careful handling of soil samples and shall record the SPT hammer blowcounts during drilling.

S. Engineer shall select suitable vibratory coring sampler type for the sediment survey, the objective of the vibratory coring to survey the loose/soft sediment thickness at the coring location.

T. Engineer onsite shall log the vibratory coring samples with depth and prepare raw coring logs (visual classification) and the pocket penetrometer reading shall be taken at the shoe samples and the shoe samples shall be collected for laboratory testing along with the continuous core samples.

U. All sample locations and necessary variances will be recorded in the field logbook.

A1.03 ***Testing***

A. Perform laboratory testing and analysis in accordance with ASTM Standard Test Methods D2216, D6903, D4318, D1140, D7263, D2166, D4767, D2850, and D4186.

B. Disturbed soil samples will be obtained employing split-barrel sampling procedures in general accordance with the procedures for "Penetration Test and Split-Barrel Sampling of Soils, (ASTM D1586)", where applicable.

C. Shear strength of cohesive soils will be estimated using a hand penetrometer, where applicable.

D. Standard penetration tests (SPT) will be recorded in granular and cohesive soils, where applicable.

E. In situ CPT tests will be performed at the proposed locations to depths of up to 40-feet, or until refusal, using a geotechnical drill rig equipped with a piezocone. The data from the CPT will include cone resistance (qc), cone side friction (fsc), pore water pressure, and friction ratio (Rf).

F. Complete assigned laboratory test regime in accordance with the schedule below, dependent on the soils encountered and as assigned by the PCCA and USACE:

- Supplementary Visual Classification (ASTM D2487)

- Water Content Tests (ASTM D2216) (631 tests)
- Atterberg Limits Tests (ASTM D4318) (244 tests)
- Unconfined Compressive Strength Tests (ASTM D2166) (244 tests)
- Percent Material Finer Than The #200 Sieve Tests (ASTM D1140) (244 tests)
- Sieve Analysis (ASTM D6903) (60 tests)
- Consolidated Undrained Triaxial Compression (ASTM D4767) (45 tests)
- Unconsolidated-Undrained Triaxial Compression (ASTM D2850) (90 tests)
- One-Dimensional Consolidation (Controlled Strain) (ASTM D4186) (60 tests)
- This proposal does not include analytical testing of sediment and water samples.

A1.04 ***Investigation Report***

A. Geotechnical Report:

1. In addition to the field and laboratory testing, Engineer will prepare a geotechnical report that includes a description of the field exploration and laboratory tests, boring logs, sounding logs, a discussion of the subsurface materials encountered.

2. The preceding test methods may be performed on selected samples, depending on the actual subsurface conditions encountered. All phases of the laboratory testing program will be performed in general accordance with applicable ASTM Specifications. All field and laboratory test results will be included on the boring log or provided in the report.

A1.05 ***Coordination***

A. Professional services to support Port Authority Program or Project Management and/or coordination with USACE during CCSC Lower Bay and Upper Bay Geotechnical Investigation.

B. Conduct project meetings and participate in conference calls with PCCA and USACE staff, as received.

PART 2—OTHER SERVICES

A2.01 ***Other Services Required to be Listed in the Service Order***

Not Applicable

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: David L. Krams, P.E.
Director of Engineering Services
Krams@pocca.com
(361) 885-6134

ANTICIPATED STAFF PRESENTER: Natasha Fudge, P.E..
Acting Chief Construction Engineer

Award a Design-Build Contract to Orion Construction LP in an Amount Up to $19,000,000, providing the Best Value Based Proposal based on Proposals Received on April 27, 2018 for Design and Construction of the New North Bank Cargo Dock (Cargo Dock 16) Project.

SUMMARY: Staff recommends the award of a Design-Build contract to Orion Construction LP (Orion) in an amount up to $19,000,000, for the design and construction of the New North Bank Cargo Dock (Cargo Dock 16), contingent on receipt of letter of credit from GCCM Holdings, LLC.

BACKGROUND: On July 18, 2017 the Commission approved a lease agreement with GCCM Holdings, LLC (GCCM) which included the construction and operation of a new cargo dock. The cargo dock, which will be used exclusively by GCCM, will support GCCM's operations to unload dry bulk vessels transporting cement to the cargo dock and adjacent cement distribution terminal. The proposed dock will be located on the north bank of the Inner Harbor between Public Oil Dock 15 and the Texas Lehigh Dock. In December 2016, the Commission approved the use of the design-build purchasing contract method for this project, and on April 27th, the PCCA received proposals from three of four short-listed offerors. After completing an evaluation of team qualifications, technical proposals, and price proposals, the PCCA determined that the design-build team led by Orion provided the best value to the PCCA as well as to GCCM.

This project will provide for the construction of a concrete pile supported dock to accommodate Handymax class vessels at a dredge depth of -47 feet Mean Lower Low Water (MLLW) Datum. The dock will be designed and constructed to accommodate future Aframax class vessels and a future dredge depth of -54 feet MLLW, and the fendering system will be designed to be readily upgraded in the future to support Aframax vessels.

In accordance with requirements of the GCCM lease agreement, execution of the design-build contract shall be pending receipt of GCCM's letter of credit, which is due to the PCCA on or before the fifth day after Commission approval of the Design-Build Contract.

ALTERNATIVES: N/A.

CONFORMITY TO PORT POLICY: The project conforms to the PCCA's Strategic Plan (Strategic Goal #2 – Provide Facilities and Services to Meet Customer Needs, Strategic Objective #2B – Provide Public Docks and Support Private Facilities to Facilitate Maritime and Industrial Development).

EMERGENCY: No, but awarding the contract at the May commission meeting is required to meet GCCM's schedule needs.

FINANCIAL IMPACT: The 2018 budget included $14,500,000 for this project. This project will provide infrastructure to support operations of a PCCA customer. The PCCA's cost to design and construct the proposed dock will be recovered through the terms in the lease agreement.

STAFF RECOMMENDATION: At the time of the preparation of this letter to the Commission, staff was finalizing negotiations with Orion, and therefore, staff recommends the award of a Design-Build contract to Orion Construction LP in an amount up to $19,000,000 for the design and construction of a new cargo dock on the north bank of the inner harbor. Staff further requests that the Director of Engineering be granted a contingency of $750,000 (approx. 4% of $19,000,000) should it be needed for the project.

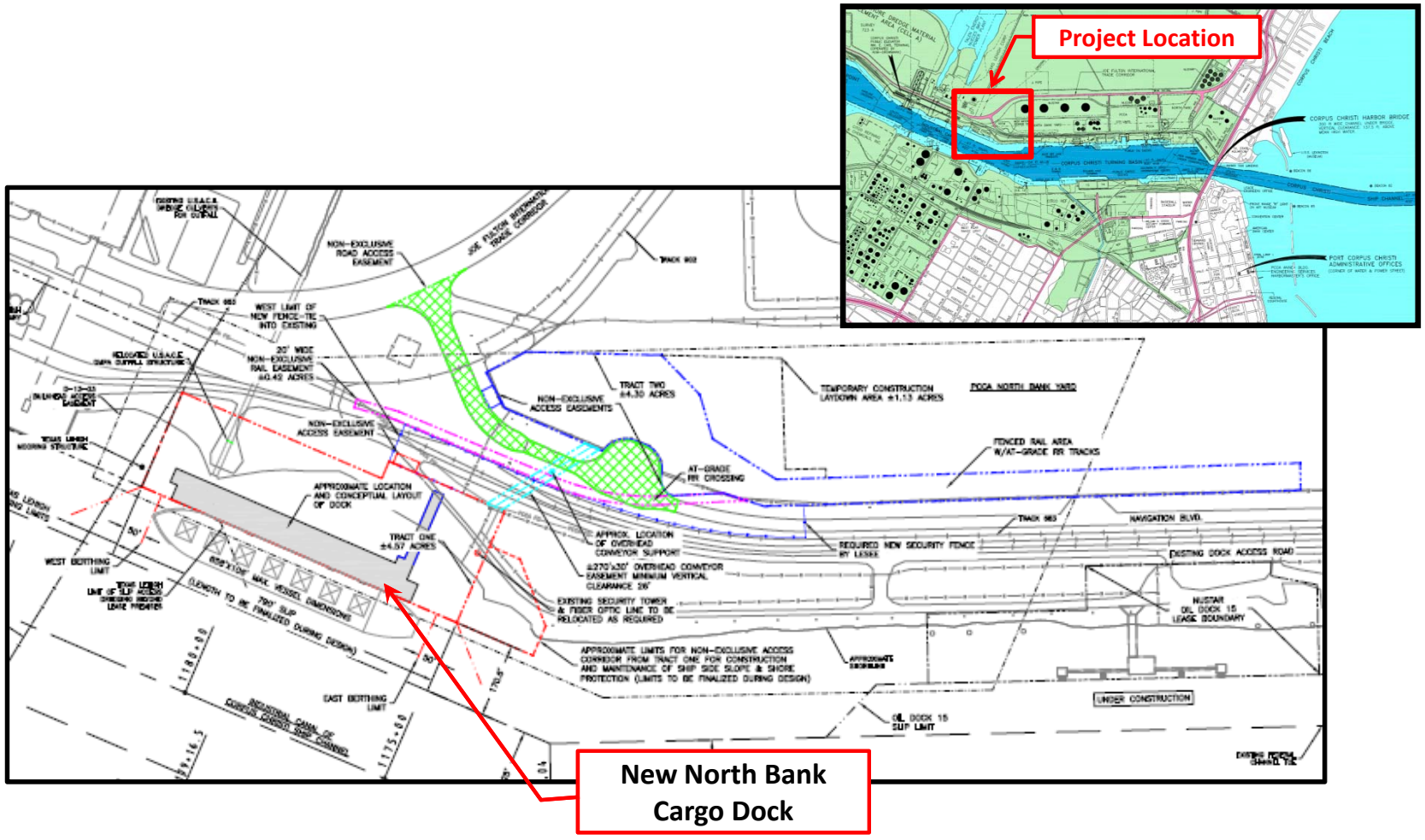
DEPARTMENTAL CLEARANCES:

Originating Department	Engineering Services
Reviewed & Approved	David Krams
	Natasha Fudge
Legal	N/A
Senior Staff	John LaRue
	Sean Strawbridge
	Dennis DeVries

LIST OF SUPPORTING DOCUMENTS:

Map Exhibit

New North Bank Cargo Dock (Cargo Dock 16)



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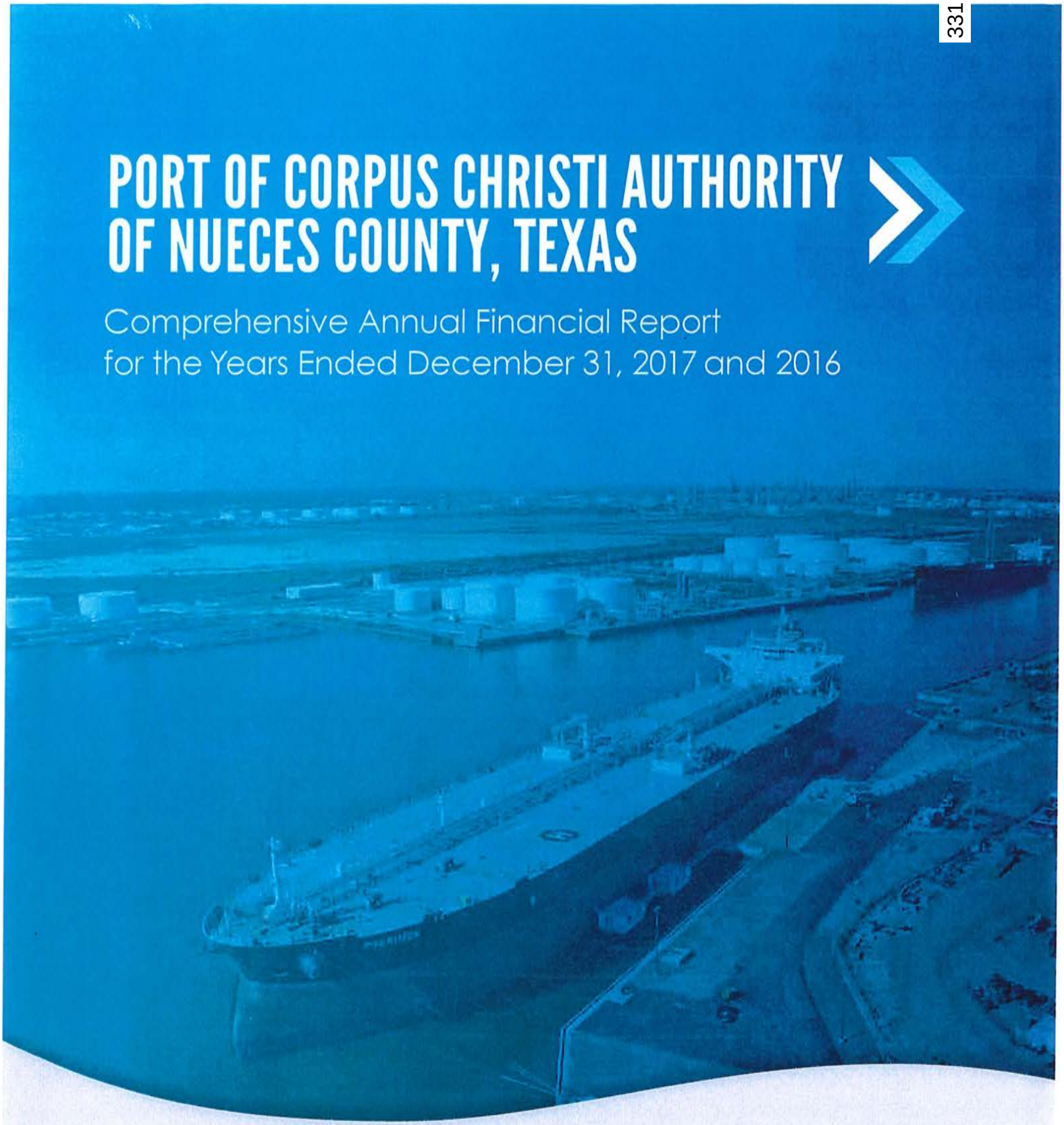
PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Comprehensive Annual Financial Report
for the Years Ended December 31, 2017 and 2016



PORT CORPUS CHRISTI®

Moving America's Energy

MOVING AMERICA'S ENERGY

Port Corpus Christi had a tremendous year in 2017. The Port became the #1 U.S. crude oil exporter, successfully tested a Very Large Crude Carrier, and broke the record for a single vessel load of crude oil, truly making it the Energy Port of the Americas. The Port faced its first hurricane in over 18 years and emerged as the largest refining hub in the Gulf Coast during recovery. Commissioners and staff strategically pursued federal funding for the deepening and widening of the Corpus Christi Ship Channel, which paid dividends for the future of the project.

It was a remarkable year for so many reasons, and featured on the covers are some of the brightest highlights of 2017.

Comprehensive Annual Financial Report

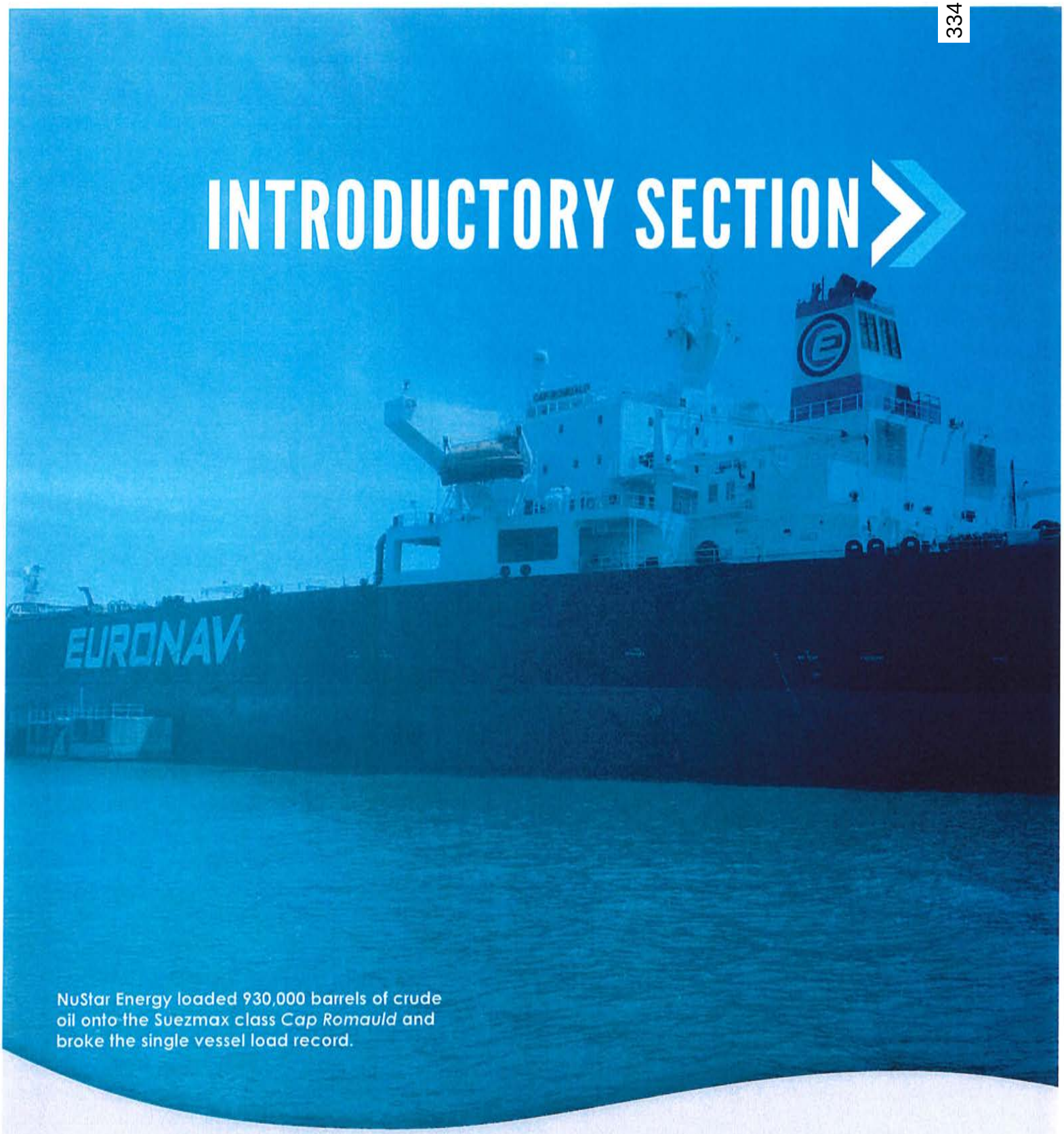
Port of Corpus Christi Authority of Nueces County, Texas

For the Years Ended December 31, 2017 and 2016

Prepared by the Finance Department

Dennis J. DeVries
Chief Financial Officer

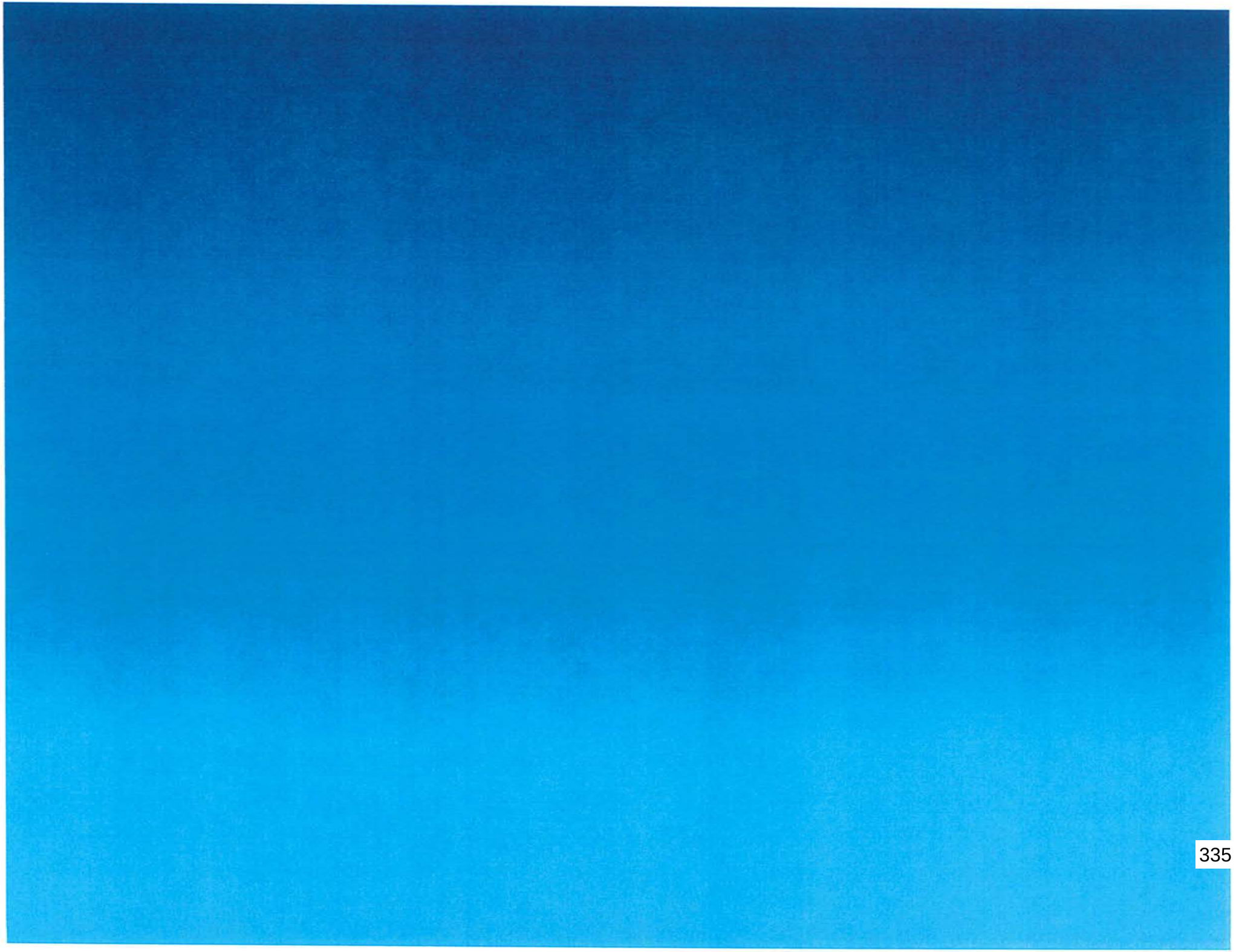
INTRODUCTORY SECTION



NuStar Energy loaded 930,000 barrels of crude oil onto the Suezmax class *Cap Romauld* and broke the single vessel load record.

PORT CORPUS CHRISTI®

Port of Corpus Christi Authority of Nueces County, TX



PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

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December 31, 2017

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PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

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December 31, 2017

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PORT CORPUS CHRISTI

April 30, 2018

Port Commission
Port of Corpus Christi Authority of Nueces
County, Texas
Corpus Christi, Texas

State law requires that every navigation district or port authority publish at the close of each fiscal year a complete set of audited financial statements. This report is published to fulfill that requirement for the year ended December 31, 2017.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Collier, Johnson and Woods, P. C., Certified Public Accountants, have issued an unmodified ("clean") opinion on the Port of Corpus Christi Authority of Nueces County, Texas (Authority)'s financial statements for the year ended December 31, 2017. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A compliments this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE GOVERNMENT

The Authority is located along the southeastern coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican border. The Authority maintains one of the deepest ports along the Gulf of Mexico coast with a channel depth of 45 feet. The Authority's port facilities are part of the Port of Corpus Christi complex. The Port of Corpus Christi Authority has been a deep draft port since 1926. The channel is approximately 30 miles long and links the City of Corpus Christi with the Gulf of Mexico.

The Authority is a navigation district and political subdivision of the State of Texas, having boundaries co-extensive with those of Nueces and San Patricio Counties, Texas. The Authority operates under the provisions of Article XVI, Section 59, of the Texas Constitution and related laws of the State of Texas, particularly Sections 60 and 62 of the Texas Water Code, and all amendments thereto. The Authority being a navigation district and political subdivision of the State of Texas is a separate and distinct entity of Nueces and San Patricio Counties and operates independently with its own Port Commission as its governing body. The only relationship the Authority and Nueces County have is that in the event the Port Commission deems it necessary to issue tax-supported bonds, it must request the Commissioners Court to call an election. The Commissioners Court shall call the election, canvas the vote, and if the bond issue is approved, thereafter set the necessary tax rate to service the bonds.

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A Port Commission composed of seven commissioners, who serve without pay, governs the Authority. Each commissioner serves a staggered term of three years with appointments made to the Commission each year. Three commissioners are appointed by the Corpus Christi City Council, the governing body of the City of Corpus Christi; three commissioners are appointed by the Nueces County Commissioners Court, the governing body of Nueces County; and one commissioner is appointed by the San Patricio County Commissioners Court, the governing body of San Patricio County. The executive staff, under the leadership of the executive director, manages the operations of the Authority and assists the Commission in planning for the future. Port Commission efforts are directed toward encouraging industrial expansion, attracting new cargo, building and maintaining public terminals, setting operational policy and cooperating with the Federal Government as a local sponsor in maintaining and further improving vital navigation channels.

The Authority owns and operates public wharves, transit sheds, open storage facilities, freight handling facilities and equipment, warehouses, a bulk material handling terminal, and a conference center. The Authority also owns a grain elevator, and cotton warehouses that are leased to third parties. In addition, the Authority owns and leases land, and buildings and improvements, along with maintaining areas for the placement of dredged materials.

The Authority's docks consist of both Authority-owned and privately-owned facilities. The Authority-owned docks consist of seven general cargo docks, thirteen liquid bulk cargo docks, two bulk material docks, several layberthing areas, two bagging facilities, a shipside grain elevator, cotton storage facilities, and a conference center. All of these facilities are operated for hire on a first-come, first-serve basis, with the exception of the shipside grain elevator, layberth areas, and cotton warehouses, which are leased. Most of the privately-owned facilities at the Port of Corpus Christi Authority are owned by, and operated exclusively for, the various refineries, chemical plants, crude oil terminals, and other industries that line the Corpus Christi Ship Channel. Approximately 51 privately owned docks are located at the Port of Corpus Christi, some of which compete directly with the Authority's docks.

The Port Commission adopts an annual budget each year, on a basis consistent with accounting principles generally accepted in the United States of America for proprietary funds, as a prudent management tool. Monthly financial reports are prepared for management to maintain proper budgetary control, and are reviewed by the Port Commission on a quarterly basis.

LOCAL ECONOMY

The Authority continues to remain financially strong and a primary driver of the local economy. The Authority's sound fiscal management has allowed the Authority to remain financially stable. The Authority is currently ranked as the fourth largest port in the United States in terms of tonnage; it is the third largest petrochemical/hydrocarbon port in the United States, and in 2017 it became the leading export for crude oil in the United States. The Authority has served the local economy for 90 years, and is continually diversifying, upgrading and expanding its facilities to better serve South Texas industry and shippers. Local port industries have also made significant investments to upgrade and expand their facilities, to improve air and water quality, and improve process efficiencies. Local refineries have made investments that permit them to provide clean burning gasoline during ozone alert months and the Port industries continue to support a voluntary program that has contributed to the local area's ability to maintain its "attainment" classification with environmental agencies.

The Authority has adopted a mission statement, which has become an integral part in the development of a strategic plan to guide the Authority. The mission statement is as follows: "leverage commerce to drive prosperity" and it is the vision of the Port of Corpus Christi Authority "to be the energy port of the Americas." In pursuit of this mission, the Authority shall be guided by the following basic principles: (1) conduct affairs in a positive, open, and cooperative manner; (2) operate in a fiscally responsible manner; (3) be a positive and proactive force in the protection of the region's marine and water related

resources; and (4) be committed to serving its customers, present and future.

Economic development means attracting industrial and commercial activity, private capital, and waterborne cargo shipments that will create employment opportunities, sustain and upgrade existing jobs, introduce new investment dollars to the area and broaden the tax base that supports all public services. The findings from a 2015 Port Economic Impact Study reinforce the Authority's mission statement as being the economic catalyst for the region. Martin Associates of Lancaster, Pennsylvania studied the economic impact of the Authority operations including the Congressman Solomon P. Ortiz International Center. The previous economic impact study for the Authority was in 2011. In 2011, the Authority created 66,502 jobs, generated $314.9 million in state and local taxes, and provided $13.1 billion in business revenue. Based on the 2015 study, the Authority creates approximately 76,377 jobs, with 13,770 direct jobs generated from marine cargo and vessel activity. The Authority generates an additional 14,456 induced jobs that are the result of purchases by the direct jobs. The remainder of total jobs is comprised of 16,212 indirect jobs supported by the local purchases of businesses supplying services or dependent upon the Authority, and 31,938 related user jobs from shippers and consignees. The 76,377 jobs provided $4.7 billion in personal income for families throughout the Coastal Bend. Authority operations generated $15 billion in revenue for businesses providing services to the Authority and port industries, and the Ortiz Center. More than $353.41 million was paid in state and local taxes due to the activity created by the Authority. The Authority remains an economic force via its ability to provide the commercial shippers with first class channels, docks and facilities for handling their cargo, and by providing public facilities designed to attract more commerce dollars to the area while maintaining financial stability. Ultimately, our goal is to raise the standard of living and enhance the quality of life for everyone in the local surrounding region. The Authority is regularly updating the Port's Economic Impact Study. Since the last study, the Authority has experienced significant growth as a result of the expansions at existing plants and new industries coming on line. Accordingly, the Authority anticipates that the next update to the study will reveal further increases in the impact the Authority has on the local region.

FACTORS AFFECTING FINANCIAL CONDITION

On August 25, 2017, Hurricane Harvey struck the Texas gulf coast as a Category 4 hurricane. The immediate and ongoing negative impacts to the Port's operations, business revenues, and daily economic output were felt by the seven counties included in the PCCA Foreign Trade Zone #122: Aransas, Bee, Jim Wells, Kleberg, Nueces, Refugio, and San Patricio. The Corpus Christi Ship Channel was closed to all vessel traffic for a record six days and economic impact to the community attributed to the channel closure and restrictions is estimated to be over $2 billion. The Authority believes they have adequate insurance to cover repairs and business interruption insurance to cover lost revenues.

LONG-TERM FINANCIAL PLANNING

The Authority has a number of major projects that will require significant funding from federal and state assistance, existing and future revenue bond proceeds, and the Authority's unrestricted net position of $153 million.

Channel Improvement Project

Earlier this year, for the first time ever, funding for the Authority's Ship Channel Improvement Project (CIP) was included in the President's FY19 Budget proposal. This milestone followed efforts made in 2017, such as when the Authority took the vital step for continued economic growth and operational safety with approval of a Project Partnership Agreement (PPA), and the acceleration of $32 million in Port funds to the U.S. Army Corps of Engineers (USACE) to expedite initial construction phases of the CIP. The PPA allows the Authority to accelerate its portion of the Project cost-share, thereby allowing construction to commence ahead of federal appropriations.

In order to reach the Authority's goal of procuring $60 million in federal funds in 2018, and a total of $180 million, efforts continue to ensure the CIP is included in the U.S. Army Corps of Engineers' Work Plan at a higher level than the President's proposed budget of $13 million. The Authority remains committed to advocating for the CIP and continuing efforts to receive the necessary federal funding with the goal of completing the project in 2021.

The CIP has been a long-time in the making. The Authority completed the original feasibility phase for it in 2003, and in November 2007 it was first authorized by Congress in the Water Resources Development Act (WRDA). The authorized project includes the following restoration features that will have a positive impact on the Authority's capacity and ability to drive further investment and commercial opportunity:

- Deepening the Corpus Christi Ship Channel from 45 to 54 feet,
- Adding 200-foot barge shelves across Corpus Christi Bay
- Widening the ship channel to 530 feet from Port Aransas to the Harbor Bridge
- Extending the La Quinta Ship Channel approximately 1.4 miles at a depth of 39 feet, and
- Constructing ecosystem restoration features to protect endangered species, wetlands and sea grass.

In 2014, the Authority deepened the LaQuinta extension to a depth of 45 feet and the USACE agreed to assume the channel maintenance. The Channel Improvement Project was re-authorized in May 2014 by the Water Resources Reform and Development Act of 2014 and a Limited Reevaluation Report was completed in December 2015 to update project costs and benefits of the remaining elements of the authorized project.

In December 2016, the Water Infrastructure Improvements Act for the Nation (WIIN) Act was signed into law. The WIIN Act, which includes the Water Resources Development Act (WRDA) of 2016, authorizes port, waterway, flood protection improvements and other water resources infrastructure critical to the nation's economic growth, health and competitiveness, and included numerous provisions that benefited the Channel Improvement Project.

Nueces River Rail Yard

As part of the Authority's north side rail master plan, the Viola Channel site was identified as the best location to become the main rail exchange for the three Class 1 railroads serving the Authority. The Authority purchased approximately 36 acres at the western end of the harbor for this purpose and recently completed the second phase of the Nueces River Rail Yard. This new yard includes a 9,800-foot long unit train siding and eight additional 8,000-foot parallel tracks providing storage for over 1,100 railcars. Phase I of the project was completed in 2015 at a cost of $18.9 Million. Funding was provided by a $10 million USDOT TIGER Grant and Authority cash reserves, with half of the Authority's funding being recovered from the railroads through a special surcharge. The total cost of Phase II is approximately $33 million, $22 million in funding from TXDOT and the remainder from revenue bond proceeds and Authority cash reserves. The new rail yard, under construction, will be capable of more efficiently handling the increased number of unit trains and cars loading and unloading operations at the Authority. The final phase now under construction is to complete double track rail from the new Nueces River Rail Yard to the prior Tule Lake Rail Yard.

MAJOR INITIATIVES – 2017

Environmental Management

The Authority's Environmental Policy, which is the foundation for environmental management, stewardship and sustainability, states that all new business operations and developments in the Authority will consider and address five environmental precepts: (1) air quality, (2) water quality, (3) soils and sediments, (4) wildlife habitat, and (5) environmental sustainability. Through implementation of the Environmental Policy and the Authority's Environmental Management System (EMS), the Authority has remained proactive in its efforts to both promote economic growth and serve as good stewards of the environment in its daily operations. The Authority's EMS is in its eleventh year of ISO 14001 certification and its thirteenth year of implementation. The EMS program is driven by a team of Authority employees from various operational areas with the full support of management. During the past ten years, the program has identified several significant factors impacting the environment such as spills, electrical consumption, storm water runoff, water consumption, and air emissions. In August 2017, the Authority went from purchasing 10% of total electricity from green energy sources to purchasing 100% of its total electricity from green energy sources which equated to 3,364,261 kilowatt hours. The Authority has maintained a very successful recycling program that has recycled over 1,042,792 pounds of material that would have otherwise gone as waste to a landfill, and 60,603 gallons of liquids have been recycled. The Authority continues to maintain its Green Marine certification which is a program for ports, terminals and shipyards that demonstrates a commitment to continually reducing their environmental footprint. The certification process is rigorous and transparent. Environmental improvements are benchmarked and reported annually. Green Marine publishes the results of all its members annually. Additionally, of note, during Hurricane Harvey in 2017, there were no industrial pollution incidents which speaks to the environmental stewardship and preparedness efforts of the Authority and our industrial partners.

Wind Energy

In 2017 American wind farms provided approximately 6% of the supply to the electrical grid in the U.S., while fourteen states currently get more than 10 percent of their electricity from wind. Wind power installations in Texas led the way in 2017 with over 22,000 megawatt (MW) installed capacity, while the United States in total has 89,077 megawatts (MW) and over 54,000 wind turbines installed and operational in 41 states. In addition to new installed capacity, the U.S. wind industry completed 2,136 MW of partial repowering across 15 project phases during 2017. The Port of Corpus Christi Authority provides access to general cargo docks close to staging areas, three class I rail roads and uncongested highway systems, all of which offer the necessary transportation modes to assure efficient and cost-effective deliveries for all types of project cargo, including wind turbine components. In 2017, the wind turbine cargo volume moving through the Authority increased over 14% compared to the previous year and although the Production Tax Credit (PTC) phase-down is in its third year, out of five, expectations are continued that the strong volume of wind energy cargo will continue over the coming years. Wind-rich Texas leads the nation with most wind power projects under construction. The Authority is well located with easy access to major Wind Power project sites in Texas, the Great Plains and strives to maintain its established position within this renewable energy industry as the preferred "Wind Energy Port of the Gulf", thus adhering to its vision to be THE energy port of the Americas.

Crude Oil - Eagle Ford and Permian Basin Shale Plays

The Eagle Ford Shale Play in South Texas and Permian Basin in West Texas continues to be a significant economic stimulator for the region, state and nation, and the Corpus Christi Port Authority plays a crucial role in facilitating the emergence of the United States as a dominant force in global energy markets by welcoming product to be shipped abroad.

The startup in April 2015 of the Cactus Pipeline from West Texas to South Texas provides an efficient route for moving crude oil from the prolific Permian Basin to the Port of Corpus Christi Authority and new pipelines from the Permian Basin to Corpus Christi are currently underway. The lifting of the federal ban on crude oil export in December 2015 allows U.S. crude oil producers to export crude oil to global markets, and on December 31, 2015, the Port of Corpus Christi Authority made history when the tanker Theo T sailed from its facilities to Europe with U.S.-produced crude oil.

Today, over 60 percent of American crude oil exports move through the Authority's channels. With the continued expansion of energy infrastructure, the International Energy Agency forecasts that the U.S. will be the world's primary crude oil producer by the early 2020s, with the majority of new oil production coming from Texas.

The Authority plays a vital role as a major refinery hub, as well as a logistical and distribution center for cargoes used in drilling, hydraulic fracturing, and pipeline projects. Our proximity to the Gulf Coast and the deep draft ship channel allow us to be an ideal solution for oil and natural gas companies looking to build marine terminals and storage hubs to import heavy crude oil and export refined petroleum products or transport light crude oil and condensate to refineries worldwide. Barite continues to come by dry bulk vessels from China, Morocco, India and Mexico, while fractured sand comes by rail and barge from the upper Midwest. The Authority continues to invest in new rail infrastructure and liquid docks to support the current needs and continued growth potential of the Eagle Ford and Permian Basin Shale.

Liquefied Natural Gas – the Corpus Christi LNG Terminal

Later this year, a liquefied natural gas (LNG) export facility owned by Corpus Christi Liquefaction, a subsidiary of Cheniere Energy, will go online. The Corpus Christi site is located on the La Quinta Channel on the northeast side of Corpus Christi Bay on 1,000 acres overseen by the Authority. The coming shipments of LNG from Corpus Christi abroad mean that the Authority will begin to play, as it currently does for crude oil and refined petroleum products, a crucial role in the continued expansion of U.S. energy exports.

Cheniere is expected to become one of the largest buyers of U.S. natural gas in the coming months and years. The Corpus Christi LNG project is positioned near the country's most prolific natural gas producing regions, including Texas, which supplies nearly 30 percent of total U.S. marketed natural gas production. In February 2018 Cheniere announced a pair of LNG sale and purchase agreements with China National Petroleum Corporation, which will result in the Corpus Christi LNG facility providing 1.2 million tons of LNG to China annually through the Authority's channels.

On-going Construction Projects

Projects that carried over, were completed, ongoing, or initiated in 2017 include construction of Phase II of the Nueces River Rail Yard, Oil Dock 15, Bulk Liquid Handling Facility at Bulk Dock 3, Viola Barge Basin Bulkhead Addition, the reconstruction and upgrade of Sam Rankin Road that provides access to the Southside Terminal and Al Speight Cargo Yard, repairs and upgrades to Bulk Dock 2 marine structures, La Quinta Terminal Mitigation Aquatic Habitat Development (Phases I and II), improvements at existing open storage yards, and several security grant projects that added security lighting, security fencing, and upgrades and replacement of security cameras and surveillance equipment. Security improvements are integrated with a command and control system that ensures that the Authority and its customers are being properly safeguarded. Other projects completed in 2017 included the road maintenance of Kay Bailey Hutchinson Road, Oil Dock 3 Breasting Structure replacement, Oil Dock 4 ship fender repairs, ventilation improvements at various public oil docks, repairs to the bridge at Oil Dock 11 and 12, general improvements at Oil Dock 6, the replacement of conveyor idlers at the Bulk Terminal, and roadway and parking lot improvements at various port facilities.

In addition to the Port projects, construction of the New U.S. Highway 181 Harbor Bridge over the Corpus Christi Ship

Channel was initiated. This 205-foot high bridge is being constructed by the Texas Department of Transportation (TxDOT), and with the main bridge span at 1,661 feet long, it will be the longest in the USA. As the main towers are located on port property and the bridge crosses port property and the ship channel, significant coordination between the bridge developer, Flatiron – Dragados, LLC, TxDOT, and the Authority are required to allow bridge construction and port operations to proceed smoothly and with minimal mutual impact. In conjunction with the New Harbor Bridge Project, the Authority is administering a voluntary property purchase program to allow residents near the new harbor bridge to sell their property and relocate, and had acquired 85 such properties at the end of 2017.

Marketing and Business Development Focus

To continue the growth of the Authority's cargo tonnage, strategy is focused on cargo diversification including three focus areas for the Business Development team: 1) Wind Energy/Project Cargo, 2) Dry Bulk/General Cargo and 3) Latin American Trade Development. However, energy commodities will continue to be the major revenue source for the Authority. Due to Mexican energy reform, the Authority is handling increased export volumes of diesel, gasoline and propane via rail to major population centers in inland Mexico. The Port of Corpus Christi Authority is located close to Monterrey, Mexico and is pursuing trade development opportunities and logistics solutions to support the steel and automobile manufacturing sectors, among others. The Authority continues to implement a targeted marketing effort for proactively identifying new business development opportunities and seeking to attract new foreign direct investment. The abundance of natural gas and security of supply is a big driver for companies considering building a manufacturing plant in the Corpus Christi region. Similarly, the increasing production of ethane and the 500-mile ethane pipeline header system from Corpus Christi via Mont Belvieu's massive storage caverns to the Mississippi River, creates an opportunity to attract new ethane cracker facilities for production of ethylene and ethylene glycol and polyethylene plastics plants using ethylene as feedstock.

In 2017, imports of dry bulk cargoes at our bulk terminal increased by 25%, while barite alone grew 219%. Exports of petcoke and sulfur remained relatively steady as compared to 2016. The Port Bulk Terminal is currently undergoing a strategic planning phase to increase productivity and improve efficiencies. Solicitation for a new crane at our bulk dock 1 is ongoing and improvements for storage and loading out of cargo are being evaluated. With the Permian and Eagle Ford Basins increasing drilling activity, the bulk terminal will play a key role in supporting raw materials needed at drilling sites. Steel pipe cargo similarly saw significant growth in 2017 with a 144% increase over 2016 numbers. Additional gas and liquid pipelines are being developed leading into Eagle Ford, Permian and Mexico. The Valley Crossing Pipeline connecting to Mexico from Agua Dulce, TX saw over 100,000 ton of steel pipe imports over our docks. The Port of Corpus Christi Authority continues to be a major outlet for liquid and gas production to international markets. Further, TPCO continues to expand their facility in San Patricio County and Tex-isle, a distributor of high quality tubulars, is constructing a finishing facility near Robstown, TX, doubling their import capacity. The future for steel pipe looks bright in the coming years.

The South Texas Alliance for Regional Trade (START) continues to be a very important marketing resource for the Authority. START is a cooperative effort among three Texas Ports formed to strengthen the region's response to logistics and transportation needs, the driving forces of our diverse economy. The Alliance is anchored by the Port of San Antonio to the north, the Port of Corpus Christi Authority on the waters of the Gulf of Mexico, and the Port of Laredo located on the United States–Mexico border. Our Ports have long-standing business relationships, bolstering the efforts and resources of our region.

AWARDS AND ACKNOWLEDGMENTS

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Port of Corpus Christi Authority of Nueces County, Texas, for its Comprehensive Annual Financial Report (CAFR) for the fiscal year ended December 31, 2016. This was the 34th consecutive year that the Authority has received this prestigious award. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized comprehensive annual financial report. This report satisfied both generally accepted accounting principles and applicable legal requirements. A Certificate of Achievement for Excellence in Financial Reporting is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

The preparation of this comprehensive annual financial report would not have been possible without the efficient and dedicated services of the entire staff of the Authority's Accounting Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Port Commission for their unfailing support for maintaining the highest standards of professionalism in the management of the Authority.

Respectfully Submitted,

Sean Strawbridge
Chief Executive Officer

Dennis J. DeVries
Chief Financial Officer

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Port of Corpus Christi Authority

of Nueces County, Texas

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2016

Christopher P. Morrill

Executive Director/CEO

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Organization Chart
December 31, 2017

PORT COMMISSION, PORT OF CORPUS CHRISTI AUTHORITY	
Executive Director	**John P. LaRue**
Chief Operating Officer/Deputy Executive Director	**Sean Strawbridge**
Chief Financial Officer	Dennis J. DeVries
Financial Controller	Kent Britton
Chief Accountant	Audre Debler
Manager of Procurement & Financial Analysis	Lynn Angerstein
Risk Program Manager	Donna James-Spruce
Director of Information Technology	Tyler Fuhrken
Director of Human Resources	Sandra Terrell-Davis
Chief Commercial Officer	Jarl Pedersen
Manager of Foreign Trade Zone	Carol Carrasco Rodriguez
Manager of Business Development Wind Energy & Project Cargo	Maggie Iglesias-Turner
Market Strategy & Financial Analysis	Tara Perry
Director of Business Development	Ruben C. Medina
Director of Real Estate	Darrin Aldrich
Director of Communications	Patricia Cardenas
Director of Community Relations	Rosie Gonzalez Collin
Director of Engineering Services	David Krams
Chief Engineer	David L. Michaelsen
Chief of Channel Development	Dan Koesema
Chief of Planning and Design	Brett Flint
Chief of Program Management	Sonya Lopez-Sosa
Director of Environmental Planning and Compliance	Sarah Garza
Director of Operations	Kreston Cook
Harbormaster	Russell Cordo
Wharfinger	Stevenson Ashley
Manager of Bulk Terminal	Richard "Eric" Battersby
Manager of Dock and Rail Operations	John Slubar
Maintenance Manager	David Villarreal
Safety Manager	Angela Leyva
Director of Port Security	Tom Mylett
Police Captain	Eric Giannamore
Manager of Emergency Management	Danielle Hale
Director of Government Affairs	Nelda Olivo

PORT COMMISSIONERS

Charles W. Zahn, Jr., Chairman

Wayne Squires, Vice Chairman

Barbara Canales, Secretary

David P. Engel, Commissioner

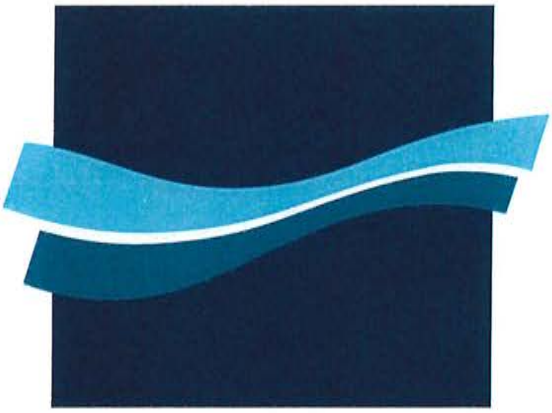
Richard R. Valls, Jr., Commissioner

Richard L. Bowers, Commissioner

Wes Hoskins, Commissioner

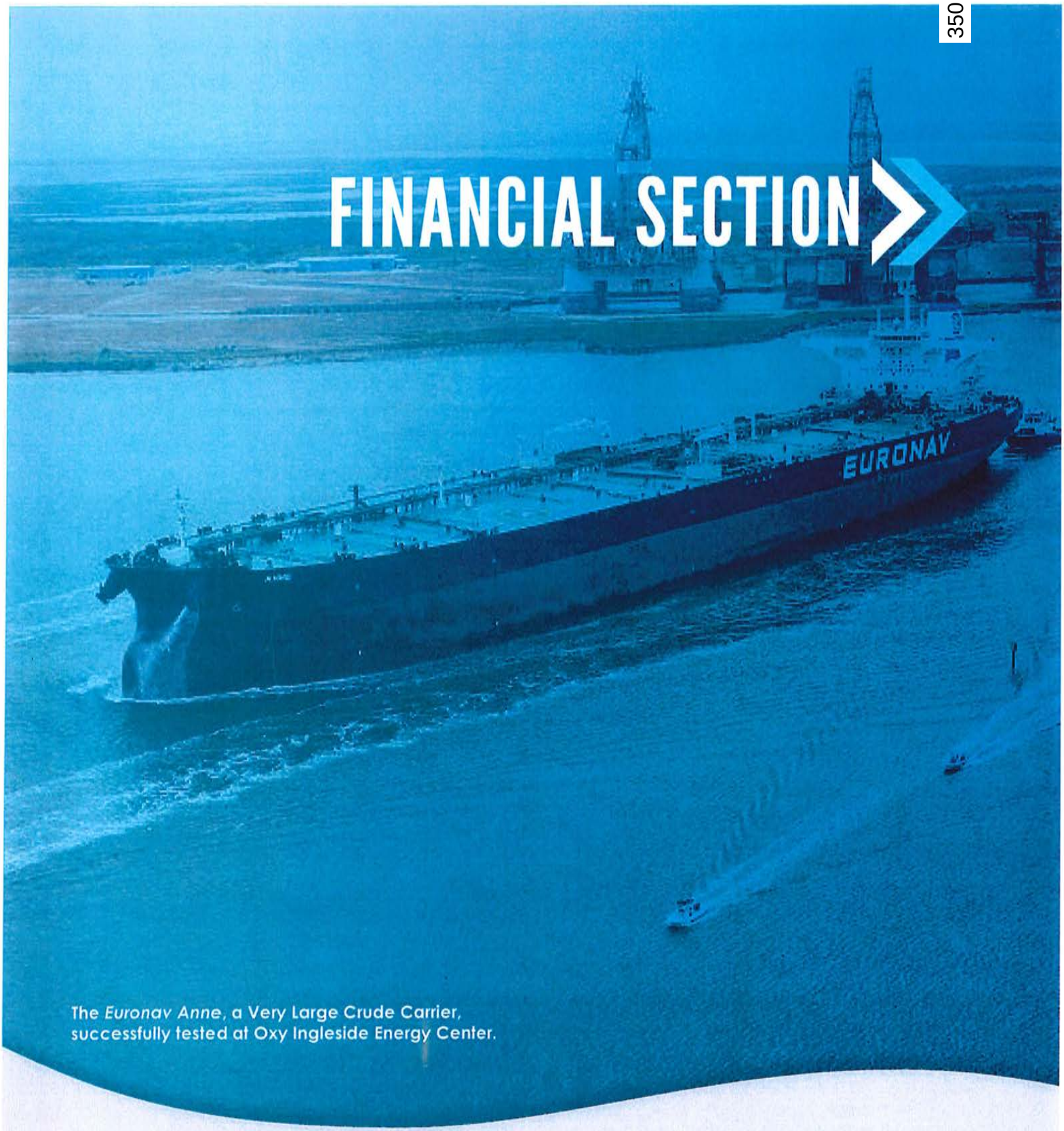
EXECUTIVE STAFF

John P. LaRue, Executive Director
Sean Strawbridge, Chief Operating Officer/Deputy Executive Director
Jarl Pedersen, Chief Commercial Officer
Dennis J. DeVries, Chief Financial Officer
Kent Britton, Financial Controller
Ruben C. Medina, Director of Business Development
Patricia Cardenas, Director of Communications
Rosie Gonzalez Collin, Director of Community Relations
David Krams, Director of Engineering Services
Sarah Garza, Director of Environmental Planning & Compliance
Nelda Olivo, Director of Government Affairs
Sandra Terrell-Davis, Director of Human Resources
Tyler Fuhrken, Director of Information Technology
Kreston Cook, Director of Operations
Tom Mylett, Director of Port Security
Darrin Aldrich, Director of Real Estate



PORTCORPUSCHRISTI

FINANCIAL SECTION



The *Euronav Anne*, a Very Large Crude Carrier, successfully tested at Oxy Ingleside Energy Center.

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CERTIFIED PUBLIC ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

April 30, 2018

Port Commissioners
Port of Corpus Christi Authority
of Nueces County, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the Port of Corpus Christi Authority as of for the years ended December 31, 2017 and 2016, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

DRAFT FOR MANAGEMENT DISCUSSIONS ONLY

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Port of Corpus Christi Authority as of December 31, 2017 and 2016, and the changes in financial position and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 5 through 17 and other required supplementary information on page 50 through 52 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary and Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Port of Corpus Christi Authority's basic financial statements. The introductory section, supplemental schedules, and the statistical section listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying schedule of expenditures of federal and state financial awards, page 98 and 99, is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and State of Texas Single Audit Circular* and is also not a required part of the basic financial statements.

DRAFT FOR MANAGEMENT DISCUSSIONS ONLY

The supplemental schedules and the schedule of federal and state expenditures of awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplemental schedules and the schedule of federal expenditures of awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

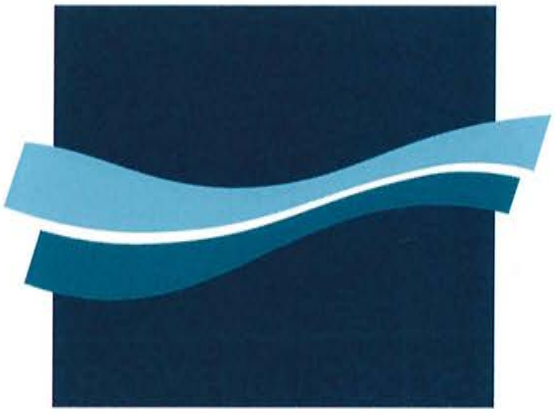
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 30, 2018 on our consideration of the Authority's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of the report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

Collier, Johnson & Woods

DRAFT FOR MANAGEMENT DISCUSSIONS ONLY


PORTCORPUSCHRISTI

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
Management's Discussion and Analysis
December 31, 2017

As management of the Port of Corpus Christi Authority of Nueces County, Texas (Authority), we offer readers as an introduction to the Authority's financial statements, this narrative overview and analysis of the Authority's activities and financial performance for the years ended December 31, 2017 and 2016. This discussion and analysis is designed to assist the reader in focusing on the significant financial issues and activities and to identify any significant changes in financial position. We encourage readers to consider the information presented here in conjunction with the Authority's financial statements taken as a whole. All amounts, unless otherwise indicated, are expressed in whole dollars.

FINANCIAL HIGHLIGHTS

- The total net position of the Authority at December 31, 2017 was $558,000,386, increasing $35,917,557 or 6.9% over the prior year. Income before capital grants and contributions produced an increase in net position of $30,380,941, and capital contributions provided an increase of $5,536,616 to net position.
- The net investment in capital assets increased $77,996,920 over the prior year as a result of capital additions net of depreciation of $86,026,345 and repayment of capital debt, net of unspent bond proceeds of $8,029,425.
- Restricted net position decreased $14,809,815 from the prior year due to expenditures of $15,529,680 under the Voluntary Acquisition and Relocation Benefits Program explained in Note 10, pages 48-49, law enforcement seizure funds, net of interest earned, of $4,683, and an increase in the required restriction for debt service of $724,548.
- Unrestricted net position of $152,673,693 may be used to meet the Authority's current ongoing obligations to employees and creditors and decreased $27,269,548 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's basic financial statements are comprised of the financial statements and the notes to the financial statements. The basic financial statements can be found on pages 18 through 49 of this report. Since the Authority is comprised of a single enterprise fund, no fund level financial statements are shown. This report also contains other supplementary information in addition to the basic financial statements themselves.

Basic Financial Statements

The basic financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. These statements offer short and long-term financial information about its activities.

The Statement of Net Position presents information on all the Authority's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between the two reported as net position. The assets and liabilities are presented in a format which distinguishes between current and long-term assets and liabilities. Net position increases when revenues exceed expenses. An increase in assets without a corresponding increase to liabilities results in increased net position, which indicates an improved financial position.

The Statement of Revenues, Expenses, and Changes in Net Position accounts for all of the Authority's current year's revenues and expenses. All changes in net position are reported as soon as the underlying event occurs, regardless of timing of related cash flows. Thus revenues and expenses are reported in this statement for some items that will only result in cash flows in future periods (e.g., earned but unused vacation leave).

The Statement of Cash Flows primary purpose is to provide information about the Authority's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operations, investing and financing activities and provides answers to such questions as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements.

Other Information

In addition to the financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the basic financial statements found on pages 50-52 of this report.

FINANCIAL ANALYSIS

The fundamental question that is most asked of business is, as a whole "Are you better off or worse off as a result of the year's activities?" The Statement of Net Position, and the Statements of Revenues, Expenses, and Changes in Net Position report information about the Authority's activities in a way that will help answer this question. These two statements report the net position of the Authority and changes in it. Over time, increases or decreases in the Authority's net position are one indicator of whether its financial health is improving or deteriorating.

Statement of Net Position

Net Position is the difference between the Authority's assets plus deferred outflows of resources and liabilities plus deferred inflows of resources. Over time, increases or decreases in net position may serve as an indicator of whether the Authority's financial position is improving or deteriorating.

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS
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The following condensed Statement of Net Position provides an overview of the Authority's net position as of December 31, 2017, 2016 and 2015:

	2017	2016	2015	2017-16 Change	2016-15 Change
Assets					
Current assets	$ 197,308,460	$ 205,388,833	$ 174,809,632	$ (8,080,373)	$ 30,579,201
Restricted assets	43,168,645	70,859,926	90,967,295	(27,691,281)	(20,107,369)
Capital assets	476,150,213	390,123,868	356,991,696	86,026,345	33,132,172
Other non-current assets	8,153,006	10,747,152	2,369,840	(2,594,146)	8,377,312
Total Assets	**724,780,324**	**677,119,779**	**625,138,463**	**47,660,545**	**51,981,316**
Deferred Outflows of Resources					
Deferred outflows related to pensions	4,705,309	5,529,207	1,958,889	(823,898)	3,570,318
Total Deferred Outflows of Resources	**4,705,309**	**5,529,207**	**1,958,889**	**(823,898)**	**3,570,318**
Liabilities					
Current liabilities	24,630,537	18,210,103	14,432,078	6,420,434	3,778,025
Long-term debt, net of current portion	101,795,000	106,245,000	110,640,000	(4,450,000)	(4,395,000)
Unearned revenue, net of current portion	39,876,069	31,423,818	10,755,796	8,452,251	20,668,022
Other liabilities	4,505,035	4,506,278	3,162,906	(1,243)	1,343,372
Total Liabilities	**170,806,641**	**160,385,199**	**138,990,780**	**10,421,442**	**21,394,419**
Deferred Inflows of Resources					
Deferred inflows related to pensions	678,606	180,958	-	497,648	180,958
Total Deferred Inflows of Resources	**678,606**	**180,958**	**-**	**497,648**	**180,958**
Net Position					
Net investment in capital assets	384,104,593	306,107,673	288,144,036	77,996,920	17,963,637
Restricted	21,222,100	36,031,915	36,153,709	(14,809,815)	(121,794)
Unrestricted	152,673,693	179,943,241	163,808,827	(27,269,548)	16,134,414
Total Net Position	**$ 558,000,386**	**$ 522,082,829**	**$ 488,106,572**	**$ 35,917,557**	**$ 33,976,257**

2017 – 2016

The Authority's net position of $558,000,386 at the close of 2017 increased by $35,917,557 over 2016. The largest portion of the Authority's net position (68.8%) reflects its net investment in capital assets. The Authority uses these capital assets to provide services to its customers and consequently, these assets are not available for future spending. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position (27.4%) may be used to meet the Authority's ongoing obligations to employees and creditors. The remainder of the Authority's net position (3.8%) represents resources that are subject to external legal restrictions on how they may be used.

The Authority's total assets and deferred outflows increased by $46,836,647 (6.9%) over 2016. The majority of this change is from an increase in net capital assets of $86,026,345 offset by decreases in restricted assets of $27,691,281 and current assets of $8,080,373. Restricted assets have decreased primarily due to the expenditures in 2017 of revenue bond proceeds for capital projects and expenses under the Voluntary Acquisition and Relocation Benefits Program of the Harbor Bridge commitment explained in Note 10, pages 48-49.

The Authority's total liabilities and deferred inflows increased by $10,919,090 (6.8%) over 2016. Unearned revenues, net of current portion increased by $8,452,251 due to the recognition of lease revenues deferred to future periods.

2016 – 2015

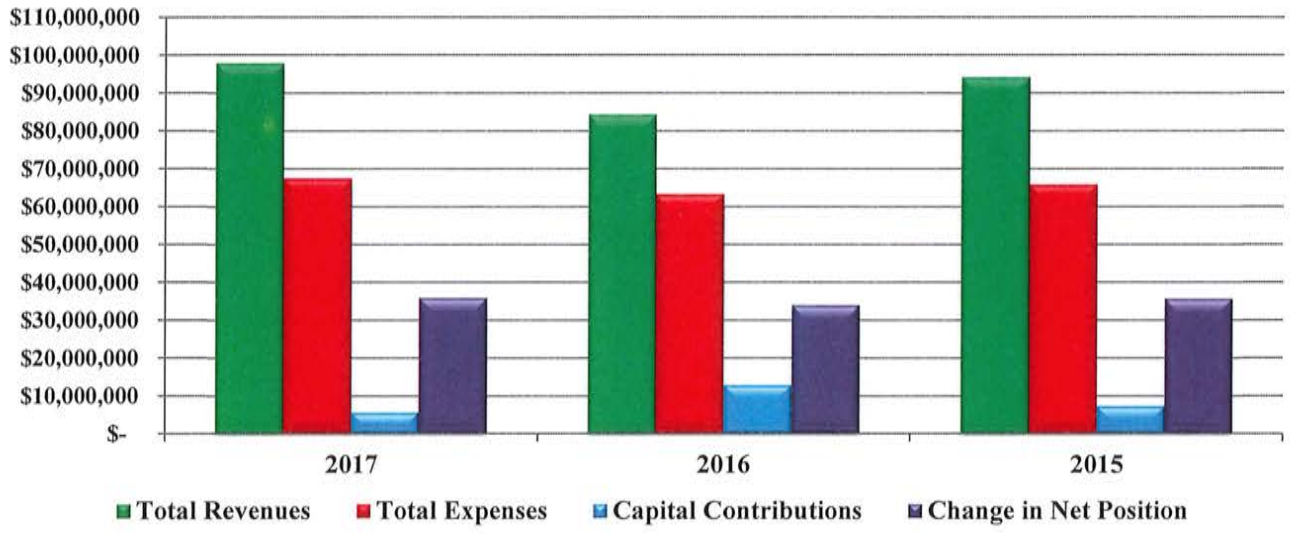
The Authority's net position of $522,082,829 at the close of 2016 increased by $33,976,257 over 2015. The largest portion of the Authority's net position (58.6%) reflects its net investment in capital assets. The Authority uses these capital assets to provide services to its customers and consequently, these assets are not available for future spending. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Unrestricted net position (34.5%) may be used to meet the Authority's ongoing obligations to employees and creditors. The remainder of the Authority's net position (6.9%) represents resources that are subject to external legal restrictions on how they may be used.

The Authority's total assets and deferred outflows increased by $55,551,634 (8.9%) over 2015. The majority of this change is from an increase in net capital assets of $33,132,172 and an increase in current assets of $30,579,201 which was largely due to the increase in cash, cash equivalents and investments of $30,010,593. Restricted assets have decreased $20,107,369 due to the expenditures in 2016 of revenue bond proceeds for capital projects.

The Authority's total liabilities and deferred inflows increased by $21,575,377 (15.5%) over 2015. Unearned revenues, net of current portion increased by $20,668,022 due to the recognition of lease revenues deferred to future periods.

Statement of Revenues, Expenses, Change in Net Position

The Statement of Revenues, Expenses, and Change in Net Position serve as a measure to determine how successful the Authority was during the past year in recovering its costs through its user fees and other charges, as well as its profitability and credit worthiness. The following Statement of Revenues, Expenses, and Change in Net Position summarizes the operations of the Authority for the years ended December 31, 2017, 2016 and 2015:



PORT OF CORPUS CHRISTI AUTHORITY
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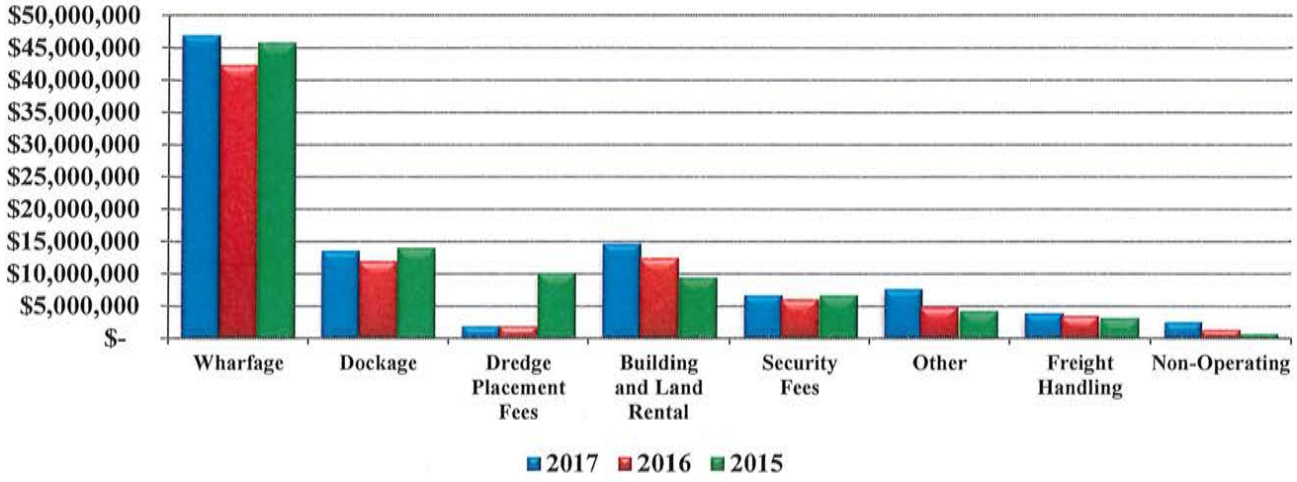
	2017	2016	2015	2017-16 Variance	2016-15 Variance
Revenues					
Operating revenues:					
Wharfage	$ 46,948,820	$ 42,337,275	$ 45,779,919	$ 4,611,545	$ (3,442,644)
Dockage	13,548,519	11,970,562	14,003,472	1,577,957	(2,032,910)
Security fees	6,686,343	6,070,139	6,673,782	616,204	(603,643)
Freight handling	3,892,661	3,463,593	3,153,285	429,068	310,308
Rail Charges	2,217,491	1,427,837	699,535	789,654	728,302
Building and land rentals	14,641,254	12,444,299	9,391,040	2,196,955	3,053,259
Conference center services	2,152,659	2,011,136	2,209,031	141,523	(197,895)
FTZ user fees	225,000	224,000	207,667	1,000	16,333
Dredge placement fees	1,920,638	1,870,497	10,151,880	50,141	(8,281,383)
Other	2,041,419	1,202,624	1,152,244	838,795	50,380
Insurance proceeds, net of losses	1,033,235	-	-	1,033,235	-
Total operating revenues	95,308,039	83,021,962	93,421,855	12,286,077	(10,399,893)
Investment income	2,417,838	1,184,692	518,374	1,233,146	666,318
Federal and other grant assistance	146,950	152,412	227,714	(5,462)	(75,302)
Total Revenues	**97,872,827**	**84,359,066**	**94,167,943**	**13,513,761**	**(9,808,877)**
Expenses					
Operating expenses:					
Maintenance and operations	21,066,636	21,435,640	21,470,411	(369,004)	(34,771)
General and administrative	23,263,150	20,715,616	19,469,477	2,547,534	1,246,139
Depreciation	13,377,640	13,140,057	12,822,653	237,583	317,404
Total operating expenses	57,707,426	55,291,313	53,762,541	2,416,113	1,528,772
Interest expense and fiscal charges	3,650,348	2,973,844	2,030,505	676,504	943,339
Contributions-Harbor Bridge commitment	1,287,176	1,885,410	-	(598,234)	1,885,410
Bond issuance costs	-	-	1,139,597	-	(1,139,597)
Contributions to other governments	4,415,092	3,000,000	3,000,000	1,415,092	-
Loss on disposal of assets	3,590	67,638	5,829,882	(64,048)	(5,762,244)
Loss on impairment of assets	428,254	-	-	428,254	-
Total Expenses	**67,491,886**	**63,218,205**	**65,762,525**	**4,273,681**	**(2,544,320)**
Income Before Contributions	**30,380,941**	**21,140,861**	**28,405,418**	**9,240,080**	**(7,264,557)**
Capital Contributions	5,536,616	12,835,396	7,245,620	(7,298,780)	5,589,776
Changes in Net Position	35,917,557	33,976,257	35,651,038	1,941,300	(1,674,781)
Total Net Position, Beginning of Year	522,082,829	488,106,572	454,291,182	33,976,257	33,815,390
Cumulative Effect of Change in Accounting Principle	-	-	(1,835,648)	-	1,835,648
Total Net Position, as Restated	522,082,829	488,106,572	452,455,534	33,976,257	35,651,038
Total Net Position, End of Year	**$ 558,000,386**	**$ 522,082,829**	**$ 488,106,572**	**$ 35,917,557**	**$ 33,976,257**

Revenues



2017 – 2016

Operating revenues in 2017 increased by $12,286,077 or 14.8% over 2016. Wharfage revenues increased by $4,611,545 over 2016. The majority of the wharfage increase was at the private oil docks ($2,864,156) and the dry cargo docks ($2,345,899), partially offset by decreases at the public oil docks ($491,216). The movement of crude oil has increased 20% over 2016 mainly due to increases at the private oil docks with the largest increase being at Oxy Ingleside Energy Center, LLC ($3,411,315). One of the Authority's pubic oil docks was in the footprint of the new bridge and ceased operation in early February 2017 which resulted in a decrease of revenue at that dock of $1,104,338. Revenues have increased at the dry cargo docks primarily due to movements of cargo from voestalpine Texas, LLC, which began operations in April, 2016. Dockage revenues have increased $1,577,957 over 2016. Ship traffic has increased by 9.3% over 2016 while barge traffic did not change significantly. In 2017, insurance proceeds, net of losses of $1,033,235 was accrued for the damage claims from Hurricane Harvey.

Building and land rentals of Authority properties have increased $2,196,955 due to new tenants and rent escalations of existing leases.

Non-operating revenues have increased $1,227,684 over 2016. The Authority recognized an increase in investment income of $1,233,146 mainly due to increasing interest rates earned on their investments.

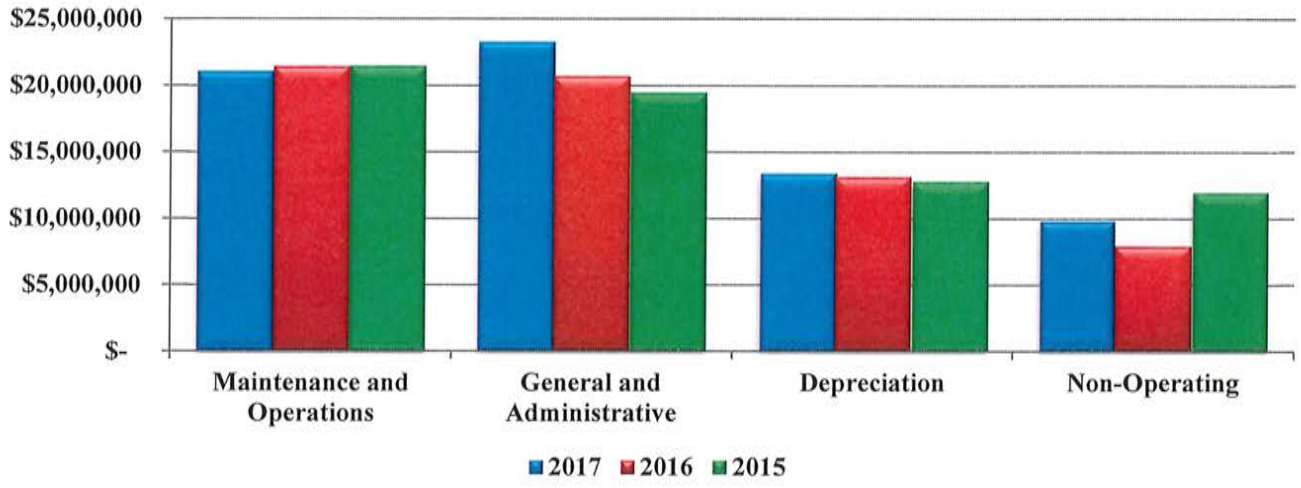
2016 – 2015

Operating revenues in 2016 decreased by $10,399,893 or 11.1% from 2015. Dredge placement fees generated from depletion charges for the deposit of dredge materials into the Authority's dredge placement areas decreased $8,281,383 in 2016 and were the largest single component of the revenue decrease. Wharfage revenues decreased $3,442,644 from 2015. The majority of the wharfage decrease was at the public oil docks ($5,427,245) and this was due to the drop in crude oil shipments. New businesses including voestalpine Texas, LLC and Oxy Ingleside Energy Center, LLC commenced operations in 2016 and this has contributed to an increase in wharfage revenues at the private oil docks and private cargo docks of $1,360,444. Dockage revenues have seen a decline of $2,032,910, mainly at the public oil docks ($1,933,812). The drop in oil prices has led to a 5.1% decrease in ship traffic and a 19.1% drop in barge traffic over 2015.

Building and land rentals of Authority properties have increased $3,053,259 due to new tenants and rent escalations of existing leases.

Non-operating revenues have increased $591,016 over 2015. The increase in cash, cash equivalents and investments has led to an increase in investment income of $666,318.

Expenses



2017 – 2016

Operating expenses in 2017 increased $2,416,113 or 4.4% over 2016. The major variances in expenses from 2017 to 2016 are as follows:

• Employee services	$ 1,915,845
• Maintenance	(852,972)
• Professional services	783,417
• Administrative expenses	287,080
• Depreciation	237,583

Of the increase in employee service costs over 2016, $1,193,509 is attributable to wages and payroll taxes from staffing additions and wage increases, with the remainder of $722,336 attributable to employee benefits. Retirement expenses increased $980,740 over 2016, and this increase is explained in Note 7 to the financial statements on pages 36-43. The Authority is self-funded for medical and dental expenses of its employees, and the cost of these benefits decreased $228,623 from 2016.

Maintenance project expenses have decreased $852,972 from 2016. Maintenance dredging of the inner harbor docks is done periodically and the Authority incurred costs of $453,578 in 2016 for this purpose, and expenses of only $41,584 were expended in 2017 to complete the work. Also in 2016, a major maintenance project to resurface a storage yard resulted in expenses of $733,963.

Professional service expenses increased in 2017 by $783,417, and the increase has been in environmental services ($482,196) and legal fees ($211,481).

Administrative costs have increased due to the decision in 2017 to purchase computers rather than lease. In addition, the Authority has increased travel expenses in 2017 in an effort to promote the Port and gain market sector.

Depreciation expense has increased over 2016 mainly due to the completion and capitalization of a major project to construct an oil dock in 2017.

2016 – 2015

Operating expenses in 2016 increased $1,528,772 or 2.8% over 2015. The major variances in expenses from 2016 to 2015 are as follows:

• Maintenance	$ 890,319
• Professional services	394,961
• Employee services	381,577

Maintenance project expenses have increased $1,139,382 over 2015. Major maintenance projects expenses were recorded in 2016 for resurfacing of a Southside storage yard in the amount of $733,963, and maintenance dredging of port docks in the amount of $453,578.

Professional service expenses have increased in 2016 and the increase has been in legal fees ($318,970) and environmental services ($357,160), and these increases were offset by non-reoccurring consulting fees in 2015 to develop a strategic plan and fees paid to an executive management search firm.

Of the increase in employee service costs over 2015, $697,612 is attributable to wages and payroll taxes, however, employee benefits decreased $316,035. Retirement expenses decreased $1,398,984 from 2015, due primarily to effect of plan changes made in 2015. The Authority is self-funded for medical and dental expenses of its employees, and the cost of these benefits increased $826,555 over 2015.

Capital Grants and Contributions

2017 – 2016

Capital grants and contributions decreased by $7,298,780 from 2016. The Authority is the recipient of a number of federal and state grants from a variety of programs. These grant funds are recorded on the basis of project expenditures made. As projects are advanced and expenditures incurred, grant funds are requested on a reimbursement basis and then recognized. Capital grants and contributions at December 31, 2017 include the following:

• Security enhancements	$ 113,502
• State funded rail improvements	4,621,358
• State funded road construction	572,256
• Donations of capital property from tenants	229,500

2016 – 2015

Capital grants and contributions increased by $5,589,776 over 2015. The Authority is the recipient of a number of federal and state grants from a variety of programs. These grant funds are recorded on the basis of project expenditures made. As projects are advanced and expenditures incurred, grant funds are requested on a reimbursement basis and then recognized. Capital grants and contributions at December 31, 2016 include the following:

• Security enhancements	$ 1,328,223
• State funded rail improvements	10,694,923
• Donations of capital property from tenants	812,250

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

2017 – 2016

The Authority's investment in capital assets as of December 31, 2017, amounts to $476,150,213 (net of accumulated depreciation). This investment in capital assets includes port facilities, elevator and bulk terminal facilities, machinery and equipment, property and buildings, furniture and equipment, intangibles and construction in progress. This amount represents a net increase (additions net of retirements and depreciation) of $86,026,345 or 22.1%. Additional information regarding the Authority's capital assets can be found in Note 4 to the financial statements on pages 31-32.

Major capital asset activity during 2017 include the following:

- Channel deepening and widening $ 32,529,059
- Construction of new oil docks $ 21,945,329
- Land purchases $ 12,543,637
- Demolition/removal of bridge foundations $ 11,696,539
- Expansion of rail interchange yard $ 6,310,572

2016 – 2015

The Authority's investment in capital assets as of December 31, 2016, amounts to $390,123,868 (net of accumulated depreciation). This investment in capital assets includes port facilities, elevator and bulk terminal facilities, machinery and equipment, property and buildings, furniture and equipment, intangibles and construction in progress. This amount represents a net increase (additions net of retirements and depreciation) of $33,132,172 or 9.3%. Additional information regarding the Authority's capital assets can be found in Note 4 to the financial statements on pages 31-32.

Major capital asset activity during 2016 include the following:

- Construction of new oil docks $ 15,688,790
- Expansion of rail interchange yard $ 14,519,885
- Land purchases $ 6,346,270
- Security improvements funded by grants $ 1,790,624

	2017	2016	2015	2017-16 Change	2016-15 Change
Capital assets, not being depreciated:					
Land	$ 96,467,773	$ 91,132,008	$ 84,786,396	$ 5,335,765	$ 6,345,612
Channel & waterfront improvements	31,530,381	25,107,516	25,056,737	6,422,865	50,779
Intangibles	387,429	387,429	387,429	-	-
Construction in progress	154,887,001	93,743,620	59,166,446	61,143,381	34,577,174
	283,272,584	210,370,573	169,397,008	72,902,011	40,973,565
Capital assets, being depreciated:					
Port facilities	134,686,056	116,600,379	122,243,165	18,085,677	(5,642,786)
Buildings & improvements	43,286,983	46,005,997	46,658,332	(2,719,014)	(652,335)
Machinery and equipment	14,708,809	16,837,760	18,273,351	(2,128,951)	(1,435,591)
Intangibles	195,781	309,159	419,840	(113,378)	(110,681)
	192,877,629	179,753,295	187,594,688	13,124,334	(7,841,393)
Net Capital Assets	**$ 476,150,213**	**$ 390,123,868**	**$ 356,991,696**	**$ 86,026,345**	**$ 33,132,172**

Long-Term Debt

On May 27, 2015, the Authority issued $115,000,000 in taxable revenue bonds for the purposes of acquiring land and acquiring, purchasing, constructing, enlarging, extending, repairing or developing facilities or aids incident to or useful or necessary in the operation or development of the Authority's ports and waterways or in aid of navigation and commerce thereon. The bonds are secured by the pledged revenues from the operation of Port Facilities after the deduction of maintenance and operating expenses other than those related to depreciation or the interest expense on the bonds. Additional information regarding the Authority's long-term debt can be found in Note 6 to the financial statements on page 33. As of December 31, 2017, the Authority had long-term debt outstanding of $106,245,000. The following table summarizes the Authority's long-term debt outstanding as of December 31, 2017, 2016 and 2015.

	2017	2016	2015	2017-2016 Change	2016-2015 Change
General revenue bonds	$ 106,245,000	$ 110,640,000	$ 115,000,000	$ (4,395,000)	$ (4,360,000)
Total Long-term Debt	**$ 106,245,000**	**$ 110,640,000**	**$ 115,000,000**	**$ (4,395,000)**	**$ (4,360,000)**

The Authority maintains a A+ rating from Standard and Poor's Corporation with a positive outlook and a A1 rating from Moody's Investor Service on its' general revenue bonds. In accordance with the Authority's general revenue bond covenants, the Authority is required to maintain a revenue bond coverage of at least 1.25 times the average annual debt service requirements. As of December 31, 2017, the Authority's revenue bond coverage was 5.63.

ECONOMIC OUTLOOK

The Authority, along with its attendant customer base, is experiencing a significant economic boom, driven primarily by the increasing oil and gas production in the Permian Basin. As a result, the Authority hit all-time highs in both shipments and revenue in 2017, and entered new contractual relationships that will put the Authority in a solid position to continue that trend in the future. In 2017, the Authority became the fourth largest port in the United States, as measured by tonnage, shipping over 100 million tons, an increase of

8.6% over the prior year. The primary drivers of that increase were crude oil exports and dry bulk materials, and the Authority in 2017 became the leading exporter of crude oil in the United States. The Authority continues to play a vital role as a major refinery hub, and continues to be the gateway of choice for both Eagle Ford and Permian Basin oil plays, as well as a logistical and distribution center for cargoes used in drilling, fracturing and pipeline projects.

The Authority continues to invest in new rail infrastructure and liquid docks to support the current needs and continued growth potential of our customers invested in the Permian and Eagle Ford shale plays, in addition to the significant private investment still being made in the form of storage tanks, pipelines and new dock infrastructure in and around the Authority to accommodate the increased movement of crude oil. The authority completed one new oil dock in 2017, and will complete two additional oil docks in 2018.

The outlook for the Permian Basin has improved for several years, and output there now is at approximately 2.8 million barrels per day, making it the second most productive field in the world. As much of that oil will make its way via pipeline to the water, the Authority feels it is well positioned to see significant continued improvements in its crude export volumes in the near and medium-term. The Authority's deep draft ship channel and strategic location relative to those production areas provides a secure and competitive supply chain to markets worldwide.

The Corpus Christi Ship Channel – Channel Improvement Project is the top priority for the Authority, as a deeper, wider ship channel will provide better navigational safety and transportation efficiencies for our customers. The Authority took a key step forward in that project in September 2017 with the signing of a Project Partnership Agreement (PPA) with the U.S. Army Corps of Engineers. This project will deepen the channel from 47 feet MLLW (Mean Lower Low Water) to 54 feet MLLW, widen the channel to 530 feet, and provide for adjacent barge shelves. The project, which will cost approximately $335 million and be jointly funded by the Authority and the Federal Government, is expected to begin work in the Summer of 2018. The Authority provided $32 million in accelerated funding as part of the PPA.

Over the past 5 years, industry leading companies from around the world have committed to major investments in and around the Authority, now totaling more than $60 billion. Several of these projects are now completed or close to being completed and ready to begin production. Several others are currently under construction, and are anticipated to come on line over the next several years. In addition, the Authority reached agreement on several others in 2017 that have either begun construction or have options to do so in the near term. These investments include the following:

After completing major infrastructure improvements in 2014 including pipelines and a new oil dock, Nustar Energy in late December 2016 completed a major asset purchase that will take their estimated throughput to over 200 million barrels annually. The acquisition includes marine terminal dock assets, additional tank storage, and other assets located on the North side of Authority's Inner Harbor. That new dock was close to completion at the end of 2017. Nustar also reached a milestone in April 2017 by loading 930,000 barrels of crude oil onto a single vessel, believed to be the largest loading in the Authority's history.

Phase II of the Nueces River Rail Yard was completed in late 2017 and now provides the Authority, its short line and its three Class I partners with eight unit train sidings of 8,500 feet length each. The project was at a cost of $28 million, partially funded by a $22 million grant from the Texas Department of Transportation. That project provides the Authority the rail capacity to handle the existing and future rail needs of our customers.

M&G Resins USA, which had begun construction on a $1.1 billion dollar polyethylene terephthalate (PET) resin processing plant on the Inner Harbor adjacent to the Port's Nueces River Rail Yard, filed for bankruptcy in October 2017 prior to completion of the plant. However, buyers have emerged in bankruptcy that should allow completion of the plant in early 2019. Once operational, the plant will create over 250 jobs with 700 indirect jobs and is anticipated to be the largest facility of its kind in the world.

Corpus Christi Liquefaction, LLC, a subsidiary of Cheniere Energy, commenced construction in 2015 on the first phase of a $14.5 billion liquefied natural gas (LNG) export terminal on 337 acres at the La Quinta Ship Channel. The project has been designed to be

constructed in phases, and operations are expected to commence over time beginning in early 2019. A Notice to Proceed has been given to their primary contractor to begin work on their third processing unit on the site.

Oxy Ingleside Energy Center, LLC, which purchased the former Naval Station Ingleside property from the Port in 2012, began operations in late 2016 and exported close to 11 million tons of product in 2017, quickly making it the Authority's third largest customer by tonnage. In addition, they successfully received a Very Large Crude Carrier (VLCC) in May 2017 at their facility, the largest oil tanker ever to call on a Gulf of Mexico Port.

In April 2017, Gulf Coast Growth Ventures (GCGV), a joint venture between ExxonMobil and SABIC, announced that they had selected a site in San Patricio County as their location to build a $10 billion, 1,300-acre plastics manufacturing complex. The project would create a worldscale ethane steam cracker for production of ethylene, with derivative units for production of polyethylene and monoethylene glycol. The project is expected to create 6,000 jobs at the peak of construction, 600 new permanent jobs and 3,500 permanent indirect jobs across the state. Final Investment Decision is expected in early 2018. As a result, the Authority reached long-term lease agreements with GCGV in December 2017 for a 13-acre multipurpose cargo dock and a 35-acre marine terminal facility.

In July 2017 the Authority agreed to a long-term lease agreement with Howard Energy Partners for a 41-acre site on the Inner Harbor. Howard Energy Partners plans to design, construct, and operate a rail terminal and petroleum products storage facility on the leased property. As a part of the lease agreement, the Authority will design and construct a new Oil Dock 20 to support Howard's operations. Howard is expected to begin serving markets in Mexico by rail in the first half of 2018, with pipeline and ship operations to follow at later dates.

Also in July 2017, the Authority agreed to a long-term lease agreement with GCCM Holdings, LLC for a 9-acre site on the Inner Harbor. As part of the agreement, the Authority will build a new cargo dock for the exclusive use of GCCM, including a crane and conveyor system, where GCCM will operate a cement distribution terminal. The goal for completion of construction and commencement of operations is in the first half of 2019.

In December 2017, the Authority agreed to a six-month option for a long-term lease agreement with Vitol Inc. and Harvest Pipeline Company for a 22-acre site on the Inner Harbor. If exercised, that site would be the site for a state of the art crude oil export terminal, supporting the increased flow of crude oil from the Permian Basin for export.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Authority's finances for all those with an interest in its finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Authority's Chief Financial Officer, 222 Power Street, Corpus Christi, TX 78401.

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Statement of Net Position
December 31, 2017 and 2016

	2017	2016
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents (Note 2)	$ 42,930,593	$ 40,707,008
Investments (Note 2)	130,805,566	144,922,308
Accounts receivable, net (Note 3)	20,679,738	14,351,677
Interest receivable	334,398	454,072
Intergovernmental receivable	614,756	3,280,864
Inventory	1,009,527	825,074
Prepaid expenses	933,882	847,830
Total Current Assets	197,308,460	205,388,833
NON-CURRENT ASSETS:		
RESTRICTED ASSETS:		
Cash and cash equivalents (Note 2)	38,698,325	70,859,926
Investments (Note 2)	4,470,320	-
Total Restricted Assets	43,168,645	70,859,926
CAPITAL ASSETS:		
Capital assets, not being depreciated (Note 4)	283,272,584	210,370,573
Capital assets, being depreciated, net (Note 4)	192,877,629	179,753,295
Capital Assets, Net	476,150,213	390,123,868
OTHER NON-CURRENT ASSETS:		
Accrued revenues, net of current portion	8,053,006	10,647,152
Purchase option deposit	100,000	100,000
Total Non-Current Assets	8,153,006	10,747,152
TOTAL ASSETS	724,780,324	677,119,779
DEFERRED OUTFLOWS OF RESOURCES		
Deferred outflow related to pensions (Note 7)	4,705,309	5,529,207
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	729,485,633	682,648,986
LIABILITIES AND NET POSITION		
CURRENT LIABILITIES:		
Accounts payable	12,700,668	8,590,238
Accrued expenses	968,887	884,891
Accrued interest payable	337,591	342,144
Unearned revenue, current portion (Note 6)	4,526,685	2,265,192
Unearned capital lease, current portion (Note 6)	457,040	457,040
Current maturities of long-term debt (Note 6)	4,450,000	4,395,000
Compensated absences, current portion (Note 6)	1,189,666	1,275,598
Total Current Liabilities	24,630,537	18,210,103
NON-CURRENT LIABILITIES:		
Unearned revenue, net of current portion (Note 6)	32,585,944	23,676,652
Unearned capital lease, net of current portion (Note 6)	7,290,125	7,747,166
Long-term debt, net of current maturities (Note 6)	101,795,000	106,245,000
Compensated absences, net of current portion (Note 6)	3,164,776	2,758,031
Net pension liability (Note 7)	583,910	1,057,791
Net OPEB obligation (Note 8)	756,349	690,456
Total Non-Current Liabilities	146,176,104	142,175,096
TOTAL LIABILITIES	170,806,641	160,385,199
DEFERRED INFLOWS OF RESOURCES		
Deferred inflow related to pensions (Note 7)	678,606	180,958
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES	171,485,247	160,566,157
NET POSITION:		
Net investment in capital assets	384,104,593	306,107,673
Restricted:		
Bond interest and redemption	16,733,093	16,008,545
Harbor Bridge commitment	4,470,320	20,000,000
Law enforcement	18,687	23,370
Unrestricted	152,673,693	179,943,241
TOTAL NET POSITION	$ 558,000,386	$ 522,082,829

See accompanying notes to financial statements

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Statement of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2017 and 2016

	2017	2016
OPERATING REVENUES:		
Wharfage	$ 46,948,820	$ 42,337,275
Dockage	13,548,519	11,970,562
Security fees	6,686,343	6,070,139
Freight handling	3,892,661	3,463,593
Rail Charges	2,217,491	1,427,837
Building and land rentals	14,641,254	12,444,299
Conference center services	2,152,659	2,011,136
FTZ user fees	225,000	224,000
Dredge placement fees	1,920,638	1,870,497
Other	2,041,419	1,202,624
Insurance proceeds, net of losses (Note 11)	1,033,235	-
Total Operating Revenues	95,308,039	83,021,962
OPERATING EXPENSES:		
Maintenance and operations	21,066,636	21,435,640
General and administrative	23,263,150	20,715,616
Depreciation	13,377,640	13,140,057
Total Operating Expenses	57,707,426	55,291,313
Operating Income	37,600,613	27,730,649
NON-OPERATING REVENUES (EXPENSES):		
Investment income	2,417,838	1,184,692
Federal and other grant assistance	146,950	152,412
Interest expense and fiscal charges	(3,650,348)	(2,973,844)
Contributions to Harbor Bridge commitment (Note 10)	(1,287,176)	(1,885,410)
Contributions to other government agencies	(4,415,092)	(3,000,000)
Loss on disposal of assets	(3,590)	(67,638)
Loss on impairment of capital assets (Note 4)	(428,254)	-
Net Non-Operating Expenses	(7,219,672)	(6,589,788)
Income Before Capital Grants and Contributions	30,380,941	21,140,861
CAPITAL GRANTS AND CONTRIBUTIONS	5,536,616	12,835,396
Change in Net Position	35,917,557	33,976,257
Total Net Position, Beginning of Year	522,082,829	488,106,572
Total Net Position, End of Year	$ 558,000,386	$ 522,082,829

See accompanying notes to financial statements

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Statement of Cash Flows
For the Years Ended December 31, 2017 and 2016

	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers	$ 103,646,479	$ 93,847,453
Cash payments to suppliers for goods & services	(23,076,760)	(18,939,227)
Cash payments to employees for services	(21,293,198)	(20,367,995)
Cash payments to and received from other operating sources	2,082	(561)
Net Cash Provided by Operating Activities	59,278,603	54,539,670
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Operating grants received	135,749	181,760
Payments on behalf of Harbor Bridge commitment	(1,287,176)	(1,885,410)
Payments to other governments	(4,415,092)	(3,000,000)
Net Cash Used by Noncapital Financing Activities	(5,566,519)	(4,703,650)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(95,792,144)	(45,968,044)
Capital grants and contributions	7,984,437	12,334,474
Proceeds from sale of assets	23,574	-
Principal payment on capital debt	(4,395,000)	(4,360,000)
Interest expense and fiscal charges	(3,654,901)	(2,976,696)
Net Cash Used for Capital and Related Financing Activities	(95,834,034)	(40,970,266)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Investment income	2,349,602	1,747,873
Proceeds from sale and maturities of investments	74,675,000	162,170,000
Purchase of investments	(64,840,668)	(214,105,317)
Net Cash Provided (Used) by Investing Activities	12,183,934	(50,187,444)
Net Decrease in Cash and Cash Equivalents	(29,938,016)	(41,321,690)
Cash and Cash Equivalents at Beginning of Year, Including Restricted Accounts	111,566,934	152,888,624
Cash and Cash Equivalents at End of Year, Including Restricted Accounts	$ 81,628,918	$ 111,566,934
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES:		
Operating income	$ 37,600,613	$ 27,730,649
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	13,377,640	13,140,057
Changes in assets, deferred outlows of resources, liabilities and deferred inflows of resources:		
Accounts and intergovernment receivables	(4,815,504)	(249,859)
Inventories	(184,453)	4,111
Prepaid items	(86,052)	(78,868)
Accrued revenues, net of current	2,594,146	(10,647,152)
Net pension asset	-	2,269,840
Deferred outflows of resources	823,898	(3,570,318)
Accounts payable and accrued expenses	(1,155,902)	2,581,637
Unearned revenue	11,170,785	22,201,648
Unearned capital lease revenue	(457,041)	(457,040)
Net pension liability	(473,881)	1,057,791
Net OPEB obligation	65,893	100,697
Compensated absences	320,813	275,519
Deferred inflows of resources	497,648	180,958
Total Adjustments	21,677,990	26,809,021
Net Cash Provided by Operating Activities	$ 59,278,603	$ 54,539,670
Noncash Investing, Capital, and Financing Activities:		
Amortization (accretion) of premium/discounts on investments	$ (144,529)	$ 169,166
Change in fair value of investments	(43,381)	541,237
Change in accrued interest on investments	119,674	(147,222)
Change in intergovernmental receivables	2,666,120	(471,574)
Loss on disposal of assets	(3,590)	(67,638)
Loss on impairment of assets	(428,254)	-
Donation of capital assets	229,500	-
Acquisition of capital assets accrued but not paid, net of reimbursements	3,837,759	371,823

See accompanying notes to financial statements

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Port of Corpus Christi Authority of Nueces County, Texas (Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below.

GENERAL HISTORY OF THE PORT OF CORPUS CHRISTI AUTHORITY

The Nueces County Navigation District No. 1 was created November 30, 1922, by an order of the Commissioners Court of Nueces County, Texas after an election duly held on October 31, 1922, at which time the establishment of said district was submitted to the qualified taxpaying voters of Nueces County, Texas. The territorial boundaries of the District were made co-extensive with those of Nueces County. In 2003, Senate Bill 1934 was passed that allowed for the annexation of San Patricio County into the territorial jurisdiction of the Authority. The District was organized under Article III, Section 52, of the Constitution of the State of Texas, but has since been transferred to and is operating under Article XVI, Section 59, of the Texas Constitution and related laws of the State of Texas, particularly Sections 60 and 62 of the Texas Water Code and all amendments thereto. The Authority being a navigation district and political subdivision of the State of Texas is a separate and distinct entity from Nueces County and operates independently with its own Port Commission as its governing body. The only relationship the Authority and Nueces County have is that in the event the Port Commission deems it necessary to issue tax supported bonds, it must request the Commissioners Court to call an election. The Commissioners Court shall call the election, canvas the vote, and if the bond issue is approved, thereafter set the necessary tax rate to service the bonds. The original property, plant and equipment of the Authority were acquired with funds from the sale of bonds, the interest and sinking funds being provided from ad valorem taxes levied on the property within Nueces County, Texas. Additions to the property, plant and equipment of the Authority have been made with surplus funds arising from the operations of the Authority facilities, grants from the Federal Government, proceeds of general revenue bonds, and improvement bonds supported by ad valorem tax levies.

On May 20, 1981, the Governor of the State of Texas signed into law a bill changing the legal name of the Nueces County Navigation District No. 1 to the Port of Corpus Christi Authority of Nueces County, Texas.

REPORTING ENTITY

In evaluating how to define the Authority for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity was made by applying the criteria set forth in Section 2100 of the GASB Codification of Governmental Accounting and Financial Reporting Standards. GASB defines the reporting entity as the primary government and those component units for which the primary government is financially accountable.

COMPONENT UNIT

The Industrial Development Corporation (IDC) was organized by the Authority under the State of Texas Development Corporation Act of 1979. The IDC is a non-profit corporation that issues industrial development revenue bonds to promote and develop commercial, industrial and manufacturing enterprises and to promote and encourage employment and public welfare. The issuance of any such bonds is adopted by the Board of Directors (Board) of the IDC, and approved by the Texas Economic Development Commission (TEDC) and the Port Commission. Net earnings of the IDC may be distributed to the Authority by action of the Board or upon dissolution of the IDC. The IDC is considered a blended component unit as the Authority has financial accountability. The Board of the IDC is appointed by the Port Commission and it is comprised of three members of the Port Commission and two members of the staff of the Authority, and the

Authority is able to impose its will on the IDC. In addition, the Authority's management has operational responsibility of the IDC. The financial statements of the IDC are not material to the financial statements of the Authority, and have not been included in the basic financial statements. The condensed financial statement information of the IDC follows:

	2017	2016
Total Net Position	$ 171,969	$ 93,844
Change in Net Position	$ 78,125	$ 81,656

The financial statements of the IDC may be obtained from the Authority's Chief Financial Officer at 222 Power Street, Corpus Christi, Texas 78401.

BASIS OF ACCOUNTING

The Authority operates as an enterprise fund to report on its financial position and the results of its operations. Enterprise funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded regardless of the measurement focus applied. All enterprise funds are accounted for on a flow of economic resources measurement focus, whereby all assets and all liabilities associated with the operation of these funds are included on the statement of net position. Proprietary fund equity is classified as net position. Enterprise fund operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net position.

The accrual basis of accounting is utilized by enterprise funds. Under this method, revenues are recorded when earned and expenses are recorded at the time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Authority's enterprise fund are charges to customers for the use of facilities and services provided. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

An annual budget for the Authority is adopted on a basis consistent with generally accepted accounting principles for proprietary funds, as a prudent management tool. Monthly budget reports are prepared for management to maintain proper budgetary control and are reviewed by the Port Commission on a monthly basis.

CASH AND CASH EQUIVALENTS

The Authority's cash and cash equivalents consists of cash on hand, cash held on deposit with financial institutions in demand deposit accounts, and short-term investments with original maturities of three months or less from the date of acquisition. Cash and cash equivalents are included in both unrestricted and restricted assets.

INVESTMENTS

In accordance with its Investment Policy and the Texas Public Funds Investment Act, Chapter 2256, Texas Government Code (PFIA), the Authority may invest in obligations of the US Government, its agencies and instrumentalities, fully collateralized or insured time deposits, local government investment pools having a rating not less than AAA, money market mutual funds registered with the SEC whose assets consist exclusively of obligations of the US Treasury, its agencies or instrumentalities and repurchase agreements backed by those securities, fully collateralized repurchase agreements, general debt obligations of states, agencies, counties, cities and other subdivisions of the United States with a rating not less than AA, fully insured brokered certificates of deposit, delivered versus payment to the Authority's safekeeping agent, and A1/P1 commercial paper with a maturity not to exceed 180 days.

Investments that mature within one year of acquisition are stated at cost or amortized cost. Investments with the remaining maturity of more than one year at the time of purchase are carried at fair value. Any realized gains and losses in fair value are reported in the operations of the current period.

ACCOUNTS RECEIVABLE

Trade receivables are shown net of an allowance for uncollectible accounts which is determined based on historical experience and collection efforts. Bad debts are written off against the accounts receivable allowance when deemed uncollectible.

INVENTORY AND PREPAID ITEMS

Inventory is valued at cost utilizing the first in first out method. Inventory consists of expendable materials used in the operation and maintenance of port facilities.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

PROPERTY, PLANT AND EQUIPMENT

Property constructed or acquired by purchase is stated at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession agreement are stated at acquisition value as of the date received. Repairs and maintenance are recorded as expenses. Renewals and betterments are capitalized. Authority policy has set the capitalization threshold for reporting capital assets at $5,000. The Authority capitalizes, as a cost of its constructed assets, the weighted average interest expense applied to average cumulative expenditures.

The Authority reviews the carrying value of its capital assets to determine if circumstances exist indicating impairment in the carrying value. If facts or circumstances support impairment, management follows guidance in GASB No.42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries.*

Depreciation is computed using the straight-line method over the following useful lives:

Port facilities	10-50 Years
Buildings and improvements	5-50 Years
Machinery and equipment	3-50 Years
Intangibles	3-5 Years

RESTRICTED ASSETS

Certain resources set aside for the repayment of debt are classified as restricted assets on the Statement of Net Position because their use is limited by applicable bond covenants.

Certain assets are reclassified as restricted due to the restriction on the use of these funds for a particular purpose.

All revenues received from participating in Federal equitable sharing of forfeited properties are restricted for use by the *United States Department of Justice Guide to Equitable Sharing of Federally Forfeited Property for State and Local Law Enforcement Agencies* or the *United States Department of Treasury Guide of Equitable Sharing For Foreign Countries and Federal, State and Local Law Enforcement Agencies*. Revenues received from participating in the State sharing of forfeited properties are also restricted for use as defined by state statutes. The Authority receives an annual allocation payment from the Law Enforcement Officer Standards and Education (LEOSE) account and that cash is restricted until spent for qualified expenses related to the continuing education of law enforcement personnel.

When an expense is incurred for purposes for which restricted and unrestricted net assets are available, the Authority's policy is to apply restricted assets first.

DEFERRED OUTFLOWS/INFLOWS OF RESOURCES

Deferred outflows of resources represent a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until that time. Deferred outflows related to pensions consist of the following items.

- Pension contributions after the measurement date – These contributions are deferred and recognized the following fiscal year.
- Difference in projected and actual earnings on pension assets – This difference is deferred and amortized over a period of five years.
- Difference in expected and actual pension experience – This difference is deferred and recognized over the average remaining service life for all active, inactive, and retired members.
- Changes in actuarial assumptions used to determine pension liability – This difference is deferred and amortized over the average remaining service life for all active, inactive, and retired members.

Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and so will not be recognized as in inflow of resources until that time. Deferred inflows related to pensions consist of the difference in expected and actual pension experience and this amount is deferred and recognized over the average remaining service life for all active, inactive and retired members.

PENSION PLAN

For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Texas County and District Retirement System (TCDRS) and additions to/deductions from TCDRS's fiduciary net position have been determined on the same basis as they are reported by TCDRS. For this purpose benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. For more information on the Authority's pension plans, see Note 7 of the Notes to the Financial Statements.

COMPENSATED ABSENCES

Authority employees are granted vacation at rates of 10 to 25 days per year and may accumulate up to a maximum of 20 to 50 days, depending on their length of employment. Upon termination, employees are paid for any unused accumulated vacation. Sick leave accumulates at the rate of 12 days per year. Upon termination for any reason other than for cause, employees are paid for any unused sick leave up to a maximum of 60 days. Compensated absences are accrued when incurred.

UNEARNED REVENUE

Advance payments for the deposit of dredge materials into the Authority's dredge placement areas are recognized as the materials are deposited, and operating lease payments, damage claims and foreign trade zone user fees are recognized as income over the term of related agreements. Amounts received but not yet earned are reflected as unearned revenue in the accompanying statement of net position.

NET POSITION

Net position represents the residual interest in the Authority's assets and deferred outflows after liabilities are deducted and consists of three sections: net investment in capital assets; restricted and unrestricted. Net investment in capital assets consists of capital assets net of accumulated depreciation and the outstanding balances of any borrowing spent for the acquisition, construction or improvements of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the Authority or through external restrictions imposed by creditors, grantors or laws or regulations of other governments. Net position that does not meet the definition of net investment in capital assets or restricted is classified as unrestricted.

CASH RESERVE POLICY

It is the desire of the Authority to maintain adequate funds to maintain liquidity in anticipation of economic downturns or natural disasters. The Authority's Commission has adopted a Cash Reserve Policy and established target goals to further this position.

- Contingencies – a target goal of $10,000,000 was established to cover emergency expenditures incurred due to catastrophic events.
- Self Insurance – a target goal of $5,000,000 was established to cover managed risk exposures.
- Operating – a target goal of a minimum of six months and a maximum of nine months of annual operating expenses, net of depreciation based on the annual operating budget to maintain financial flexibility, liquidity and stability.

These target goals are reviewed annually and will be modified as necessary to ensure adequate resources for statutory and legal reserves.

CONCENTRATION OF REVENUES

The Authority's operating revenues are subject to risk because of their concentration in the petroleum industry. Six customers from the petroleum industry made up over 56.0 percent of the Authority's wharfage and dockage revenue base for 2017, as compared to six customers that made up 58.5 percent in 2016. This risk is further enhanced by the fact that petroleum cargo continues to be the Authority's top commodity representing 84.6 percent of the total cargo tonnage moved through the Authority in 2017, compared to 85.1 percent in 2016.

ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

FUTURE ACCOUNTING PRONOUNCEMENTS

GASB 75 – *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* –addresses accounting and financial reporting issues related to other postemployment benefits (OPEB) other than pensions. This statement changes the focus of accounting of postemployment benefits other than pensions from how much it costs to adequately fund the benefits over time to a point-in-time liability that is reflected on the employer's financial statements for any actuarially unfunded portion of benefits earned to date. This statement will become effective for the Authority in fiscal year 2018.

GASB 87 – *Leases*– requires recognition of certain lease assets and liabilities for leases that previously were classified as operating leases. This statement will become effective for the Authority in fiscal year 2020.

2. DEPOSITS AND INVESTMENTS

At December 31, 2017 the carrying amount of the Authority's demand deposits and cash on hand was $3,617,399. The total bank deposits were covered by federal depository insurance (FDIC) or were secured by collateral held by the Authority's agent in the Authority's name.

At December 31, 2016 the carrying amount of the Authority's demand deposits and cash on hand was $1,624,628. The total bank deposits were covered by federal depository insurance (FDIC) or were secured by collateral held by the Authority's agent in the Authority's name.

GASB Statement No. 72 "*Fair Value Measurement and Application*" for financial reporting purposes categorizes financial instruments within three different levels of risk dependent upon the measures of their fair value and pricing. Because the investments are restricted by Policy and state law to active secondary market, the *market approach* is being used for valuation. The market approach uses prices and other relevant information generated by market transactions involving identical or comparable assets, liabilities, or a group of assets and liabilities.

The exit or fair market prices used for these fair market valuations of the portfolio are all Level 1 and represent unadjusted quoted prices in active markets for identical assets and liabilities that have been accessed at the measurement date.

Authority's investments at December 31, 2017 and 2016 carried at fair value were:

	2017			2016		
Investment Type	Fair Value	Weighted Average Maturity (Days)	Credit Risk	Fair Value	Weighted Average Maturity (Days)	Credit Risk
Certificates of Deposit	$ -			$ 245,000	290	
Money market funds	16,263,917	1		28,240,365	1	
Local government pool	64,050,419	1	AAA	81,701,941	1	AAA
United States agencies	125,296,341	304	AAA	137,659,515	571	AAA
Commercial paper	9,979,545	48	A-1/P-1	-		
Municipal bonds	-			7,017,793	74	AAA/AA
Total	215,590,222			254,864,614		
Short-term investments included in cash and cash equivalents	80,314,336			109,942,306		
Equity in Total Investments	**$ 135,275,886**			**$ 144,922,308**		
Portfolio weighted average maturity		179			311	

In accordance with GASB Statement No. 40, "*Deposit and Investment Risk Disclosures*" the Authority's financial statements are required to address custodial credit risk, credit risk of investments, concentration of risk, foreign currency risk, and interest rate risk.

CUSTODIAL CREDIT RISK

To control custody and safekeeping risk, State law and the Authority's adopted Investment policy requires collateral for all time and demand deposits, as well as collateral for repurchase agreements, be transferred delivery versus payment and held by an independent party approved by the Authority. The custodian is required to provide original safekeeping receipts and monthly reporting of positions with position descriptions including market value for both type transactions. All repurchase agreements and deposits must be collateralized to 102% and be executed under written agreements. The counter-party of each type transaction is held contractually liable for monitoring and maintaining the required collateral margins on a daily basis.

The Authority's portfolio contained no repurchase agreements and all bank demand deposits were fully insured and collateralized. All pledged bank collateral for demand deposits and certificates of deposits were held by an independent institution outside the bank's holding company.

CREDIT RISK

The primary stated objective of the Authority's adopted Investment Policy is the safety of principal and avoidance of principal loss. Credit risk within the Authority's approved investments authorized by the adopted Investment Policy occurs only in time and demand deposits, repurchase agreements, investment pools, commercial paper, and state and municipal obligations. All other investments are rated AAA, or equivalent, by at least one nationally recognized securities rating organization (NRSRO). State law and the adopted Investment Policy requires inclusion of a procedure to monitor and act as necessary to changes in credit rating on any investment which requires a rating. The adopted Investment Policy also requires a procedure to verify continued FDIC insurance weekly on brokered certificates of deposit.

State law and the Authority's adopted Investment Policy restricts both depository time and demand deposits to those banks doing business in the State of Texas and further requires full FDIC insurance and/or 102% collateralization from these depositories. Depository certificates of deposit are limited to a stated maturity of one year. Collateral, with a 102% margin, is required and restricted to obligations of the U.S. Government, its agencies, and instrumentalities, including mortgage backed securities passing the bank test. Independent safekeeping of collateral is required outside the pledging bank's holding company with monthly reporting by the custodian. Securities are priced at market on a daily basis as a contractual responsibility of the bank. The depository/collateral agreement must be executed under the terms of the Financial Industry Resource and Recovery Enforcement Act (FIRREA).

By policy and state law commercial paper must be rated no less than A-1 or P-1 by at least two nationally recognized credit rating agencies and the policy further restricts purchases to have a maturity not to exceed 180 days.

State law and the adopted Policy allow for investment in general obligations of any United States state or its agencies or sub-divisions not to exceed three years to stated maturity and rated not less than AA or its equivalent by one nationally recognized rating agency.

Local government investment pools in Texas are required to be rated AAA, or equivalent, by at least one nationally recognized rating organization. The adopted Investment Policy restricts investments to AAA-rated, local government investment pools striving to maintain a $1 net asset value and further regulated by state law.

CONCENTRATION OF RISK

The Authority recognizes over-concentration of assets by market sector or maturity as a risk to the portfolio. The adopted Investment Policy establishes diversification as a major objective of the investment program and sets diversification limits for all authorized investment types which are monitored on at least a monthly basis. Diversification limits are established as:

		Percent of Portfolio	
Investment Policy		2017	2016
United States Treasury securities	100%	-	3.92%
United States Agency securities	100%	58.11%	50.09%
Depository Certificates of Deposit	80%	-	0.10%
Repurchase Agreements	100%	-	-
Flex Agreements by bond fund	100%	-	-
Local Government Investment Pools	100%	29.71%	32.05%
Percent of pool ownership	10%		
Money Market Mutual Funds	100%	7.54%	11.08%
Percent of pool ownership	10%		
Interest bearing accounts	100%	0.01%	0.01%
Brokered Certificates of Deposit	10%	-	-
State and Local Debt Obligations	80%	-	2.75%
Commercial Paper	15%	4.63%	-

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. As of December 31, 2017 and 2016, the Authority had no foreign currency risk.

INTEREST RATE RISK

Interest rate risk is the risk associated with declines or rises in interest rates, which cause an investment in a fixed-income security to increase or decrease in value. In order to limit interest and market rate risk from changes in interest rates, the Authority's adopted Investment Policy sets maximum maturity dates for authorized investment types and a maximum dollar-weighted average maturity limit for the portfolio. The maximum stated final maturity of any investment is three years. The dollar-weighted average maturity (WAM) of the total portfolio is restricted to a maximum of one year.

For purposes of disclosing interest-rate risk, the maturity of a government's position in an external investment pool is based on the average maturity of the pool's investments regardless of the ability of the pool's participants to withdraw funds on demand.

As of December 31, 2017, the portfolio contained ten structured callable notes which would be impacted by interest rate risk as listed in the following table:

Issuer	Coupon Rate	Purchase Date	Maturity Date	Call Date	Call Structure	Book Value	Market Value
FHLB	1.250%	08/23/2016	08/23/2018	02/23/2018	Callable quarterly with 5 days notice	$ 7,000,000	$ 6,972,966
FHLB	1.000%	08/24/2016	05/24/2018	02/24/2017	Callable quarterly with 5 days notice	$ 5,000,000	$ 4,987,985
FHLB	0.900%	10/27/2016	07/27/2018	01/27/2017	Callable quarterly with 5 days notice	$ 10,000,000	$ 9,959,280
FHLMC	1.300%	10/28/2016	10/25/2019	01/25/2017	Callable quarterly with 5 days notice	$ 10,000,000	$ 9,873,240
FHLMC	1.050%	11/28/2016	11/28/2018	02/28/2018	Callable quarterly with 5 days notice	$ 5,000,000	$ 4,963,720
FAMCA	1.250%	4/19/2017	4/19/2018	1/19/2018	Callable monthly with 5 days notice	$ 10,000,000	$ 10,000,000
FFCB	0.690%	7/29/2016	1/11/2018	10/11/2016	Callable anytime with 5 days notice	$ 7,000,000	$ 6,998,803
FHLB	1.000%	10/06/2016	9/6/2018	12/6/2016	Callable anytime with 5 days notice	$ 7,000,000	$ 6,965,567
FFCB	1.230%	11/08/2016	1/25/2019	1/25/2017	Callable anytime with 5 days notice	$ 5,000,000	$ 4,969,345
FFCB	1.150%	11/8/2016	2/22/2019	2/22/2017	Callable anytime with 5 days notice	$ 5,000,000	$ 4,947,760
				TOTAL		**$ 71,000,000**	**$ 70,638,666**

Abbreviations:

FHLB	Federal Home Loan Bank
FAMC	Federal Agriculture Mortgage Corporation
FHLMC	Federal Home Loan Mortgage Corporation
FFCB	Federal Farm Credit Bank

As of December 31, 2016, the portfolio contained fourteen structured callable notes which would be impacted by interest rate risk as listed in the following table:

Issuer	Coupon Rate	Purchase Date	Maturity Date	Call Date	Call Structure	Book Value	Market Value
FHLB	1.250%	08/23/2016	08/23/2018	02/23/2017	Callable quarterly with 5 days notice	$ 7,000,000	$ 6,988,191
FHLB	1.000%	08/24/2016	05/24/2018	02/24/2017	Callable quarterly with 5 days notice	$ 5,000,000	$ 4,967,780
FHLB	0.900%	10/27/2016	07/27/2018	04/27/2017	Callable quarterly with 5 days notice	$ 10,000,000	$ 9,944,770
FHLMC	1.300%	10/28/2016	10/25/2019	01/25/2017	Callable quarterly with 5 days notice	$ 10,000,000	$ 9,866,640
FHLMC	1.050%	11/28/2016	11/28/2018	02/28/2017	Callable quarterly with 5 days notice	$ 5,000,000	$ 4,952,735
FNMA	1.100%	08/23/2016	08/23/2019	08/23/2017	Callable once with 10 days notice	$ 10,000,000	$ 9,851,450
FNMA	1.125%	09/06/2016	09/06/2019	09/06/2017	Callable once with 10 days notice	$ 10,000,000	$ 9,842,250
FHLB	0.875%	10/06/2016	04/12/2018	04/12/2017	Callable once with 5 days notice	$ 10,000,000	$ 9,970,620
FHLMC	0.625%	11/08/2016	10/26/2018	04/26/2017	Callable once with 5 days notice	$ 1,930,132	$ 1,927,848
FFCB	0.690%	07/29/2016	01/11/2018	10/11/2016	Callable anytime with 5 days notice	$ 7,000,000	$ 6,959,925
FHLB	1.000%	10/06/2016	09/06/2018	12/06/2016	Callable anytime with 5 days notice	$ 7,000,000	$ 6,962,550
FFCB	1.230%	11/8/2016	01/25/2019	01/25/2017	Callable anytime with 5 days notice	$ 5,001,559	$ 4,970,005
FFCB	1.150%	11/08/2016	02/22/2019	02/22/2017	Callable anytime with 5 days notice	$ 5,002,084	$ 4,975,725
FHLMC	0.900%	07/14/2015	07/14/2017	Past call date	Callable once with 5 days notice	$ 3,000,000	$ 3,002,166
				TOTAL		**$ 95,933,775**	**$ 95,182,655**

Abbreviations:

FHLB Federal Home Loan Bank
FNMA Federal National Mortgage Association
FHLMC Federal Home Loan Mortgage Corporation
FFCB Federal Farm Credit Bank

3. RECEIVABLES

Receivables as of December 31, including the applicable allowances for uncollectible accounts, are as follows:

		2017	2016
Trade receivables		$16,863,080	$11,679,872
Damage claims receivable		-	657,540
Insurance proceeds		1,266,289	-
Accrued revenues - capital recovery lease provision	*	10,647,151	12,776,582
		28,776,520	25,113,994
Net of allowance for uncollectibles		(43,776)	(115,165)
Receivables, net		28,732,744	24,998,829
Less: Non-current account receivable	*	(8,053,006)	(10,647,152)
Current account receivable		$20,679,738	$14,351,677

* Accrued revenues were recorded in 2016 and 2017 for lease provisions that will be billed in future years and are further explained in Note 6 of the Notes to the Financial Statements.

4. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	Beginning Balance	Transfers and Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	$ 91,132,008	$ 5,335,765	$ -	$ 96,467,773
Channel and waterfront improvements	25,107,516	6,422,865	-	31,530,381
Intangibles	387,429	-	-	387,429
Construction in progress	93,743,620	61,143,381	-	154,887,001
Total capital assets, not being depreciated	210,370,573	72,902,011	-	283,272,584
Capital assets, being depreciated:				
Port facilities	245,959,097	25,275,629	-	271,234,726
Buildings and improvements	87,535,758	706,721	416,536	87,825,943
Machinery and equipment	48,012,647	899,106	1,532,425	47,379,328
Intangibles	2,667,305	75,936	-	2,743,241
Total capital assets, being depreciated	384,174,807	26,957,392	1,948,961	409,183,238
Less: accumulated depreciation for				
Port facilities	129,358,718	7,189,952	-	136,548,670
Buildings and improvements	41,529,763	3,204,305	195,108	44,538,960
Machinery and equipment	31,174,886	2,794,068	1,298,435	32,670,519
Intangibles	2,358,145	189,315	-	2,547,460
Total accumulated depreciation	204,421,512	13,377,640	1,493,543	216,305,609
Total capital assets, being depreciated, net	179,753,295	13,579,752	455,418	192,877,629
Total capital assets, net	**$ 390,123,868**	**$ 86,481,763**	**$ 455,418**	**$ 476,150,213**

Hurricane Harvey, a category 4 hurricane made landfall on the Texas gulf coast and caused extensive damage to the coastal cities north of Corpus Christi. As a result, certain assets were destroyed and other assets require restoration efforts to restore their service utility. In accordance with GASB Statement No.42, the Authority realized a loss from impairment of $428,254. For more information on the financial impacts of Hurricane Harvey, see Note 11 of the Notes to the Financial Statements.

Capital asset activity for the year ended December 31, 2016 was as follows:

	Beginning Balance	Transfers and Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	$ 84,786,396	$ 6,345,612	$ -	$ 91,132,008
Channel and waterfront improvements	25,056,737	50,779	-	25,107,516
Intangibles	387,429	-	-	387,429
Construction in progress	59,166,446	34,577,174	-	93,743,620
Total capital assets, not being depreciated	169,397,008	40,973,565	-	210,370,573
Capital assets, being depreciated:				
Port facilities	245,124,241	834,856	-	245,959,097
Buildings and improvements	85,047,462	2,570,696	82,400	87,535,758
Machinery and equipment	46,166,381	1,902,729	56,463	48,012,647
Intangibles	2,609,284	58,021	-	2,667,305
Total capital assets, being depreciated	378,947,368	5,366,302	138,863	384,174,807
Less: accumulated depreciation for				
Port facilities	122,881,076	6,477,642	-	129,358,718
Buildings and improvements	38,389,130	3,181,117	40,484	41,529,763
Machinery and equipment	27,893,030	3,312,597	30,741	31,174,886
Intangibles	2,189,444	168,701	-	2,358,145
Total accumulated depreciation	191,352,680	13,140,057	71,225	204,421,512
Total capital assets, being depreciated, net	187,594,688	(7,773,755)	67,638	179,753,295
Total capital assets, net	**$ 356,991,696**	**$ 33,199,810**	**$ 67,638**	**$ 390,123,868**

5. LEASES

OPERATING LEASES

The Authority leases to others certain land and improvements, and these leases are classified as operating leases. As of December 31, 2017, minimum lease payments under these operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows:

Years Ending	
2018	$ 11,349,662
2019	9,269,326
2020	8,018,662
2021	6,996,181
2022	6,812,897
Thereafter	64,287,347
Total	**$ 106,734,075**

As of December 31, 2017, $25,665,477 had been received in advance payments and $11,447,152 will be billed in future periods for operating leases and has been recorded as unearned revenue. As of December 31, 2016, $13,974,445 had been received in advance payments and $11,967,399 will be billed in future periods for operating leases and has been recorded as unearned revenue.

6. NON-CURRENT LIABILITIES

LONG-TERM DEBT

On May 27, 2015, the Authority issued revenue bonds, Series 2015 (Taxable), in the amount of $115,000,000 to pay costs of projects to acquire land and to acquire, purchase, construct, enlarge, extend, repair or develop facilities or aids incident to or useful or necessary in the operation or development of the Authority's ports and waterways or in aid or navigation and commerce thereon. Certain proceeds of the Bonds were used to pay the costs of issuing the Bonds. Interest is payable on June 1 and December 1 of each year. The source of repayment, as defined by the bond resolutions, includes pledged revenues from the operation of Port Facilities after the deduction of maintenance and operating expenses other than those related to depreciation or the interest expense on the bonds.

Total interest expense for the year ended December 31, 2017 was $4,101,169, of which $472,305 was capitalized and total interest expense for the year ended December 31, 2016 was $4,137,095, of which $1,177,284 was capitalized.

A statement of changes in long-term debt for the year ended December 31, 2017, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Revenue bonds	$ 110,640,000	$ -	$ 4,395,000	$ 106,245,000	$ 4,450,000
Total	**$ 110,640,000**	**$ -**	**$ 4,395,000**	**$ 106,245,000**	**$ 4,450,000**

A statement of changes in long-term debt for the year ended December 31, 2016, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Revenue bonds	$ 115,000,000	$ -	$ 4,360,000	$ 110,640,000	$ 4,395,000
Total	**$ 115,000,000**	**$ -**	**$ 4,360,000**	**$ 110,640,000**	**$ 4,395,000**

Total debt service requirements as of December 31, 2017, are as follows:

Years Ending	Principal	Interest	Total
2018	$ 4,450,000	$ 4,051,092	$ 8,501,092
2019	4,530,000	3,968,589	8,498,589
2020	4,635,000	3,866,301	8,501,301
2021	4,755,000	3,745,420	8,500,420
2022	4,895,000	3,608,096	8,503,096
Thereafter	82,980,000	27,521,290	110,501,290
Total	**$ 106,245,000**	**$ 46,760,788**	**$ 153,005,788**

UNEARNED REVENUES

The Authority receives advance payments for dredge placement agreements, damage claims, and operating lease contracts and the revenues will be recorded over the terms of these agreements as follows:

Years Ending	Damage Claims	Operating Leases	Dredge Placement Fees	Totals
2018	$ 68,400	$ 4,271,040	$ 187,245	$ 4,526,685
2019	-	2,983,223	-	$ 2,983,223
2020	-	2,959,647	-	$ 2,959,647
2021	-	2,871,995	-	$ 2,871,995
2022	-	2,861,146	-	$ 2,861,146
Thereafter	-	20,909,933	-	$ 20,909,933
Total	**$ 68,400**	**$ 36,856,984**	**$ 187,245**	**$ 37,112,629**

The Authority entered into a lease agreement with at tenant in 2017 that contains a provision for the preferential rights to use an Authority dock for a period of six years, however this provision is billable over five years. A receivable has been recorded for the remaining four years and unearned revenue will be recognized over the term of the preferential rights to use the dock.

The Authority entered into a lease agreement with a tenant in 2016 that contains provisions for partial recovery of the costs of building a dock and exclusive use of that dock. In compliance with GASB Statement No. 62, the substantial investment by the tenant reasonably assures the Authority that the lease will continue over the initial term and all options and requires accounting for these lease provisions over the extended lease term of 25 years. The capital recovery provision is billable over a four year period beginning in 2017 and a receivable has been recorded for the unbillled portion of the lease provision for this. Both lease provisions are recorded as unearned revenue to be recognized over the term of the lease.

UNEARNED CAPITAL LEASE

The Authority entered into a lease agreement with Gulf Compress. Under the terms of the lease, Gulf Compress constructed 550,000 square feet of cotton warehouses on property owned by the Port at the proposed site of the La Quinta Container Terminal Facility. On January 21, 2005, the cotton warehouses were completed and ownership was transferred to the Authority in consideration of a thirty year prepaid lease. Prepaid lease rentals will be amortized over the lease term as follows:

Years Ending	
2018	$ 457,040
2019	457,040
2020	457,040
2021	457,040
2022	457,040
Thereafter	5,461,965
Total	**$ 7,747,165**

COMPENSATED ABSENCES

A statement of changes in compensated absences for the year ended December 31, 2017, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Vacation	$ 1,247,284	$ 910,584	$ 747,925	$ 1,409,943	$ 747,925
Sickleave	2,786,345	599,895	441,741	2,944,499	441,741
Total	**$ 4,033,629**	**$ 1,510,479**	**$ 1,189,666**	**$ 4,354,442**	**$ 1,189,666**

A statement of changes in compensated absences for the year ended December 31, 2016, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
Vacation	$ 1,173,372	$ 891,361	$ 817,449	$ 1,247,284	$ 817,449
Sickleave	2,584,738	659,756	458,149	2,786,345	458,149
Total	**$ 3,758,110**	**$ 1,551,117**	**$ 1,275,598**	**$ 4,033,629**	**$ 1,275,598**

OPEB OBLIGATION

A statement of changes in OPEB Obligation for the year ended December 31, 2017, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
OPEB Obligation	$ 690,456	$ 182,144	$ 116,251	$ 756,349	$ -
Total	**$ 690,456**	**$ 182,144**	**$ 116,251**	**$ 756,349**	**$ -**

A statement of changes in OPEB Obligation for the year ended December 31, 2016, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Current Portion
OPEB Obligation	$ 589,759	$ 116,097	$ 15,400	$ 690,456	$ -
Total	**$ 589,759**	**$ 116,097**	**$ 15,400**	**$ 690,456**	**$ -**

7. PENSION PLAN

Plan Description

The Authority provides pension, disability, and death benefits for all its full-time employees through a nontraditional defined benefit pension plan in the state-wide Texas County and District Retirement System (TCDRS). This is accounted for as an agent multiple-employer defined benefit pension plan. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 701 defined benefit pension plans which function similarly to cash balance-account plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 or is available on their website at www.tcdrs.org.

Benefits Provided

The plan provisions are adopted by the governing body of the Authority, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the Authority within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. By law, employee accounts earn 7% interest. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. At retirement, the employee's account is matched at a percentage adopted by the Authority's governing body and the current match is 125%. There are no automatic post-employment benefit changes, including automatic cost-of-living adjustments. Ad hoc post-employment benefit changes, including cost-of-living adjustments can be granted by the governing body of the Authority within guidelines of the TCDRS.

Contributions

The Authority has elected the Annually Determined Contribution Rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the Authority is actuarially determined annually as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

The actuarially determined rate for the calendar year 2017 was 4.26 percent and for the calendar year 2016 was 4.99 percent, however the governing body of the Authority adopted the rate of 7 percent for both the calendar year 2017 and 2016. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. Employee and Authority contributions were $1,068,177 and $1,068,177, respectively for the year ended December 31, 2017, and $996,832 and $996,832, respectively for the year ended December 31, 2016.

Employees Covered by Benefit Terms

At the measurement date, the following employees were covered by the benefit terms:

	December 31, 2016	December 31, 2015
Retirees or beneficiaries currently receiving benefits	97	95
Inactive employees entitled to but not yet receiving benefits	54	53
Active employees	209	202
	360	350

Actuarial Assumptions

The actuarial assumptions that determined the total net pension liability as of December 31, 2017 and the total net pension asset as of December 31, 2016 were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2012, except where required to be different by GASB Statement 68 with the exception of the mortality assumptions that were updated and adopted in 2015. The actuarial valuations were determined using the following actuarial assumptions and were the same for both reporting years with the exceptions noted below:

Actuarial Valuation Date	**December 31, 2016 and December 31, 2015**
Actuarial Cost Method	Individual Entry Age Normal
Long-term Investment Rate of Return	8.10%
Discount Rate	8.10%
Inflation Rate	3.0%
Projected Salary Increase Rates	4.9%
Cost-of-Living Adjustment	0%
Retirement Age	Experience-based table with rates of retirement ranging from 4.5% at ages 40-44 to 22% at age 74; for all eligible members ages 75 and older, retirement is assumed to occur immediately
Mortality-for the actuarial valuation date of December 31, 2015, all Mortality tables use base table RP-2000 projected with Scale AA to 2014 and then projected with 110% of the MP-2014 Ultimate Scale after that. For December 31, 2014 valuation all Mortality tables use generational mortality with Projection Scale AA	Among active members RP-2000 Active Mortality Table for Males + 2 years RP-2000 Active Mortality Table for Females – 4 years Among inactive vested members, service retirees & beneficiaries RP-2000 Combined Mortality Table for Males + 1 year RP-2000 Combined Mortality Table for Females + 0 years Among disability retirees RP-2000 Disabled Mortality Table for Males + 0 years RP-2000 Disabled Mortality Table for Females +2 year

Discount Rate

The discount rate used to determine the total pension liability as of December 31, 2017 and December 31, 2016 was 8.10%. The discount rate was determined using an alternative method to determine the sufficiency of the fiduciary net position in all future years. This method reflects the funding requirements under the Authority's funding policy and the legal requirements under the TCDRS Act as follows:

1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20 year closed layered periods.
2) Under the TCDRS Act, the Authority is legally required to make the contribution specified in the funding policy.
3) The Authority's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the Authority is still required to contribute at least the normal cost.
4) Any increased cost due to the adoption of a cost-of living adjustment is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position was determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system the fiduciary net position as a percentage of total pension liability is expected to increase from its current level in future years. Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the Authority is equal to the long-term assumed rate of return on investments of 8.10% for both years presented.

Discount Rate Sensitivity Analysis

The following presents the net pension liability of the Authority, calculated using the discount rate of 8.10%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.10%) or one percentage point higher (9.10%) than the current rate.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
December 31, 2016:			
Net pension liability	$ 6,199,703	$ 583,910	$ (4,178,437)
December 31, 2015:			
Net pension asset	$ 6,353,951	$ 1,057,791	$ (3,436,932)

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are based on January, 2017 information for a seven to ten year time horizon. The valuation assumption for long-term expected return is re-assessed a minimum of every four years, and is set based on a 30 year time horizon, the most recent analysis was performed in 2013.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	13.50%	4.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	16.00%	7.70%
Global Equities	MSCI World (net) Index	1.50%	5.00%
International Equities-Developed	MSCI World Ex USA (net)	10.00%	4.70%
International Equities-Emerging	MSCI EM Standard (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	3.83%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.15%
Distressed Debt	Cambridge Associates Distressed Securities Index (4)	3.00%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FTSE EPRA/NAREIT Global Real Estate Index	2.00%	3.85%
Master Limited Partnerships	Alerian MLP Index	3.00%	5.60%
Private Real Estate	Cambridge Associates Real Estate Index (5)	6.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	20.00%	3.85%

(1) Target Asset Allocation was adopted at the April, 2017 TCDRS Board meeting

(2) Geometric Real Rates of Return in addition to assumed inflation of 2.0%, per Cliffwater's 2017 capital market assumptions

(3) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

(5) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

The capital market assumptions and information shown below are based on January, 2016 information for a seven to ten year time frame. The valuation assumption for long-term expected return is re-assessed a minimum of every four years, and is set based on a 30 year time horizon, the most recent analysis was performed in 2013.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	14.50%	5.45%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	14.00%	8.45%
Global Equities	MSCI World (net) Index	1.50%	5.75%
International Equities-Developed	MSCI World Ex USA (net)	10.00%	5.45%
International Equities-Emerging	MSCI World Ex USA (net)	8.00%	6.45%
Investment-Grade Bonds	Barclays Capital Aggregate Bond Index	3.00%	1.00%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	5.10%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	5.09%
Direct Lending	Citigroup High-Yield Cash-Pay Capped Index	5.00%	6.40%
Distressed Debt	Citigroup High-Yield Cash-Pay Capped Index	3.00%	8.10%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FRSE EPRA/NAREIT Global Real Estate Index	3.00%	4.00%
Master Limited Partnerships	Alerian MLP Index	3.00%	6.80%
Private Real Estate	Cambridge Associates Real Estate Index (4)	5.00%	6.90%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	25.00%	5.25%

(1) Target Asset Allocation was adopted at the April, 2016 TCDRS Board meeting

(2) Geometric Real Rates of Return in addition to assumed inflation of 1.6%, per Cliffwater's 2016 capital market assumptions

(3) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Net Pension Liability

The Net Pension Liability is the difference between the Total Pension Liability and the plan's Fiduciary Net Position.

For the year ended December 31, 2017, the Authority's Net Pension Liability was measured as of December 31, 2016, and the Total Pension Liability was determined by an actuarial valuation as of that date.

For the year ended December 31, 2016, the Authority's Net Pension Liability was measured as of December 31, 2015, and the Total Pension Liability was determined by an actuarial valuation as of that date.

The changes in net pension liability for the measurement date of December 31, 2016 based on the actuarial date of December 31, 2016 is reflected below:

Changes in Net Pension Liability	Increase (Decrease) Total Pension Liability	Fiduciary Net Position	Net Position Liability
Balances as of December 31, 2015	$ 46,331,389	$ 45,273,598	$ 1,057,791
Changes for the Year:			
Service cost	1,646,309	-	1,646,309
Interest on total pension liability	3,737,072	-	3,737,072
Effect of economic/demographic gains or losses	(640,607)	-	(640,607)
Refund of contributions	(165,687)	(165,687)	-
Benefit payments	(1,877,746)	(1,877,746)	-
Administrative expenses	-	(36,388)	36,388
Member contributions	-	996,832	(996,832)
Net investment income	-	3,346,977	(3,346,977)
Employer contributions	-	996,832	(996,832)
Other (allocated system-wide items)	-	(87,598)	87,598
Balances as of December 31, 2016	**$ 49,030,730**	**$ 48,446,820**	**$ 583,910**

The changes in net pension liability for the measurement date of December 31, 2015 based on the actuarial date of December 31, 2015 is reflected below:

Changes in Net Pension Liability	Increase (Decrease) Total Pension Liability	Fiduciary Net Position	Net Position Liability
Balances as of December 31, 2014	$ 43,516,753	$ 45,786,593	$ (2,269,840)
Changes for the Year:			
Service cost	1,261,508	-	1,261,508
Interest on total pension liability	3,506,024	-	3,506,024
Effect of plan changes	(209,318)	-	(209,318)
Effect of economic/demographic gains or losses	(217,150)	-	(217,150)
Effect of assumptions changes or inputs	449,183	-	449,183
Refund of contributions	(120,502)	(120,502)	-
Benefit payments	(1,855,109)	(1,855,109)	-
Administrative expenses	-	(32,747)	32,747
Member contributions	-	979,505	(979,505)
Net investment income	-	(508,400)	508,400
Employer contributions	-	979,505	(979,505)
Other (allocated system-wide items)	-	44,753	(44,753)
Balances as of December 31, 2015	**$ 46,331,389**	**$ 45,273,598**	**$ 1,057,791**

For the year ended December 31, 2017, the Authority recognized pension expense as follows:

	January 1, 2016 to December 31, 2016
Service cost	$ 1,646,309
Interest on total pension liability	3,737,072
Administrative expenses	36,388
Member contributions	(996,832)
Expected investment return net of investment expenses	(3,660,261)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(47,857)
Recognition of assumption changes or inputs	74,864
Recognition of investment gains or losses	1,038,561
Other (allocated system-wide items)	87,598
Pension expense	**$ 1,915,842**

For the year ended December 31, 2016, the Authority recognized pension expense as follows:

	January 1, 2015 to December 31, 2015
Service cost	$ 1,261,508
Interest on total pension liability	3,506,024
Effect of plan changes	(209,318)
Administrative expenses	32,747
Member contributions	(979,505)
Expected investment return net of investment expenses	(3,741,278)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	58,910
Recognition of assumption changes or inputs	74,864
Recognition of investment gains or losses	975,904
Other (allocated system-wide items)	(44,753)
Pension expense	**$ 935,103**

For the year ended December 31, 2017, the Authority recorded deferred outflows and inflows of resources related to the pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 285,306	$ 678,606
Changes of assumptions	299,455	-
Net difference between projected and actual earnings	3,052,371	-
Contributions made subsequent to measurement date	1,068,177	-
TOTALS	**$ 4,705,309**	**$ 678,606**

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $1,068,177 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2017 (i.e. recognized in the Authority's financial statements December 31, 2018). Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2017	$ 1,065,567
2018	1,065,567
2019	939,599
2020	(5,439)
2021	(106,768)
Total	**$ 2,958,526**

For the year ended December 31, 2016, the Authority recorded deferred outflows of resources related to the pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 380,408	$ 180,958
Changes of assumptions	374,319	-
Net difference between projected and actual earnings	3,777,648	-
Contributions made subsequent to measurement date	996,832	-
TOTALS	**$ 5,529,207**	**$ 180,958**

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $996,832 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2016 (i.e. recognized in the Authority's financial statements December 31, 2017). Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2016	$ 1,109,678
2017	1,109,678
2018	1,109,678
2019	983,710
2020	38,673
Total	**$ 4,351,417**

8. POSTRETIREMENT BENEFITS

GASB Statement No. 45 *Accounting and Financial Reporting by Employers for Postretirement Benefits Other than Pensions* (OPEB), established accounting standards for postretirement benefits. The standard does not require funding of OPEB expense, but any differences between the annual required contribution (ARC) and the amount funded during the year is to be recorded in the employer's financial statements as an increase (or decrease) in the net OPEB obligation. The Authority is required to obtain an actuarial valuation at least once every three years in accordance with GASB 45 standards. The Authority's latest valuation is dated as of January 1, 2017.

Plan Description

The Authority provides postretirement healthcare benefits to eligible retired employees and their spouses through provisions enacted by the authority of the Port Commission. At December 31, 2017, five former employees were eligible for these benefits. The Authority funds a portion of the premiums for health insurance. Continuation of these benefits and the Authority's contributions are dependent on periodic authorization by the Port Commission. The health insurance benefits provided to retirees are the same as those offered to active employees. The supplied benefits include hospital, doctor, dental and prescription drug charges.

Employees, who have reached age 62, may continue coverage under the Authority's healthcare plan as a retiree until the age of 65.

The plan is not accounted for as a trust fund, as an irrevocable trust has not been established to fund the plan. The plan does not issue a separate financial report.

Funding Policy

The required contribution is based on a projected pay-as-you-go basis, which is expected to continue. The cost of retiree health and life benefits, recorded on a pay-as-you-go basis was $116,251 for the year ended December 31, 2017 and $15,400 for the year ended December 31, 2016.

Annual OPEB Cost and Net OPEB Obligation

The annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial accrued liabilities (UAAL) or funding excess over a period not to exceed thirty years. The following table shows the components of the Authority's annual OPEB cost for the year, the amount actually contributed to the plan and changes in the Authority's net OPEB obligation. The end of year net OPEB Obligation is shown as a non-current liability on the Statement of Net Position.

A statement of the calculation of the annual OPEB contribution and the change in the net OPEB obligation for the years ended December 31, 2017 and 2016 is as follows:

	2017	2016
Determination of Annual Required Contribution		
Normal Cost at Year End	$ 97,672	$ 68,857
Amortization of UAAL	106,070	64,461
Annual Required Contribution (ARC)	203,742	133,318
Determination of Net OPEB Obligation		
Annual Required Contribution	203,742	133,318
Interest on Prior Year Net OPEB Obligation	27,618	23,590
Adjustment to ARC	(49,216)	(40,811)
Annual OPEB Cost	182,144	116,097
Contributions Made	(116,251)	(15,400)
Increase in Net OPEB Obligation	65,893	100,697
Net OPEB Obligation - Beginning of Year	690,456	589,759
Net OPEB Obligation - End of Year	**$ 756,349**	**$ 690,456**

The end of year net OPEB Obligation is shown as a non-current liability on the Statement of Net Position.

The Authority's annual OPEB cost, the contribution of net benefit payments, the percentage of annual OPEB cost contributed to the plan, and net OPEB obligation for the current and three preceding years were as follows:

Years Ended December 31,	Discount Rate	Annual OPEB Cost	Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
2017	4.00%	$ 182,144	$ 116,251	63.82%	$ 756,349
2016	4.00%	116,097	15,400	13.26%	690,456
2015	4.00%	112,021	10,144	9.06%	589,759
2014	4.00%	108,495	20,339	18.75%	487,882

Funding Status and Funding Progress

The schedule of funding progress for the current and three preceding years is as follows:

Actuarial Valuation Date, January 1	Actuarial Value of Assets	Discount Rate	Actuarial Accrued Liabilities (AAL) (1)	Unfunded Actuarial Accrued Liabilities (UAAL) (2)	Funded Ratio	Annual Covered Payroll	UAAL as % of Covered Payroll
2017	$ -	4.0%	$ 1,488,062	$ 1,488,062	0.0%	$ 15,259,672	9.8%
2016	-	4.0%	931,515	931,515	0.0%	14,240,462	6.5%
2015	-	4.0%	839,232	839,232	0.0%	13,992,927	6.0%
2014	-	4.0%	760,302	760,302	0.0%	11,816,387	6.4%

(1) Actuarial Accrued Liability determined under the projected unit credit cost method.
(2) Actuarial Accrued Liability less Actuarial Value of Assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the Authority are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

The actuarial cost method used to determine the OPEB obligation is computed using the Projected Unit Credit Actuarial Cost Method which consists of the following cost components:

- The Normal Cost is the Actuarial Present Value of benefits allocated to the valuation year.
- The Actuarial Accrued Liability (AAL) is the actuarial present value of benefits accrued as of the valuation date.
- Valuation Assets are equal to the market value of assets as of the valuation date, if any.
- Unfunded Actuarial Accrued Liability (UAAL) is the difference between the Actuarial Accrued Liability and the Valuation Assets. The amortization of UAAL as of January 1, 2016 is calculated as a level dollar over 20 years on a closed basis.

The latest actuarial valuation for the Authority was completed as of January 1, 2017. The significant assumptions underlying the actuarial calculations are as follows:

Actuarial Cost Method	Projected Unit Credit
Discount Rate for Valuing Liabilities	Pay-as-you-go: 4.0%
Mortality Rates	RP2000 with Projection Scale AA
Healthcare Cost Trend	5.4% in the first year
	5.3% in the second year
	5.2% in the third year
	5.1% in the fourth year
	Grade down to 4.0% by the sixty-third year
Dental Cost Trend	2.9% in the first year and all years thereafter
Healthcare Inflation Rate (Includes Administrative Expenses)	December 31, 2017 Medical 5.4%
	Dental 2.9%
	December 31, 2018 Medical 5.3%
	Dental 2.9%
	Range of Years 2019-2079
	Medical 5.2% - 4.0%
	Dental 2.9% -2.9%

Withdrawal Rates*	Based on Years of Service
Disability Rates*	Based on Age
Retirement Rates *	Based on Age
Employee Coverage	100% eligible for benefits elect coverage
Spousal Coverage	85% eligible for benefits elect coverage
Spouse Age Difference	Same as employee
Medical Benefit Costs by Age	Varies based on projected average monthly cost for claims and administration based on experience

* Based on the 2016 pension valuation for the Texas County and District Retirement System

9. CONSTRUCTION AND IMPROVEMENT COMMITMENTS

At December 31, 2017, the Authority had remaining contractual construction and improvement commitments of approximately $31,309,514. These commitments are being financed through operating revenues, bond proceeds, and capital grants.

10. COMMITMENTS AND CONTINGENCIES

LITIGATION

From time to time, the Authority is subject to routine litigation incidental to its operations. Management believes that the results of any claims or litigation will not materially affect the Authority's financial position.

RISK MANAGEMENT

The Authority has a combined risk financing approach using both risk transfer and risk retention in order to appropriately manage risk in accordance with financial and operational goals. The Authority retains a maximum $4,000,000 retention on the property insurance program with primary limits of $25 million and excess limits of $75 million for a combined limit of $100 million. In order to manage liability loss exposures, various liability policies are purchased which include employment practices liability, property damage and bodily injury, law enforcement, cyber, and foreign liability. The Authority has established a self-funded health and dental plan (plan) for its employees and dependents. A specific stop loss policy is in force for individual plan claims in excess of $100,000 annually, and an aggregate stop loss policy is in force for annual aggregate claims in excess of approximately $4,121,307. The Authority is covered for workers' compensation claims through Texas Mutual Insurance. Prior to 2005, the Authority was self-insured for workers' compensation and estimated remaining workers' compensation claims are reflected below. The Authority has made no significant changes in its insurance coverage from coverage in the prior year. In the past three years the Authority has had no settlements that exceeded insurance coverage.

A liability for unpaid claims is reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. The Authority's liability is an estimate and includes an amount for claims that have been incurred but not reported (IBNR). The methodology used to determine the liability is based on recent claim settlement trends, including frequency and amount of payouts, and other factors such as inflation, changes in legal doctrines and damage awards. At December 31, 2017, the liability of $275,507 is comprised of estimated health claims of $253,903 and estimated worker's compensation claims of $21,604. At December 31, 2016, the liability of $391,668 is comprised of estimated health claims of $377,446 and estimated worker's compensation claims of $14,222.

Changes in the balances of claims liabilities as of December 31, 2017, 2016, and 2015 are as follows:

	2017	2016	2015
Unpaid claims, beginning of fiscal year	$ 391,668	$ 168,820	$ 173,348
Incurred claims (including IBNRs)	4,180,444	4,074,450	3,484,158
Claim payments	(4,296,605)	(3,851,602)	(3,488,686)
Unpaid claims, end of fiscal year	**$ 275,507**	**$ 391,668**	**$ 168,820**

FACILITIES FINANCING BONDS

The Authority and IDC have entered into agreements with three unrelated entities to finance construction of pollution control, environmental, and solid waste disposal facilities. To accomplish this, the Authority and IDC acted as issuers of facilities financing revenue bonds in the original amount of $442,400,000. The bonds are secured solely by the facilities and installment sales agreements, and the Authority and IDC assumed no current or future obligation for repayment of the bonds. The installment sales agreements were entered into with the entities for an amount equal to the outstanding bonds to secure repayment. The proceeds of the bonds were received and used by the entities and are repaid when due directly by the entities. At December 31, 2017, facilities financing revenue bonds outstanding amounted to $422,500,000.

HARBOR BRIDGE REPLACEMENT AND HILLCREST NEIGHBORHOOD RELOCATION

On August 8, 2016, groundbreaking for the U.S. 181 Harbor Bridge Replacement took place. The new bridge will be the longest precast cable-stayed span in the United States, and the third largest of its kind in the world. The clearance of the existing bridge is 138 feet and prevents larger ships from accessing the port. The new bridge will have a clearance of 205 feet, and will allow some of the world's largest ocean-going vessels entrance into the Inner Harbor of the Port of Corpus Christi. With the opening of the Panama Canal expansion in June, 2016, this will allow for greater opportunities in global trade. The new bridge is scheduled to be completed in 2021 and in addition to state and federal funding, local funding is being provided by the Authority, Nueces County, and San Patricio County. The Authority entered into a Local Project Advance Funding Agreement with the Texas Department of Transportation in 2015 to provide funding in the amount of $15 million. This contribution is being paid over a five year period in equal installments, and $6 million is outstanding as of December 31, 2017.

The plans for the new bridge will require a more gradual incline for the increased clearance and greatly impacts the residents and business owners of the predominantly minority Hillcrest neighborhood. The Federal Highway Administration (FHWA) and the Texas Department of Transportation (TxDOT) entered into a Voluntary Resolution Agreement to propose Title VI mitigation actions for the U.S. Highway 181 Harbor Bridge Replacement improvements to ensure the affected minority persons in the Hillcrest and Washington-Coles neighborhoods do not bear disproportionately adverse health or environmental effects as a result of the project. As the recipient of Federal-Aid Highway funds from FHWA, TxDOT is solely responsible for effectuating the actions in the agreement, and will provide with assistance for residential and business displacements and to work with the persons displace to find decent, safe and sanitary dwellings in the resident's preferred locations through a Voluntary Acquisition and Relocation Benefits Program.

TxDOT has entered into a separate agreement with the Authority, the Corpus Christi Housing Authority of Nueces County, and the City of Corpus Christi for purposes of implementing the Voluntary Acquisition and Relocation Benefits Program. Under this agreement, the Authority will incur Acquisition Costs in carrying out the Voluntary Acquisition Plan and Relocation Program not to exceed $20 million. The Acquisition Costs have been defined to include paying the acquisition and relocation service provider, purchasing neighborhood property, purchasing any other real property required under the Voluntary Acquisition Program, providing relocation benefits and moving expenses to eligible displaced owners and

tenants of owner occupied property, eligible displaced tenants of residential rental property, and eligible displaced businesses, providing relocation benefits and moving expenses to any other person or business in the neighborhood that is required under the Relocation Benefits Program, and demolishing dwellings and facilities acquired under the plan. All properties to be purchased will require an approved appraisal and transfer of the property with clear title will be conveyed to the Authority at the appraised value. If the Authority incurs expenditures in excess of $20 million for the purposes above, TxDOT shall reimburse the Authority for the excess acquisition costs. Under the Voluntary Acquisition Plan, the sellers must have continuously owned the property from January 1, 2016 to the date of sale and have three years ending in May, 2019 to accept any offers of sale. As of December 31, 2017, the Authority has incurred $12,357,094 in property acquisition related costs and cumulative operational costs of the program in the amount of $3,172,586.

11. SUBSEQUENT EVENTS

HURRICANE HARVEY

Hurricane Harvey, a category 4 hurricane made landfall on the Texas gulf coast on August 25, 2017, and caused extensive damage to the coastal area north of Corpus Christi. As a result, certain Authority assets were destroyed and other assets require restoration efforts to restore their service utility. In accordance with GASB Statement No.42, the Authority realized a loss from impairment of $428,254 from destroyed assets. In addition, the Corpus Christi Ship Channel was closed to all vessel traffic for a record six days until the United States Coast Guard approved the opening on August 31. The Authority had purchased commercial insurance to cover its risk of loss, and a receivable for preliminary insurance proceeds net of deductibles of $1.2 million has been recorded. The proceeds were recorded as follows:

Business income interruption	$	901,695
Payroll related costs		262,086
Professional fees		2,508
Damages to real property		100,000
Total insurance proceeds		1,266,289
Hurricane related supplies and repairs		(233,054)
Insurance proceeds, net of losses	$	1,033,235

The Authority is currently pursuing funding sources, primarily grants through the Robert T. Stafford Disaster Relief and Emergency Act, both the Public Assistance Program and the Hazard Mitigation Grant Program administered through the Federal Emergency Management Agency (FEMA), and has 39 projects pending that represent an estimated $50 million in damages and proposed mitigation from Hurricane Harvey. The majority of the funding sought is for shoreline restoration, while the remainder is for minor damages to buildings, security equipment, and fencing and for debris removal and emergency preparedness costs. The Authority owns miles of shoreline that is subject to normal erosion from tidal surges and vessel traffic. The shorelines were damaged, but not significantly as to impair service utility, and the Authority is seeking to mitigate future damages by seeking FEMA funding available for this purpose.

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Required Supplementary Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
Texas County and District Retirement System
Last Three Fiscal Years (Previous years are not available)

PENSION PLAN:

	Measurement Year 2014	Measurement Year 2015	Measurement Year 2016
TOTAL PENSION LIABILITY			
Service Cost	$ 1,020,446	$ 1,261,508	$ 1,646,309
Interest on Total Pension Liability	3,162,730	3,506,024	3,737,072
Effect of Plan Changes	2,280,346	(209,318)	-
Effect of Assumption Changes/Inputs	N/A	449,183	-
Effect of Economic/Demographic (Gains) or Losses	570,613	(217,150)	(640,607)
Benefit Payments/Contribution Refunds	(1,854,244)	(1,975,611)	(2,043,433)
Net Change in Total Pension Liability	5,179,891	2,814,636	2,699,341
Total Pension Liability, Beginning	38,336,862	43,516,753	46,331,389
Total Pension Liability, Ending	$ 43,516,753	$ 46,331,389	$ 49,030,730
FIDUCIARY NET POSITION			
Employer Contributions	$ 827,147	$ 979,505	$ 996,832
Member Contributions	827,147	979,505	996,832
Investment Income Net of Investment Expenses	2,888,058	(508,400)	3,346,977
Benefit Payments/Contribution Refunds	(1,854,244)	(1,975,611)	(2,043,433)
Administrative Expenses	(34,241)	(32,747)	(36,388)
Other	19,158	44,753	(87,598)
Net Change in Fiduciary Net Position	2,673,025	(512,995)	3,173,222
Fiduciary Net Position, Beginning	43,113,568	45,786,593	45,273,598
Fiduciary Net Position, Ending	$ 45,786,593	$ 45,273,598	$ 48,446,820
Net Pension Liability (Asset)	$ (2,269,840)	$ 1,057,791	$ 583,910
Fiduciary Net Position as a Percentage of Total Pension Asset	105.22%	97.72%	98.81%
Annual Covered Payroll	$ 11,816,386	$ 13,992,927	$ 14,240,162
Net Pension Asset as a Percentage of Covered Payroll	(19.2%)	(7.6%)	(4.1%)

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Required Supplementary Information (Unaudited)
Schedule of Employer Contributions
Texas County and District Retirement System

PENSION PLAN:	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Actuarially Determined Contribution	$ 838,335	$ 935,773	$ 959,095	$ 771,971	$ 831,354	$ 400,446	$ 405,302	$ 787,802	$ 710,599	$ 761,458
Actual Employer Contributions	1,132,885	1,253,776	1,302,474	1,158,484	6,508,045	791,841	827,147	979,505	996,832	1,068,177
Contribution Deficiency (Excess)	(294,550)	(318,003)	(343,379)	(386,513)	(5,676,691)	(391,395)	(421,845)	(191,703)	(286,233)	(306,719)
Annual Covered Payroll	10,298,956	11,397,962	11,840,675	10,531,666	10,982,221	11,312,022	11,816,386	13,992,927	14,240,462	15,259,672
Contribution as a Percentage of Covered Payroll	11.00%	11.00%	11.00%	11.00%	59.26%	7.00%	7.00%	7.00%	7.00%	7.00%

NOTES TO SCHEDULE:

Valuation date: 12/31/2016

Actuarial determined contribution rates are calculated on a calendar year basis as of December 31, two years prior to the end of the fiscal year in which the contributions are recorded.

Methods and Assumptions Used to Determine Contribution Rate for 2017:

Actuarial Cost Method	Entry age normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	0.7 years (based on contribution rate calculated in 12/31/2015 valuation)
Asset Valuation Method	5 year smoothed market
Inflation	3.00%
Salary Increases	4.9% average over career including inflation
Investment Rate of Return	8% net of investment expenses, including inflation
Retirement Age	Members who are eligible for service retirement are assumed to commence receiving benefit payments based on age. The average age at service retirement for recent retirees is 61.
Mortality	In the 2015 acutarial valuation, assumed life expectancies were adjusted as a result of adopting a new projection scale (110% of the MP-2014 Ultimate Scale) for 2014 and later. Previously Scale AA had been used. The base table is the RP-2000 table projected with Scale AA to 2014.

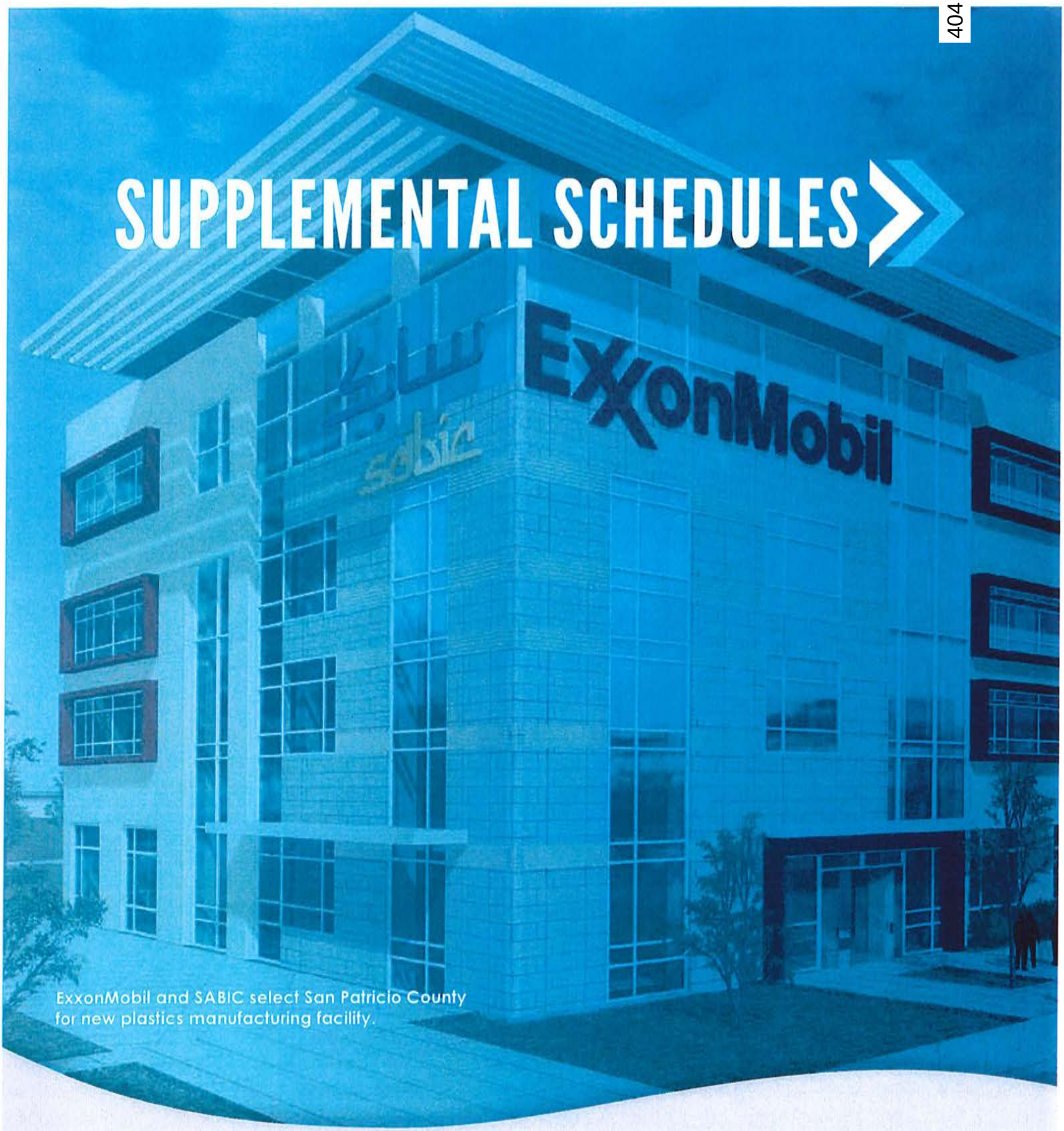
PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Required Supplementary Information (Unaudited)
Schedule of Funding Progress

OPEB OBLIGATION:

	2015	2016	2017
Actuarial Valuation Date	1/1/2017	1/1/2017	1/1/2017
Actuarial Value of Assets	$ -	$ -	$ -
Actuarial Accrued Liability (AAL)	$ 839,232	$ 931,515	$ 1,488,062
Funded Ratio	0.0%	0.0%	0.0%
Unfunded Actuarial Accrued Liability (UAAL)	$ 839,232	$ 931,515	$ 1,488,062
Annual covered Payroll	$ 13,992,927	$ 14,240,462	$ 15,259,672
UAAL as a Percentage of Covered Payroll	6.0%	6.5%	9.8%

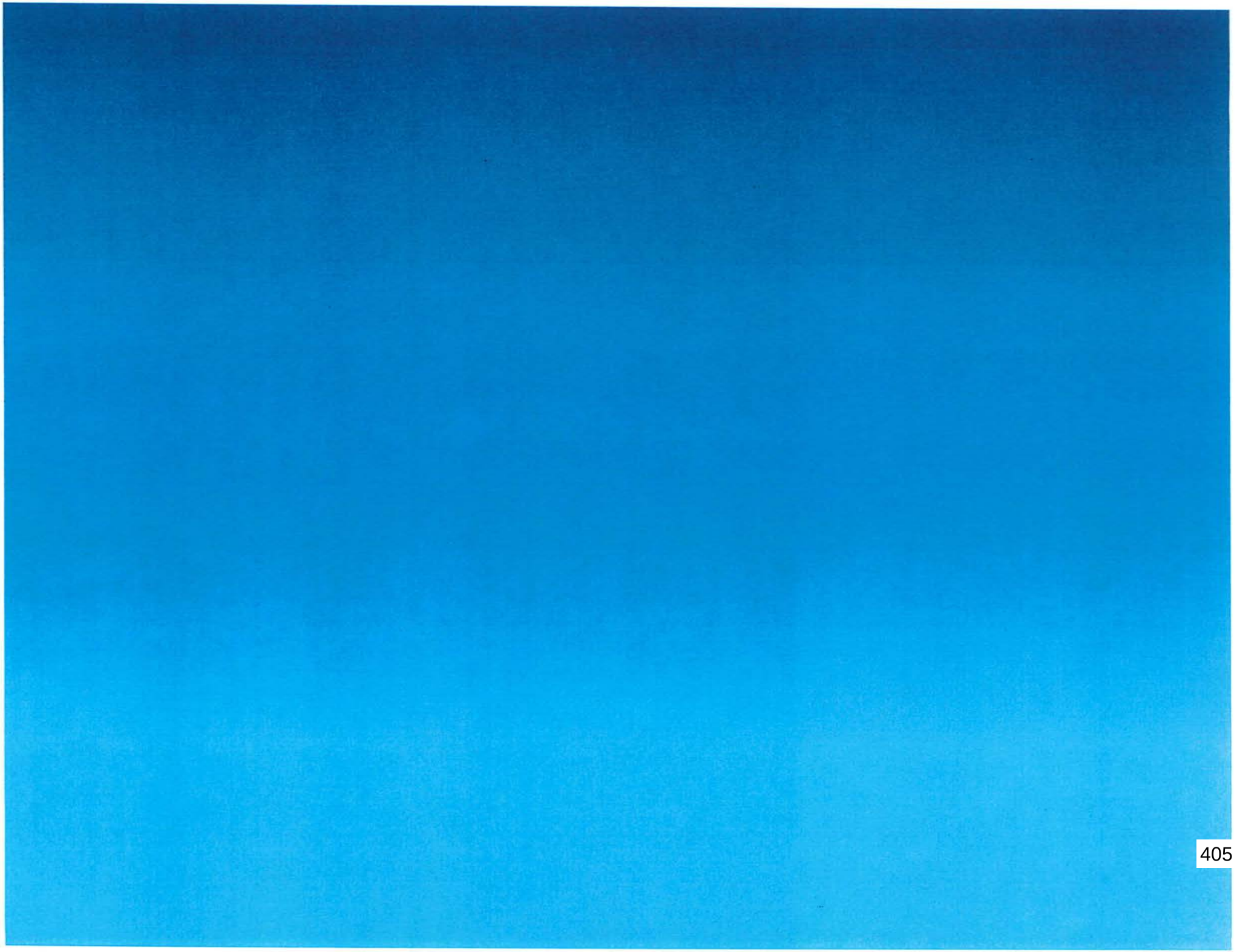
SUPPLEMENTAL SCHEDULES



ExxonMobil and SABIC select San Patricio County for new plastics manufacturing facility.

PORT CORPUS CHRISTI®

Port of Corpus Christi Authority of Nueces County, TX



PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Schedule of Revenues and Expenses Actual and Budget (GAAP Basis)

	Year Ended December 31, 2017		
	Actual	Budget	Variance (%)
OPERATING REVENUES:			
Wharfage	$ 46,948,820	$ 48,728,666	(4)
Dockage	13,548,520	13,147,692	3
Security fees	6,686,343	7,878,254	(15)
Freight handling	3,892,661	3,157,895	23
Rail Charges	2,217,491	2,405,470	(8)
Building and land rentals	14,641,254	12,178,304	20
Conference center services	2,152,659	2,275,119	(5)
FTZ user fees	225,000	264,000	(15)
Dredge placement fees	1,920,638	-	100
Other	2,041,419	1,872,940	9
Insurance proceeds, net of losses (Note 11)	1,033,235	-	100
Total Operating Revenues	95,308,039	91,908,340	4
OPERATING EXPENSES:			
Maintenance and operations	21,066,636	25,892,896	19
General and administrative	23,263,150	23,487,085	1
Depreciation	13,377,640	13,128,071	(2)
Total Operating Expenses	57,707,426	62,508,052	8
Operating Income	37,600,613	29,400,288	28
NON-OPERATING REVENUES (EXPENSES):			
Investment income	2,417,838	1,622,700	49
Federal and other grant assistance	146,950	254,257	(42)
Loss on disposal of assets	(3,590)	-	(100)
Loss on impairment of capital assets (Note 4)	(428,254)	-	(100)
Interest expense and fiscal charges	(3,650,348)	(4,117,573)	(11)
Contributions to Harbor Bridge Project (Note 10)	(1,287,176)	(1,437,500)	(100)
Contributions to other governmental agencies	(4,415,092)	(3,000,000)	(47)
Net Non-Operating Revenues	(7,219,672)	(6,678,116)	(8)
Income Before Capital Grants and Contributions	30,380,941	22,722,172	34
CAPITAL GRANTS AND CONTRIBUTIONS	5,536,616	7,526,725	(26)
Change in Net Position	$ 35,917,557	$ 30,248,897	19

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Schedules of Maintenance and Operations and General and Administrative Expenses

For the Years Ended December 31, 2017 and 2016

	2017	2016
MAINTENANCE AND OPERATIONS:		
Employee services	$ 9,948,834	$ 9,478,572
Maintenance	3,707,172	4,367,556
Utilities	936,770	980,564
Telephone	88,096	90,885
Insurance & claims	1,336,484	1,520,100
Professional services	914,565	1,160,192
Police expenses	1,736,658	1,552,251
Contracted services	142,769	149,847
Office and equipment rental	126,387	96,681
Operator and event expenses	1,825,207	1,712,280
Safety/Environmental	87,427	84,493
General	216,267	242,219
Total Maintenance and Operations	$ 21,066,636	$ 21,435,640
GENERAL AND ADMINISTRATIVE:		
Employee services	$ 12,891,866	$ 11,446,283
Maintenance	756,368	948,956
Utilities	173,577	162,490
Telephone	99,596	97,984
Insurance & claims	124,462	148,816
Professional services	5,491,998	4,462,954
Police expenses	3,574	2,943
Contracted services	90,680	140,500
Office and equipment rental	158,778	123,574
Administrative	2,865,300	2,578,220
Trade and sales development	174,973	172,765
Media advertising	354,200	327,641
Production	39,581	23,768
Safety/Environmental	29,398	45,881
General	8,799	32,841
Total General and Administrative	$ 23,263,150	$ 20,715,616

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

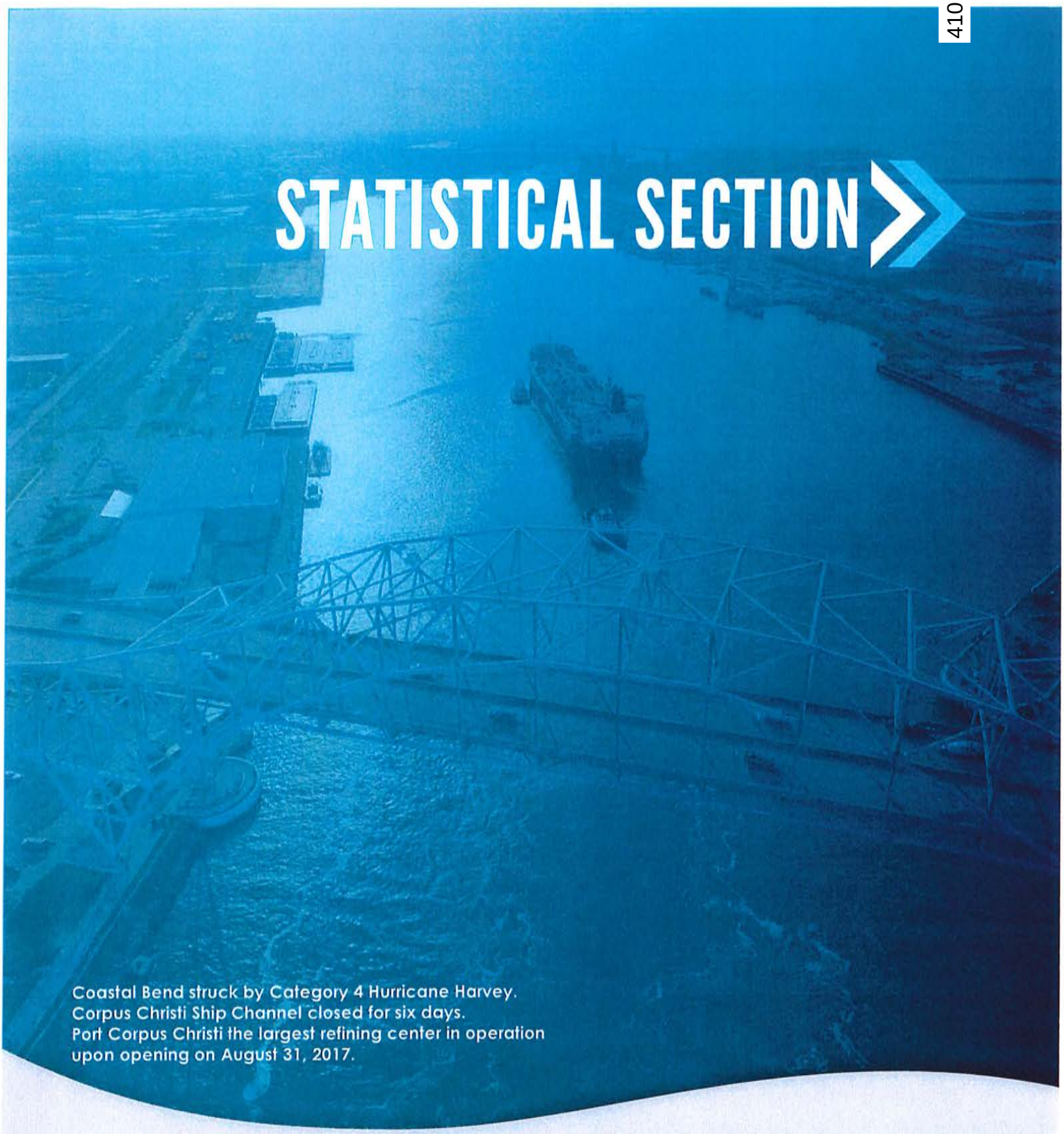
Schedules of Facilities Financing Bonds
December 31, 2017

Description		Interest Rates	Issue Date	Series Maturity	Original Amount	Balance Outstanding
Environmental Facilities Revenue Bonds:						
Citgo Petroleum, Series 2003	*	8.250%	05/01/2003	2031	39,200,000	19,300,000
Citgo Petroleum, Series 2006	*	Variable	10/01/2006	2036	50,000,000	50,000,000
Citgo Petroleum, Series 2007	*	Variable	05/01/2007	2037	45,000,000	45,000,000
Citgo Petroleum, Series 2008	*	Variable	04/01/2008	2043	50,000,000	50,000,000
Solid Waste Disposal Revenue Bonds:						
Flint Hills Res., Series 2002A		Variable	10/01/2002	2029	125,000,000	125,000,000
Flint Hills Res., Series 2002B		Variable	10/01/2002	2029	11,700,000	11,700,000
Flint Hills Res., Series 2003		Variable	04/01/2003	2028	19,500,000	19,500,000
Flint Hills Res., Series 2005		Variable	03/01/2005	2030	25,000,000	25,000,000
Flint Hills Res., Series 2006		Variable	04/01/2006	2030	42,000,000	42,000,000
Flint Hills Res., Series 2007		Variable	10/01/2007	2032	35,000,000	35,000,000
Total					$ 442,400,000	$ 422,500,000

* - Issued by the Industrial Development Corporation (IDC)

PORTCORPUSCHRISTI

STATISTICAL SECTION



Coastal Bend struck by Category 4 Hurricane Harvey.
Corpus Christi Ship Channel closed for six days.
Port Corpus Christi the largest refining center in operation upon opening on August 31, 2017.

PORT CORPUS CHRISTI®

Port of Corpus Christi Authority of Nueces County, TX

Statistical Section
(Unaudited)

This part of the Port of Corpus Christi's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the Authority's overall financial health.

Contents

	Page
Financial Trends These schedules contain trend information to help the reader understand how the Authority's financial performance and well-being have changed over time.	59
Revenue Capacity These schedules contain information to help the reader access the factors affecting the Authority's ability to generate its most significant revenue sources.	63
Debt Capacity These schedules present information to help the reader assess the affordability of the Authority's current level of outstanding debt and the Authority's ability to issue additional debt in the future.	69
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment with which the Authority's financial activities take place and to help make comparisons over time and with other governments.	71
Operating Information These schedules contain information about the Authority's operations and resources to help the reader understand how the Authority's financial information relates to the services the Authority provides and the activities it performs.	73
Additional Information These schedules contain information as part of the Authority's effort to meet Continuing disclosure requirements related to outstanding bonds as permitted by SEC Rule 15c2-12.	79

Sources: Unless otherwise noted, the information in these schedules is derived from the Authority's comprehensive annual financial reports and business records for the relevant years.

PORTCORPUSCHRISTI

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Changes in Net Position
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Operating revenues:										
Wharfage	$ 26,359,823	$ 24,826,670	$ 26,567,587	$ 27,410,252	$ 31,293,692	$ 35,688,217	$ 42,288,896	$ 45,779,919	$ 42,337,275	$ 46,948,820
Dockage	7,078,197	7,319,259	8,138,326	8,948,217	10,331,997	11,358,813	14,630,404	14,003,472	11,970,562	13,548,519
Security fees	3,474,748	3,412,485	6,170,288	6,319,747	6,528,526	7,325,584	6,460,860	6,673,782	6,070,139	6,686,343
Freight handling	2,178,423	2,428,621	2,316,667	2,387,583	2,191,682	2,815,582	3,133,303	3,153,285	3,463,593	3,892,661
Rail Charges	980,131	754,366	839,342	1,252,172	1,151,977	1,026,819	893,900	699,535	1,427,837	2,217,491
Building and land rentals	4,318,458	3,924,060	4,417,518	6,411,552	7,490,936	8,152,093	8,456,174	9,391,040	12,444,299	14,641,254
Conference center services	1,451,630	2,007,407	1,679,885	1,814,456	2,008,474	1,688,770	1,864,556	2,209,031	2,011,136	2,152,659
Warehouse handling charges	1,367,306	596,168	426,093	368,950	-	-	-	-	-	-
FTZ user fees	284,500	326,000	337,000	302,750	301,250	253,917	222,500	207,667	224,000	225,000
Dredge placement fees	2,477,710	28,405	(3,279)	1,375,619	(36,629)	8,153,771	1,669,714	10,151,880	1,870,497	1,920,638
Other	1,080,267	802,449	1,390,425	2,107,663	1,170,509	1,004,387	2,539,138	1,152,244	1,202,624	2,041,419
Insurance proceeds, net of losses	-	-	-	-	-	-	-	-	-	1,033,235
Total operating revenues	51,051,193	46,425,890	52,279,852	58,698,961	62,432,414	77,467,953	82,159,445	93,421,855	83,021,962	95,308,039
Investment income	932,447	584,849	478,291	467,494	163,804	283,544	341,754	518,374	1,184,692	2,417,838
Federal and other grant assistance	284,048	17,570	60,806	169,966	337,965	290,727	180,655	227,714	152,412	146,950
Donation of personal property	-	-	225,825	4,500	-	-	-	-	-	-
Gain on disposal of assets	-	7,266	-	3,727,517	-	-	40,596	-	-	-
Total Revenues	52,267,688	47,035,575	53,044,774	63,068,438	62,934,183	78,042,224	82,722,450	94,167,943	84,359,066	97,872,827
Expenses										
Operating expenses:										
Maintenance and operations	21,842,912	20,697,782	20,248,511	22,760,814	22,721,681	18,144,056	23,367,865	21,470,411	21,435,640	21,066,636
General and administrative	13,007,565	15,029,743	14,939,210	13,830,284	17,835,428	15,378,025	15,891,293	19,469,477	20,715,616	23,263,150
Depreciation	9,648,639	10,060,645	12,165,114	13,381,562	13,738,571	12,024,981	12,310,557	12,822,653	13,140,057	13,377,640
Total operating expenses	44,499,116	45,788,170	47,352,835	49,972,660	54,295,680	45,547,062	51,569,715	53,762,541	55,291,313	57,707,426
Interest expense and fiscal charges	562,442	504,030	450,602	392,699	(51,908)	16,986	535	2,030,505	2,973,844	3,650,348
Bond issuance costs	28,615	20,735	10,743	-	-	-	-	1,139,597	-	-
Fiscal payments to subrecipients	284,048	-	-	-	128,730	-	-	-	-	-
Contributions to Harbor Bridge Commitment	-	-	-	-	-	-	-	-	1,885,410	1,287,176
Contributions to other government agencies	-	-	-	-	-	-	-	3,000,000	3,000,000	4,415,092
Loss on disposal of assets	308,883	-	8,643	-	9,517,670	102,957	-	5,829,882	67,638	3,590
Loss on impairment of capital assets	-	-	-	-	-	-	-	-	-	428,254
Total Expenses	45,683,104	46,312,935	47,822,823	50,365,359	63,890,172	45,667,005	51,570,250	65,762,525	63,218,205	67,491,886
Income (Loss) Before Contributions	6,584,584	722,640	5,221,951	12,703,079	(955,989)	32,375,219	31,152,200	28,405,418	21,140,861	30,380,941
Capital Contributions	2,510,746	2,090,573	111,670,700	5,402,273	5,663,315	5,842,850	8,307,361	7,245,620	12,835,396	5,536,616
Changes in Net Position	9,095,330	2,813,213	116,892,651	18,105,352	4,707,326	38,218,069	39,459,561	35,651,038	33,976,257	35,917,557
Total Net Position, Beginning of Year	224,999,680	234,095,010	236,908,223	353,800,874	371,906,226	376,613,552	414,831,621	454,291,182	488,106,572	522,082,829
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-	-	-	1,835,648	-	-
Total Net Position, End of Year	$ 234,095,010	$ 236,908,223	$ 353,800,874	$ 371,906,226	$ 376,613,552	$414,831,621	$ 454,291,182	$ 488,106,572	$ 522,082,829	$ 558,000,386
Net Position at Year End										
Net investment in capital assets	$ 202,587,244	$ 211,984,713	$ 321,470,695	$ 334,092,868	$ 245,665,607	$273,398,051	$ 293,461,952	$ 288,144,036	$ 306,107,673	384,104,593
Restricted	1,756,683	1,747,632	1,927,662	1,924,226	252,763	32,683	35,522	36,153,709	36,031,915	21,222,100
Unrestricted	29,751,083	23,175,878	30,402,517	35,889,132	130,695,182	141,400,887	160,793,708	163,808,827	179,943,241	152,673,693
Total Net Position	$ 234,095,010	$ 236,908,223	$ 353,800,874	$ 371,906,226	$ 376,613,552	$414,831,621	$ 454,291,182	$ 488,106,572	$ 522,082,829	$ 558,000,386

TABLE 2 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Revenues by Source
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operating Revenues:										
Wharfage	$26,359,823	$24,826,670	$26,567,587	$27,410,252	$31,293,692	$35,688,217	$42,288,896	$45,779,919	$42,337,275	$46,948,820
Dockage	7,078,197	7,319,259	8,138,326	8,948,217	10,331,997	11,358,813	14,630,404	14,003,472	11,970,562	13,548,519
Security fees	3,474,748	3,412,485	6,170,288	6,319,747	6,528,526	7,325,584	6,460,860	6,673,782	6,070,139	6,686,343
Freight handling	2,178,423	2,428,621	2,316,667	2,387,583	2,191,682	2,815,582	3,133,303	3,153,285	3,463,593	3,892,661
Rail Charges	980,131	754,366	839,342	1,252,172	1,151,977	1,026,819	893,900	699,535	1,427,837	2,217,491
Building and land rentals	4,318,458	3,924,060	4,417,518	6,411,552	7,490,936	8,152,093	8,456,174	9,391,040	12,444,299	14,641,254
Conference center services	1,451,630	2,007,407	1,679,885	1,814,456	2,008,474	1,688,770	1,864,556	2,209,031	2,011,136	2,152,659
Warehouse handling charges	1,367,306	596,168	426,093	368,950	-	-	-	-	-	-
FTZ user fees	284,500	326,000	337,000	302,750	301,250	253,917	222,500	207,667	224,000	225,000
Dredge placement fees	2,477,710	28,405	(3,279)	1,375,619	(36,629)	8,153,771	1,669,714	10,151,880	1,870,497	1,920,638
Other	1,080,267	802,449	1,390,425	2,107,663	1,170,509	1,004,387	2,539,138	1,152,244	1,202,624	2,041,419
Insurance proceeds, net of losses	-	-	-	-	-	-	-	-	-	1,033,235
	$51,051,193	$46,425,890	$52,279,852	$58,698,961	$62,432,414	$77,467,953	$82,159,445	$93,421,855	$83,021,962	$95,308,039
Non-Operating Revenues:										
Other:										
Investment income	$ 932,447	$ 584,849	$ 478,291	$ 467,494	$ 163,804	$ 283,544	$ 341,754	$ 518,374	$ 1,184,692	$ 2,417,838
Other	284,048	24,836	286,631	3,901,983	337,965	290,727	221,251	227,714	152,412	146,950
	$ 1,216,495	$ 609,685	$ 764,922	$ 4,369,477	$ 501,769	$ 574,271	$ 563,005	$ 746,088	$ 1,337,104	$ 2,564,788

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Expenses by Type
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operating Expenses:										
Maintenance and Operation:										
Employee services	$ 8,255,443	$ 7,866,038	$ 8,374,106	$ 7,810,947	$ 8,258,807	$ 7,324,312	$ 8,304,043	$ 9,993,556	$ 9,478,572	$ 9,948,834
Maintenance	6,340,774	4,987,113	3,538,398	5,136,098	4,896,773	3,679,718	6,122,959	3,667,189	4,367,556	3,707,172
Utilities	1,357,364	1,631,307	1,702,868	2,327,822	1,735,122	902,342	1,004,905	1,073,706	980,564	936,770
Telephone	29,991	26,436	35,286	101,960	94,604	85,538	80,639	78,674	90,885	88,096
Insurance & claims	1,902,331	1,844,918	2,266,112	2,099,345	2,311,581	2,023,472	1,911,090	1,745,262	1,520,100	1,336,484
Professional services	424,975	900,742	691,191	1,415,731	1,771,323	974,998	2,422,320	864,991	1,160,192	914,565
Police expenses	74,106	55,218	66,434	14,233	24,006	14,435	16,461	31,320	1,552,251	1,736,658
Contracted services	1,834,442	1,426,265	1,876,695	1,897,144	1,633,668	1,336,574	1,277,137	1,334,780	149,847	142,769
Office and equipment rental	91,004	97,627	73,983	142,778	65,037	55,691	79,023	109,355	96,681	126,387
Operator and event expenses	1,280,002	1,550,059	1,415,417	1,538,092	1,678,367	1,427,944	1,547,155	1,624,343	1,712,280	1,825,207
Warehouse supplies	68,428	44,700	9,037	8,024	-	-	-	-	-	-
Safety/Environmental	90,947	71,246	69,075	83,442	77,086	98,478	107,859	70,797	84,493	87,427
General	93,105	196,113	129,909	185,198	175,307	220,554	494,274	876,438	242,219	216,267
	$21,842,912	$20,697,782	$20,248,511	$22,760,814	$22,721,681	$18,144,056	$23,367,865	$21,470,411	$21,435,640	$21,066,636
General and Administrative:										
Employee services	$ 7,349,030	$ 7,837,903	$ 7,692,080	$ 7,224,377	$ 7,423,777	$ 7,272,765	$ 8,001,279	$10,549,722	$11,446,283	$12,891,866
Maintenance	320,610	432,088	453,408	501,087	509,303	530,688	648,221	759,004	948,956	756,368
Utilities	196,865	224,245	172,703	194,864	171,122	149,405	159,148	160,630	162,490	173,577
Telephone	231,958	209,267	196,626	115,447	100,921	73,896	83,776	91,439	97,984	99,596
Insurance & claims	84,451	96,638	124,620	92,492	97,774	429,990	99,451	109,887	148,816	124,462
Professional services	2,419,843	3,322,950	3,526,850	3,046,566	7,092,409	3,993,766	3,870,383	4,363,193	4,462,954	5,491,998
Police expenses	314	174	82	82	-	190	1,616	1,227	2,943	3,574
Contracted services	88,262	64,213	151,445	100,952	59,756	23,431	26,167	49,477	140,500	90,680
Office and equipment rental	18,264	40,406	59,809	65,104	76,941	92,118	86,761	99,176	123,574	158,778
Administrative	1,873,318	2,392,822	2,108,277	2,035,746	1,869,480	2,140,507	2,309,972	2,667,808	2,578,220	2,865,300
Trade and sales development	148,946	204,427	157,237	184,528	188,894	200,500	209,900	165,955	172,765	174,973
Media advertising	109,262	108,425	206,557	195,766	190,661	225,363	232,608	311,184	327,641	354,200
Production	27,917	48,319	25,678	24,222	21,774	33,424	41,061	74,566	23,768	39,581
Safety/Environmental	38,206	22,681	21,544	23,299	23,651	26,732	28,007	43,037	45,881	29,398
General	100,319	25,185	42,294	25,752	8,965	185,250	92,943	23,172	32,841	8,799
	$13,007,565	$15,029,743	$14,939,210	$13,830,284	$17,835,428	$15,378,025	$15,891,293	$19,469,477	$20,715,616	$23,263,150
Depreciation	$ 9,648,639	$10,060,645	$12,165,114	$13,381,562	$13,738,571	$12,024,981	$12,310,557	$12,822,653	$13,140,057	13,377,640
Non-Operating Expenses:										
Other:										
Interest	$ 591,057	$ 504,030	$ 450,602	$ 392,699	$ (51,908)	$ 16,986	$ 535	$ 2,030,505	$ 2,973,844	$3,650,348
Other	592,931	20,735	19,386	-	9,646,400	102,957	-	9,969,479	4,953,048	6,134,112
	$ 1,183,988	$ 524,765	$ 469,988	$ 392,699	$ 9,594,492	$ 119,943	$ 535	$11,999,984	$ 7,926,892	$ 9,784,416

TABLE 4 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Financial Performance Indicators
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operating Revenues (OR)	$ 51,051,193	$ 46,425,890	$ 52,279,852	$ 58,698,961	$ 62,432,414	$ 77,467,953	$ 82,159,445	$ 93,421,855	$ 83,021,962	$ 95,308,039
Operating Expenses (OE) *	(34,850,477)	(35,727,525)	(35,187,721)	(36,591,098)	(40,557,109)	(33,522,081)	(39,259,158)	(40,939,888)	(42,151,256)	(44,329,786)
Net Operating Income (NOI)	16,200,716	10,698,365	17,092,131	22,107,863	21,875,305	43,945,872	42,900,287	52,481,967	40,870,706	50,978,253
Non-Operating Revenues	1,216,495	609,685	764,922	4,369,477	501,769	574,271	563,005	746,088	1,337,104	2,564,788
Non-Operating Expenses	(1,183,988)	(524,765)	(469,988)	(392,699)	(9,594,492)	(119,943)	(535)	(11,999,984)	(7,926,892)	(9,784,460)
Net Income "A" (NI"A")	16,233,223	10,783,285	17,387,065	26,084,641	12,782,582	44,400,200	43,462,757	41,228,071	34,280,918	43,758,581
Depreciation	(9,648,639)	(10,060,645)	(12,165,114)	(13,381,562)	(13,738,571)	(12,024,981)	(12,310,557)	(12,822,653)	(13,140,057)	(13,377,640)
Net Income (Loss) "B" (NI"B")	$ 6,584,584	$ 722,640	$ 5,221,951	$ 12,703,079	$ (955,989)	$ 32,375,219	$ 31,152,200	$ 28,405,418	$ 21,140,861	$ 30,380,941
Net Capital Assets (NCA) **	$ 218,586,423	$ 216,324,078	$ 310,154,387	$ 308,029,828	$ 205,249,468	$ 236,941,202	$ 241,815,700	$ 297,825,250	$ 296,380,248	$ 321,263,212
Total Assets (TA)	$ 263,271,819	$ 265,643,291	$ 383,387,219	$ 399,959,365	$ 398,840,431	$ 435,235,356	$ 485,074,255	$ 625,138,463	$ 677,119,779	$ 724,780,324
Operating Indicators:										
Operating ROI (NOI/NCA)	7.41%	4.95%	5.51%	7.18%	10.66%	18.55%	17.74%	17.62%	13.79%	15.87%
Operating Margin (NOI/OR)	31.73%	23.04%	32.69%	37.66%	35.04%	56.73%	52.22%	56.18%	49.23%	53.49%
Operating Ratio (OE/OR)	68.27%	76.96%	67.31%	62.34%	64.96%	43.27%	47.78%	43.82%	50.77%	46.51%
Other ROI Indicators:										
ROI "A" (NI"A"/TA)	6.17%	4.06%	4.54%	6.52%	3.20%	10.20%	8.96%	6.60%	5.06%	6.04%
ROI "B" (NI"B"/TA)	2.50%	0.27%	1.36%	3.18%	-0.24%	7.44%	6.42%	4.54%	3.12%	4.19%

* - Excludes Depreciation
** - Excludes Construction in Progress

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Port Commerce By Commodity Last Ten Years

Commodity By Port Division - *Short tons*	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Inner Harbor										
Break Bulk	256,612	133,037	157,781	122,055	214,010	62,310	133,938	238,695	248,471	389,264
Grain	5,409,827	3,951,347	4,100,774	4,183,095	2,563,535	2,972,973	4,068,716	3,396,829	4,169,145	5,162,711
Chemical	68,760	43,982	37,814	58,377	58,066	41,198	99,979	135,841	105,512	99,706
Dry Bulk	2,318,675	1,974,232	2,038,029	2,821,831	2,317,603	2,805,899	3,639,556	3,834,620	3,548,129	2,798,319
Liquid Bulk	301,007	131,100	506,211	533,543	554,336	475,785	493,850	580,055	432,750	528,901
Petroleum	62,558,169	56,586,340	61,163,028	59,446,567	60,393,806	67,817,495	78,273,324	83,327,585	74,015,877	70,887,595
Total	70,913,050	62,820,038	68,003,637	67,165,468	66,101,356	74,175,660	86,709,363	91,513,625	82,519,884	79,866,496
La Quinta										
Break Bulk	-	-	1,369	-	-	3,551	105,282	111,346	85,069	163,313
Chemical	1,561,258	1,366,046	1,430,429	1,685,331	1,907,946	1,910,564	2,105,444	1,822,132	2,095,329	2,258,959
Dry Bulk	5,572,667	4,467,692	4,809,114	5,817,275	5,585,549	6,078,632	5,518,508	4,448,951	3,357,428	4,311,854
Petroleum	26,607	18,766	22,404	41,750	25,319	14,228	23,906	17,370	23,548	34,454
Total	7,160,532	5,852,504	6,263,316	7,544,356	7,518,814	8,006,975	7,753,140	6,399,799	5,561,374	6,768,580
Harbor Island										
Break Bulk	2	-	-	-	-	-	-	-	-	-
Petroleum	-	-	-	-	-	-	-	-	-	-
Total	2	-	-	-	-	-	-	-	-	-
Ingleside										
Break Bulk	277,147	178,826	169,609	175,551	175,287	263,119	31,458	58,348	12,271	2,020
Dry Bulk	-	-	7,012	4,615	10,742	829	5,274	2,804	345	4,383
Petroleum	7,475,838	7,660,416	7,715,429	5,330,829	4,957,218	6,427,951	6,087,182	5,503,512	6,198,461	15,749,245
Total	7,752,985	7,839,242	7,892,050	5,510,995	5,143,247	6,691,899	6,123,914	5,564,664	6,211,077	15,755,648
Rincon Point										
Break Bulk	18,829	6,130	10,500	9,025	1,669	-	-	-	-	1,124
Grain	14,040	-	12,503	31,726	15,312	11,235	1,600	-	-	-
Dry Bulk	-	1,734	12,291	48,647	25,790	5,835	-	-	-	-
Total	32,869	7,864	35,294	89,398	42,771	17,070	1,600	-	-	1,124
Total	85,859,438	76,519,648	82,194,297	80,310,217	78,806,188	88,891,604	100,588,017	103,478,088	94,292,335	102,391,848
Commodity Totals - *Short tons*										
Break Bulk	552,590	317,993	339,259	306,631	390,966	328,980	270,678	408,389	345,811	555,721
Grain	5,423,867	3,951,347	4,113,277	4,214,821	2,578,847	2,984,208	4,070,316	3,396,829	4,169,145	5,162,711
Chemical	1,630,018	1,410,028	1,468,243	1,743,708	1,966,012	1,951,762	2,205,423	1,957,973	2,200,842	2,358,665
Dry Bulk	7,891,342	6,443,658	6,866,446	8,692,368	7,939,684	8,891,195	9,163,338	8,286,375	6,905,901	7,114,556
Liquid Bulk	301,007	131,100	506,211	533,543	554,336	475,785	493,850	580,055	432,750	528,901
Petroleum	70,060,614	64,265,522	68,900,861	64,819,146	65,376,343	74,259,674	84,384,412	88,848,467	80,237,886	86,671,294
Total	85,859,438	76,519,648	82,194,297	80,310,217	78,806,188	88,891,604	100,588,017	103,478,088	94,292,335	102,391,848

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Port Commerce By Commodity
Last Ten Years

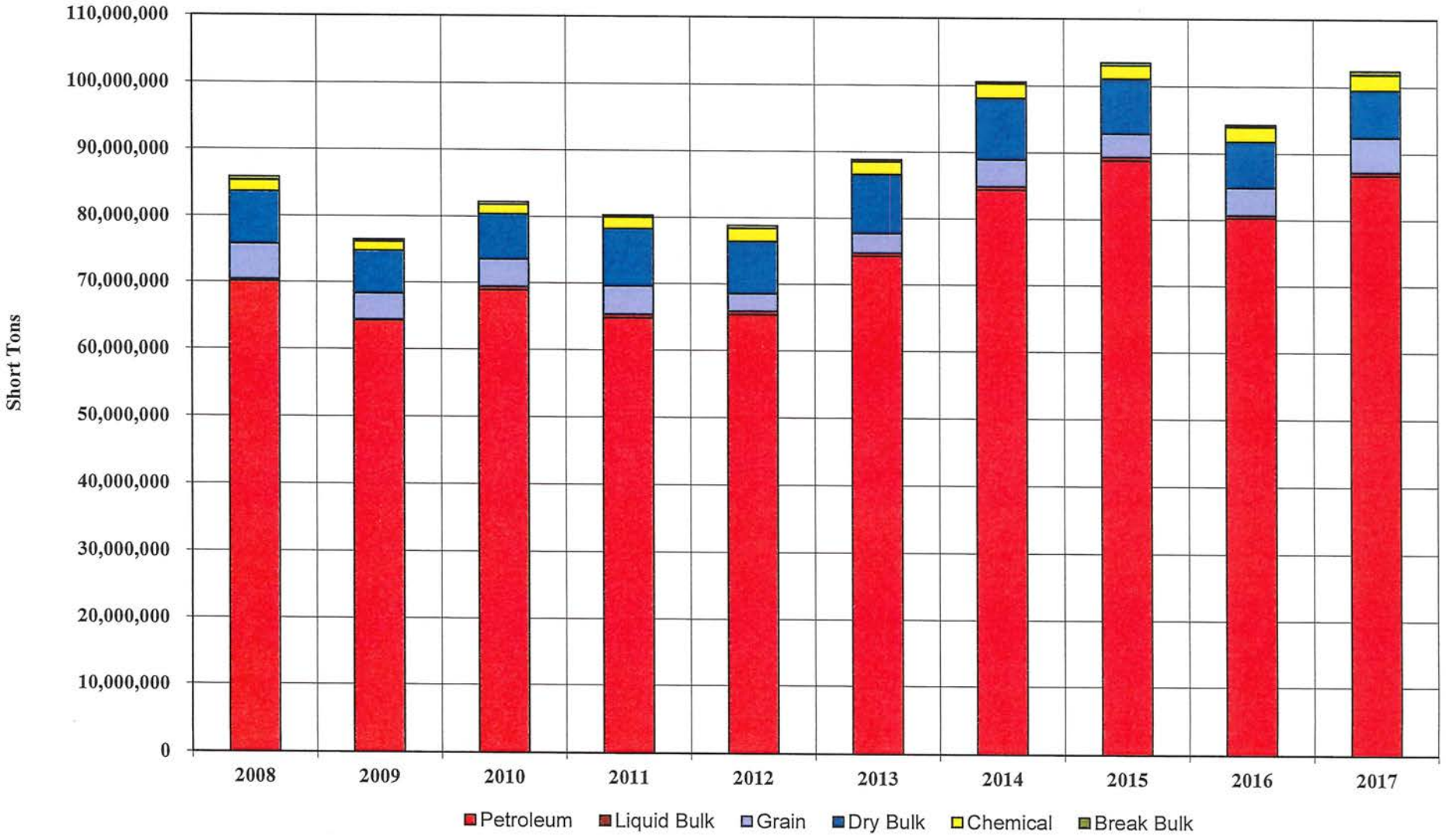


TABLE 6 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Vessel Traffic Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Inner Harbor										
Ships										
Dry Cargo	452	250	267	280	226	224	223	283	293	280
Tankers	744	746	783	780	760	873	986	1,143	1,039	1,110
Barges	4,117	3,700	4,168	3,878	4,580	5,087	6,475	5,479	4,478	4,153
Total Vessels	5,313	4,696	5,218	4,938	5,566	6,184	7,684	6,905	5,810	5,543
La Quinta Harbor										
Ships										
Dry Cargo	150	123	124	117	114	125	130	104	88	102
Tankers	61	62	69	101	116	114	130	124	140	167
Barges	107	80	124	90	59	88	101	118	80	346
Total Vessels	318	265	317	308	289	327	361	346	308	615
Harbor Island										
Ships										
Dry Cargo	227	-	-	-	-	-	-	-	-	-
Tankers	-	-	-	-	-	5	-	-	-	-
Barges	-	-	-	1	-	2	-	-	-	-
Total Vessels	227	-	-	1	-	7	-	-	-	-
Ingleside Harbor										
Ships										
Dry Cargo	24	24	59	42	37	29	60	31	35	12
Tankers	93	107	105	75	65	94	70	89	89	169
Barges	58	67	67	51	123	225	353	190	124	142
Total Vessels	175	198	231	168	225	348	483	310	248	323
Rincon Point										
Barges	8	2	3	2	2	6	-	-	-	1
Total Vessels	8	2	3	2	2	6	-	-	-	1
Total										
Ships										
Dry Cargo	853	397	450	439	377	378	413	418	416	394
Tankers	898	915	957	956	941	1,086	1,186	1,356	1,268	1,446
Barges	4,290	3,849	4,362	4,022	4,764	5,408	6,929	5,787	4,682	4,642
Total Vessels	6,041	5,161	5,769	5,417	6,082	6,872	8,528	7,561	6,366	6,482

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Vessel Traffic
Last Ten Years

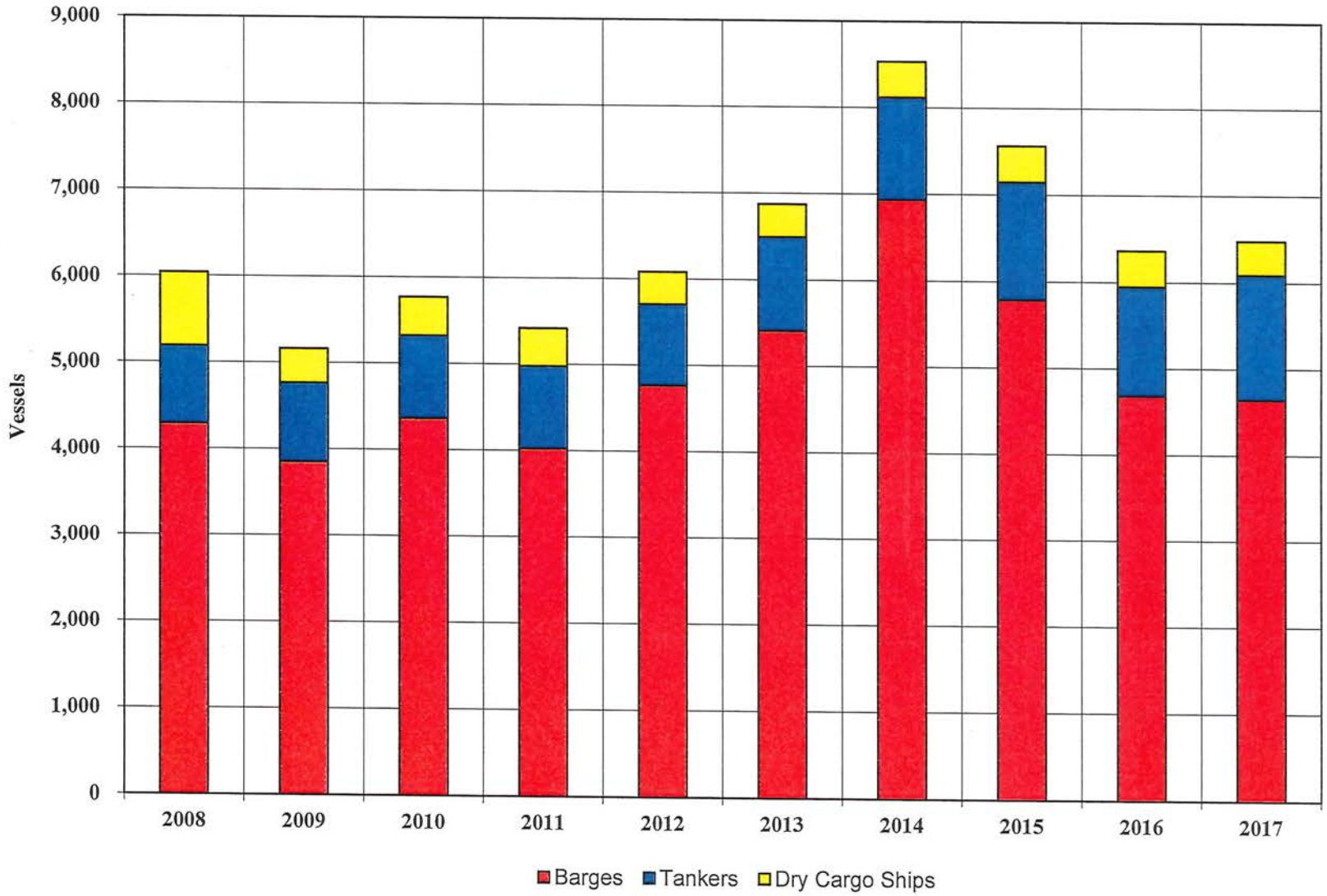


TABLE 7 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Tariff Rates
Last Ten Years

	U/M	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Wharfage Rates											
All Cargo NOS	W/M	$2.7500	$2.8600	$2.8500	$2.8900	$3.0400	$3.1000	$3.2200	$3.3100	$3.3900	$3.4500
Dry Bulk	S/T	$0.6000	$0.6200	$0.9000	$1.0500	$1.2500	$1.2800	$1.3300	$1.3700	$1.4000	$1.4300
Liquid Bulk	BRL	$0.0800	$0.0831	$0.0828	$0.0839	$0.0883	$0.0901	$0.0937	$0.0965	$0.0987	$0.1005
Beans, Lentils & Peas	S/T	$0.5500	$0.5700	$0.5700	$0.5800	$0.6100	$0.6200	$0.6400	$0.6600	$0.6700	$0.6900
Cotton	Bale	$0.4800	$0.5000	$0.5000	$0.5100	$0.5400	$0.5500	$0.5700	$0.5900	$0.6000	$0.6100
Grain and Grain Products	S/T	$0.7000	$1.3000	$1.2900	$1.3100	$1.3800	$1.4100	$1.4700	$1.5100	$1.5500	$1.5700
Grain and Grain Products (bulk)	S/T	$0.2500	$0.2600	$0.2600	$0.2600	$0.2700	$0.2800	$0.2900	$0.3000	$0.3100	$0.3200
Iron and Steel Articles	S/T	$1.8000	$1.8700	$1.8600	$1.8800	$1.9800	$2.0200	$2.1000	$2.1600	$2.2100	$2.2500
Machinery, agricultural	S/T	$2.7500	$2.8600	$2.8500	$2.8900	$3.0400	$3.1000	$3.2200	$3.3310	$3.3900	$3.4500
Machinery, grading, earth moving	S/T	$2.7500	$2.8600	$2.8500	$2.8900	$3.0400	$3.1000	$3.2200	$3.3100	$3.3900	$3.4500
Military Cargo	S/T	$2.3000	$5.3800	$5.3600	$5.4300	$5.7200	$5.8400	$6.0700	$6.2500	$6.3900	$6.5200
Milk, dehydrated	S/T	$0.7000	$1.5200	$1.5100	$1.5300	$1.6100	$1.6400	$1.7100	$1.7600	$1.8000	$1.8300
Passengers	Person	$5.0000	$5.0000	$4.9800	$5.0500	$5.5300	$5.6400	$5.8600	$6.0300	$6.1700	$6.2800
Power Generation/Plant Equipment	S/T	$2.7500	$2.8500	$2.8400	$2.8800	$3.0300	$3.1000	$3.2200	$3.3100	$3.3900	$3.4500
Refrigerated Cargo	S/T	$1.3000	$1.3000	$1.2900	$1.3100	$1.3800	$1.4100	$1.4700	$1.5100	-	-
Rice and Rice Products	S/T	$0.7000	$1.3000	$1.2900	$1.3100	$1.3800	$1.4100	$1.4700	$1.5100	$1.5500	$1.6900
Sand, aggregates, caliche, limestone	S/T	$0.6000	$0.6200	$0.9000	$1.0500	$1.2500	$1.2800	$1.3300	$1.3700	$1.4000	$1.4300
Vegetable oil	S/T	$1.2000	$1.2500	$1.2500	$1.2700	$1.3400	$1.3700	$1.4200	$1.4600	$1.5000	$1.5200
Vehicles	S/T	$4.7500	$4.9400	$4.9200	$4.9800	$5.2400	$5.3500	$5.5600	$5.7200	$5.8500	$5.9600
Vessels, pressure	S/T	$3.4000	$3.5300	$3.5200	$3.5700	$3.7600	$3.8400	$3.9900	$4.1100	$4.2000	$4.2800
Dockage Rates											
General Cargo											
Vessels		Dry/Liquid									
0-199	Feet	$2.28 / $1.62	$2.37	$2.36	$2.39	$2.52	$2.57	$2.67	$2.75	$2.81	$2.86
200-399	Feet	$2.99 / $2.10	$3.11	$3.10	$3.14	$3.31	$3.38	$3.51	$3.61	$3.70	$3.75
400-499	Feet	$4.23 / $2.88	$4.40	$4.38	$4.44	$4.67	$4.76	$4.95	$5.10	$5.21	$5.31
500-599	Feet	$5.69 /$3.85	$5.91	$5.89	$5.97	$6.28	$6.41	$6.66	$6.86	$7.01	$7.15
600-699	Feet	$6.51 / $4.47	$6.77	$6.74	$6.83	$7.19	$7.34	$7.63	$7.85	$8.03	$8.17
700-799	Feet	$8.39 / $5.67	$8.72	$8.69	$8.80	$9.26	$9.45	$9.83	$10.12	$10.35	$10.52
800-899	Feet	$10.10 / $6.83	$10.50	$10.46	$10.60	$11.16	$11.39	$11.84	$12.19	$12.47	$12.69
900 +	Feet	$12.08 / $8.17	$12.55	$12.50	$12.66	$13.33	$13.60	$14.14	$14.56	$14.89	$15.16
Barges - Inland Waterway	Feet	$90.00 Flat	$95.00 Flat	$125.00	$126.64	$133.30	$136.01	$150.00	$154.41	$157.93	$157.93
Bulk Terminal	GRT	$0.49	$0.51	$0.41	$0.42	$0.44	$0.45	$0.47	$0.48	$0.49	$0.50
Liquid Bulk											
Vessels	DWT	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid
Barges											
0-200 Feet	Barge	$90.00	$95.00	$125.00	$126.64	$133.30	$136.01	$150.00	$154.41	$157.93	$160.77
201-361 Feet	Barge	$90.00	$95.00	$125.00	$126.64	$133.30	$136.01	$225.00	$231.62	$236.90	$241.16
360 +	Barge	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid	See Dry/Liquid
Harbor Safety Fee [2]											
Ships	Ship	$275.00	$275.00	$2,032.00	$2,032.00	$2,032.00	$2,032.00	$1,153.00	$1,153.00	$1,153.00	$1,153.00
Barges	Barge	$35.00	$35.00	$230.00	$230.00	$230.00	$230.00	$132.00	$132.00	$132.00	$132.00
Security Surcharge Fee [1]		12.0%	10.0%	10.0%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%	7.5%

1 Security surcharge fee is calculated on wharfage and dockage billings

2 Harbor Safety Fees include fireboat fees and a marine patrol fee implemented in 2010

Tariff rates reported on this schedule represent the most significant of the Authority's revenue sources, all rates may be obtained from the Authority's published tariff

S/T - short tons; BRL - barrel; DWT - dead weight tons; NRT - net registered tons; GRT - gross registered tons; W/M - weight or measure

TABLE 8 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Ten Largest Customers
December 31, 2017 and 2008

WHARFAGE and DOCKAGE REVENUE:

Customer	2017 Wharfage and Dockage Revenue	Rank	%	2008 Wharfage and Dockage Revenue	Rank	%
Valero	$ 9,413,428	1	15.56%	$ 8,183,270	1	23.10%
Citgo	7,538,719	2	12.46%	7,013,773	2	19.80%
Flint Hills	5,141,218	3	8.50%	5,790,398	3	16.34%
Nu Star Logistics	4,083,676	4	6.75%	2,491,246	4	7.03%
Oxy Energy Center LLC	3,848,655	5	6.36%	-		
Buckeye Texas Hub LLC	3,837,698	6	6.34%	-		
Max Shipping, Inc.	3,086,056	7	5.10%	-		
voestalpine	2,950,953	8	4.88%	-		
Biehl & Company	1,438,637	9	2.38%	682,106	7	1.93%
Dix-Fairway Terminals	1,007,410	10	1.67%	388,364	10	1.10%
Equistar	-			1,089,242	5	3.07%
Valls Shipping Co.	-			834,214	6	2.35%
Sanco Co.	-			660,324	8	1.86%
GE Energy Logistics	-			551,839	9	1.56%
Subtotal (10 largest)	42,346,450		70.00%	27,684,776		78.14%
Other	18,150,890		30.00%	7,745,415		21.86%
Total	$ 60,497,339		100.00%	$ 35,430,191		100.00%

TONNAGE:

Customer	2017 Tonnage	Rank	%	2008 Tonnage	Rank	%
Citgo	23,719,872	1	23.17%	24,669,706	1	28.30%
Valero	22,117,259	2	21.60%	21,624,215	2	24.81%
Oxy Energy Center LLC	10,930,281	3	10.67%	-		
Flint Hills	10,820,509	4	10.57%	18,107,010	3	20.77%
Buckeye Texas Hub LLC	10,238,458	5	10.00%	-		
Nu Star Logistics	6,377,827	6	6.23%	3,827,343	5	4.39%
voestalpine	4,178,169	7	4.08%	-		
ADM/Gromark River System, Inc.	3,357,276	8	3.28%	3,876,266	7	4.45%
Occidental Chemical Corp.	2,253,093	9	2.20%	1,561,258	8	1.79%
Interstate Grain Port Terminal	1,805,435	10	1.76%	1,517,946	9	1.74%
Sherwin Alumina Company LP	-		0.00%	5,572,667	4	6.39%
Equistar	-			1,405,221	6	1.61%
Dix-Fairway Terminals	-			640,096	10	0.73%
Subtotal (10 largest)	95,798,178		93.56%	82,801,728		94.99%
Other	6,593,670		6.44%	4,366,080		5.01%
Total	102,391,848		100.00%	87,167,808		100.00%

TABLE 9 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Ratios of Outstanding Debt
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenue Bonds	$ 10,885,000	$ 9,725,000	$ 8,515,000	$ 7,250,000	$ -	$ -	$ -	$ 115,000,000	$ 110,640,000	$ 106,245,000
Capital Leases	46,215	27,384	10,285	521	-	-	-	-	-	-
Total Outstanding Debt	$ 10,931,215	$ 9,752,384	$ 8,525,285	$ 7,250,521	$ -	$ -	$ -	$ 115,000,000	$ 110,640,000	$ 106,245,000
Per Capita	$305	$290	$240	$190	$ -	$ -	$ -	$ 2,756	$ 2,542	$ 2,579
Percent of Personal Income	0.07%	0.07%	0.06%	0.04%	-	-	-	0.6%	0.6%	0.6%

Details regarding the Authority's outstanding debt can be found in Note 5 of the Notes to the Financial Statements. See Table 11, schedule of Demographic and Economic Statistics for personal income and population data.

TABLE 10 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Pledged Revenue Bond Coverage Last Ten Years

Year	Gross Revenues (1)	Operating Expenses (2)	Net Revenue Available for Debt Service	Debt Service Requirements (A)			
				Principal	Interest	Total	Coverage
2008	52,267,688	34,850,477	17,417,211	1,360,625	310,516	1,671,141	10.42
2009	47,035,575	35,727,525	11,308,050	1,389,286	282,198	1,671,484	6.77
2010	53,044,774	35,187,721	17,857,053	1,419,167	252,450	1,671,617	10.68
2011	63,068,438	36,591,098	26,477,340	1,450,000	221,259	1,671,259	15.84
2012	62,934,183	40,557,109	22,377,074	-	-	-	-
2013	78,042,224	33,522,081	44,520,143	-	-	-	-
2014	82,722,450	39,259,158	43,463,292	-	-	-	-
2015	94,167,943	43,942,020	50,225,923	5,750,000	2,750,323	8,500,323	5.91
2016	84,359,066	47,050,348	37,308,718	5,823,158	2,677,185	8,500,343	4.39
2017	97,872,827	50,053,188	47,819,639	5,902,500	2,597,822	8,500,322	5.63

(1) Gross revenues represent all revenues, income and receipts, including interest income, and any other revenues

(2) Operating expenses represent maintenance and operating, and general and administrative expenses and interest on retainage and other non-operating expenses paid in cash, excluding depreciation and gain (loss) on disposal of capital assets

(A) Debt service requirements represent average annual debt service

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Demographic and Economic Statistics
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015(E)	2016	2017(F)
Population (1)	423,168	427,262	428,026	431,051	437,012	443,448	448,108	449,323	454,726	457,971
Personal Income-(in thousands) (1)	$ 15,177,801	$ 14,391,053	$ 15,230,833	$ 16,434,306	$ 17,206,720	$ 17,641,544	$ 18,663,416	$ 18,751,213	$ 18,667,268	$ 18,870,147
Per Capita Personal Income (1)	$ 35,867	$ 33,682	$ 35,584	$ 38,126	$ 39,374	$ 39,783	$ 41,649	$ 41,732	$ 41,052	$ 41,204
Unemployment rate (2)	4.70%	6.90%	8.10%	8.00%	6.50%	6.00%	5.05%	4.95%	5.74%	5.89%

Source:

(1) Bureau of Economic Analysis (updated November 17, 2016-- new estimates for 2015; revised estimates for 1998-2014.) for the Corpus Christi, TX Metropolitan Statistical Area consisting of Aransas, Nueces and San Patricio counties

(2) Bureau of Labor Statistics

(E) Estimate of 2015 population from the Texas Department of State Health Services

(F) Estimate of 2017 population from the Texas Department of State Health Services

Unemployment % 2017 (2)	
Jan	6.80%
Feb	6.80%
Mar	6.60%
Apr	6.10%
May	5.70%
Jun	5.90%
Jul	5.50%
Aug	5.80%
Sep	5.90%
Oct	5.10%
Nov	5.30%
Dec	5.20%
Avg	5.89%

TABLE 12 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Principal Employers
December 31, 2017 and 2008

	2017			2008		
Employer	Number of Employees	Rank	Percent of Total MSA Employment	Number of Employees	Rank	Percent of Total MSA Employment
Corpus Chirsti ISD	5,944	1	3.05%	4,776	2	2.51%
Corpus Christi Naval Air Station	4,500	2	2.31%	1,630	9	0.86%
H.E.B.	3,840	3	1.97%	2,539	5	1.33%
CHRISTUS Spohn Heath Systems	3,400	4	1.74%	4,260	3	2.24%
Corpus Christi Army Depot	3,400	5	1.74%	4,876	1	2.56%
City of Corpus Christi	3,202	6	1.64%	3,434	4	1.80%
Driscoll Chidren's Hospital	2,136	7	1.10%	1,705	8	0.90%
Corpus Christi Medical Center	1,885	8	0.97%	1,347	10	0.71%
Keiwit Offshore Service	1,750	9	0.90%			0.00%
Bay, Ltd	1,700	10	0.87%	2,500	6	1.31%
Texas A&M Corpus Christi				1,994	7	1.05%
Total	31,757		16.29%	29,061		15.27%

Source:
Employers and Number of Employees provided by Corpus Christi Regional Economic and Development Corporation

Corpus Christi, Texas MSA Employment provided by http://www.deptofnumbers.com

TABLE 13 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Employees by Function
Last Ten Years

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operations:										
Cold Storage Facility	9	-	-	-	-	-	-	-	-	-
Bulk Terminal Facility	17	17	14	17	18	22	23	22	21	22
Harbormaster's Office	10	10	9	9	9	9	8	9	10	10
Lift Bridge	-	-	-	-	-	-	-	-	-	-
Maintenance	43	48	46	45	45	38	40	43	44	45
Police Department	44	49	51	46	44	43	48	48	48	49
	123	124	120	117	116	112	119	122	123	126
Administration:										
Executive Director	5	4	6	2	2	2	3	2	3	3
Chief Operating Officer	-	-	-	-	2	2	2	2	2	2
Deputy Port Director	3	4	4	4	2	-	-	-	-	-
Chief Commercial Officer	-	-	-	-	-	-	-	2	2	2
Government Affairs	1	1	1	1	1	1	1	1	1	1
Human Resources	5	5	5	5	5	5	5	6	6	6
Business Development	5	7	3	3	3	4	4	5	5	5
Communications	-	-	2	3	3	3	4	4	4	3
Community Relations	-	-	-	-	-	-	-	3	2	2
Property & Industrial Development	1	1	1	3	3	3	3	3	4	4
Finance and Administration	2	2	2	2	2	2	2	2	1	3
Accounting	9	9	7	8	8	10	9	10	10	12
Procurement	-	-	-	-	-	-	-	-	3	3
Risk Management	-	-	-	-	-	-	-	2	2	2
Safety Management	-	-	-	-	-	-	1	2	2	2
Emergency Management	-	-	-	-	-	-	-	-	1	1
Information Technology	9	7	7	6	7	6	8	13	13	12
Engineering	8	10	9	8	8	10	13	16	20	20
Environmental Planning & Compliance	2	4	3	4	4	4	6	5	4	5
Operations	5	7	4	4	4	5	4	4	1	4
	55	61	54	53	54	57	65	82	86	92
	178	185	174	170	170	169	184	204	209	218

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Capital Asset Statistics
Last Five Years

	2013	2014	2015	2016	2017
Harbor divisions	6	6	6	6	6
Turning basins	5	7	7	7	7
Corpus Christi Ship Channel (miles)	35	37	37	37	37
Authorized channel draft (feet)	45	45	45	45	45
General cargo docks	7	6	7	7	7
Covered docks	3	3	3	3	3
Open docks	2	2	4	4	4
Special public use dock	1	1	1	1	1
Covered storage (square feet)	295,000	295,000	295,000	295,000	295,000
Dockside rail access (docks)	4	4	4	4	4
Roll-on/ Roll-off ramps	1	1	1	1	1
Liquid bulk docks	12	13	13	13	13
Ship	6	7	7	7	7
Barge	6	6	6	6	6
Bulk material docks	2	2	2	2	2
Gantry cranes	1	1	1	1	1
Unloading rate per hour (short tons)	600	600	600	600	600
Radial ship loaders	1	1	1	1	1
Loading rate per hour (short tons)	1,500	1,500	1,500	1,500	1,500
Layberth facilities/docks	3	3	3	3	2
Intermodal terminal	1	1	1	1	1
Open storage (acres)	30	35	35	35	35
Container handling machines	0	0	0	0	0
Bagging facilities	2	2	2	2	2
Grain	1	1	1	1	1
General purpose	1	1	1	1	1
Grain elevator	1	1	1	1	1
Bushel capacity (bushels)	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000
Ship loading capacity per hour (bushels)	120,000	120,000	120,000	120,000	120,000
Truck unloading capacity per hour (bushels)	40,000	40,000	40,000	40,000	40,000
Railcar unloading capacity per hour (bushels)	80,000	80,000	80,000	80,000	80,000
Cotton warehouses	1	1	1	1	1
Covered storage (square feet)	575,000	575,000	575,000	575,000	575,000
Multi-purpose cruise terminal/meeting banquet center	1	1	1	1	1
Meeting rooms	5	5	5	5	5
Banquet hall	1	1	1	1	1
Outdoor plaza	1	1	1	1	1
Indoor square feet (approximate)	24,000	24,000	24,000	24,000	24,000
Outdoor square feet (approximate)	50,000	50,000	50,000	50,000	50,000
Industrial parks	1	1	1	1	1
Acreage	285	285	285	285	285
Barge canals	2	2	2	2	2
Land					
Submerged (acres)	17,770	17,770	18,062	18,062	18,062
Emerged (acres)	7,286	7,296	7,301	7,383	7,384
Dredge Placement Areas	4,974	4,974	4,974	4,974	4,974
Open storage/development (acres)	2,312	2,322	2,327	2,409	2,410
Railroads					
Railway (miles)	43	45	48	48	48
Security Command Center	1	1	1	1	1

TABLE 15 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Analysis of Funding Progress - Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability (AAL)	Funded Ratio	Unfunded (Overfunded) Actuarial Accrued Liability (UAAL)	Annual Covered Payroll	UAAL As a Percentage of Covered Payroll
2005	13,572,671	18,177,881	74.7%	4,605,210	8,544,001	53.9%
2006	15,800,903	19,925,412	79.3%	4,124,509	9,020,233	45.7%
2007	17,772,707	22,044,720	80.6%	4,272,013	9,558,262	44.7%
2008	18,097,936	23,421,983	77.3%	5,324,047	10,298,956	51.7%
2009	20,143,863	24,899,158	80.9%	4,755,295	11,397,962	41.7%
2010	21,744,295	26,372,629	82.5%	4,628,334	11,840,675	39.1%
2011	28,148,929	28,169,728	99.9%	20,799	10,531,666	0.2%
2012	29,524,708	29,044,854	101.7%	(479,854)	10,982,221	(4.4%)
2013	31,917,556	30,786,850	103.7%	(1,130,706)	11,312,022	(10.0%)
2014	34,405,338	34,812,267	98.8%	406,929	11,816,386	3.4%
2015	37,078,189	37,973,188	97.6%	894,999	13,992,927	6.4%
2016	49,403,922	50,151,839	98.5%	747,917	15,259,672	4.9%

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Schedule of Insurance in Force December 31, 2017

Details of Coverage	Policy Period	Deductible	Liability Limits
All Risk Property	04/01/18-19	$4,000,000/$100,000	$ 100,000,000
Federal Flood Insurance	Varies	1,250	Varies
Boiler and Machinery	04/01/18-19	5,000	23,575,270
Business Auto Liability	10/01/17-18	5,000/10,000	1,000,000
Foreign Liability-Travel Accident & Sickness	01/11/17-20	-	Varies
Firebarge Hull & Machinery	10/01/17-18	25,000	3,543,750
29' Safeboat Hull & Machinery			161,053
31' Safeboat Hull & Machinery	10/01/17-18	25,000	354,375
Other Boats & Motors			2,041,848
General Liability/Marine	10/01/17-18	50,000	20,000,000
Cyber Liability	06/01/17-18	25,000	3,000,000
Errors and Omissions Liability	10/01/17-18	10,000	5,000,000/10,000,000
Law Enforcement Liability	10/01/17-18	10,000	5,000,000/10,000,000
Employee Fidelity (Crime) Bond	10/01/17-18	25,000	1,000,000
Public Officials Bonds (8)	Varies	-	5,000
Workers' Compensation	01/01/17-20	-	Statutory/1,000,000
Terrorism	04/01/17-18	10,000	100,000,000
Foreign Liability-Kidnap & Ransom	10/01/17-18	-	5,000,000/10,000,000
Mobile Equipment	10/01/17-18	1,000	2,004,427

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Miscellaneous Statistical Data
December 31, 2017

Date of Incorporation:	1922
Form of Government:	A public corporation and political subdivision of the State of Texas
Number of Employees:	218
Geographic Location:	Southeastern coast of Texas on the Gulf of Mexico approximately 150 miles north of the Mexican Border
Area:	7,384 - Emergent acres 18,062 - Submerged acres

Population:

Year	City of Corpus Christi	Nueces County	San Patricio County
1920	10,522	22,807	11,386
1930	27,741	51,779	23,836
1940	57,301	92,661	28,871
1950	108,053	165,471	35,842
1960	167,690	221,573	45,021
1970	204,525	237,544	47,288
1980	232,119	268,215	58,013
1990	256,632	296,527	58,749
2000	277,454	313,645	67,138
2010	305,215	340,223	64,804

Elevation:	Sea level to 85 feet, average 35 feet
Tidal Data:	
Average Water Level:	
Inner Harbor	+ 0.36 Mean Lower Low Water (MLLW)
Tidal Range:	
Inner Harbor	Insignificant
Aransas Pass	1.5 feet
Aerial Clearance:	
Harbor Bridge	138 feet (42.10 M)
Temperature:	Annual Average - 72.15° Average Low- 62.8° Average High- 81.5°
Average Seasonal Rainfall:	31.7

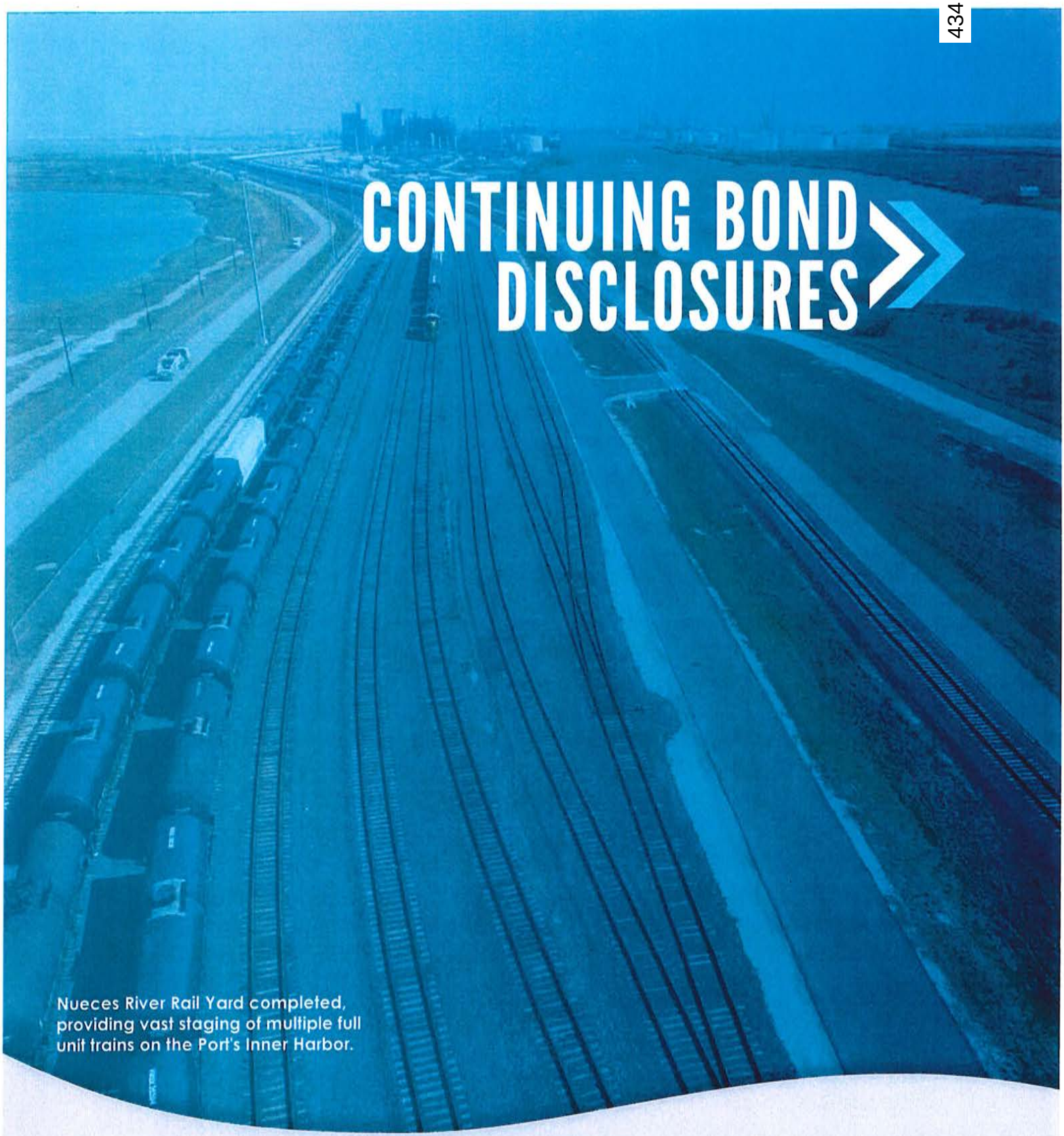
Public Docks:

Bulk liquid	13 - Main Harbor
Dry cargo	6 - Main Harbor
Dry cargo	1 - Rincon
Bulk materials	2 - Main Harbor
	22

Private Docks:

Bulk liquid	- Citgo	7 - Main Harbor
	- Equistar	1 - Main Harbor
	- Flint Hills	3 - Main Harbor
	- Flint Hills	1 - Ingleside
	- NuStar	1 - Main Harbor
	- Buckeye	5 - Main Harbor
	- Valero	6 - Main Harbor
	- Occidental Energy (NSI)	6 - Ingleside
	- Koch Gathering	1 - Ingleside
Dry cargo	- Bay Inc.	1 - Main Harbor
	- Heldenfels	1 - Main Harbor
	- Texas Lehigh Cement	1 - Main Harbor
	- Fordyce	1 - Main Harbor
	- Tor Minerals International, Inc.	1 - Rincon
	- McDermott	1 - Harbor Island
	- Gulf Marine Fabricators	2 - Ingleside
	- Kiewit Offshore Services, Inc.	1 - LaQuinta
	- Subsea 7	1 - LaQuinta
	- voestalpine	1 - LaQuinta
	- Occidental Chemical	3 - LaQuinta
	- Signet Maritime	1 - Jewell Fulton
Bulk materials	- ADM/Growmark	1 - Main Harbor
	- Interstate Grain	1 - Main Harbor
	- Vulcan Materials	1 - Main Harbor
	- Sherwin Alumina Site	2 - La Quinta
		51

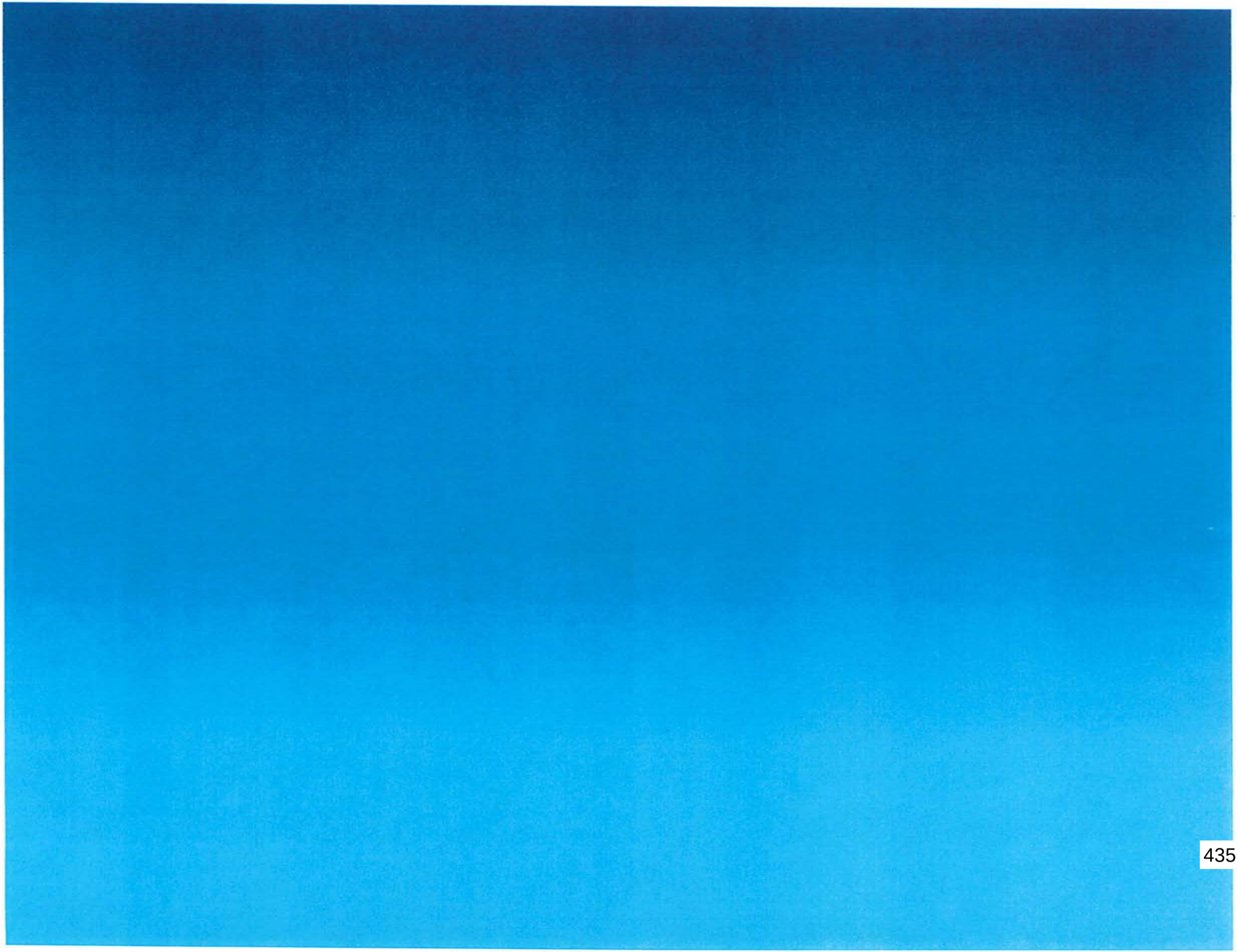
CONTINUING BOND DISCLOSURES



Nueces River Rail Yard completed, providing vast staging of multiple full unit trains on the Port's Inner Harbor.

PORT CORPUS CHRISTI®

Port of Corpus Christi Authority of Nueces County, TX



PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Port Commerce By Commodity Last Ten Years

Table 1:

Commodity By Port Division - *Short tons*	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Inner Harbor										
Break Bulk	256,612	133,037	157,781	122,055	214,010	62,310	133,938	238,695	248,471	389,264
Grain	5,409,827	3,951,347	4,100,774	4,183,095	2,563,535	2,972,973	4,068,716	3,396,829	4,169,145	5,162,711
Chemical	68,760	43,982	37,814	58,377	58,066	41,198	99,979	135,841	105,512	99,706
Dry Bulk	2,318,675	1,974,232	2,038,029	2,821,831	2,317,603	2,805,899	3,639,556	3,834,620	3,548,129	2,798,319
Liquid Bulk	301,007	131,100	506,211	533,543	554,336	475,785	493,850	580,055	432,750	528,901
Petroleum	62,558,169	56,586,340	61,163,028	59,446,567	60,393,806	67,817,495	78,273,324	83,327,585	74,015,877	70,887,595
Total	70,913,050	62,820,038	68,003,637	67,165,468	66,101,356	74,175,660	86,709,363	91,513,625	82,519,884	79,866,496
La Quinta										
Break Bulk	-	-	1,369	-	-	3,551	105,282	111,346	85,069	163,312
Chemical	1,561,258	1,366,046	1,430,429	1,685,331	1,907,946	1,910,564	2,105,444	1,822,132	2,095,329	2,258,959
Dry Bulk	5,572,667	4,467,692	4,809,114	5,817,275	5,585,549	6,078,632	5,518,508	4,448,951	3,357,428	4,311,854
Petroleum	26,607	18,766	22,404	41,750	25,319	14,228	23,906	17,370	23,548	34,454
Total	7,160,532	5,852,504	6,263,316	7,544,356	7,518,814	8,006,975	7,753,140	6,399,799	5,561,374	6,768,579
Harbor Island										
Break Bulk	2	-	-	-	-	-	-	-	-	-
Petroleum	-	-	-	-	-	-	-	-	-	-
Total	2	-	-	-	-	-	-	-	-	-
Ingleside										
Break Bulk	277,147	178,826	169,609	175,551	175,287	263,119	31,458	58,348	12,271	2,019
Dry Bulk	-	-	7,012	4,615	10,742	829	5,274	2,804	345	4,383
Petroleum	7,475,838	7,660,416	7,715,429	5,330,829	4,957,218	6,427,951	6,087,182	5,503,512	6,198,461	15,749,245
Total	7,752,985	7,839,242	7,892,050	5,510,995	5,143,247	6,691,899	6,123,914	5,564,664	6,211,077	15,755,647
Rincon Point										
Break Bulk	18,829	6,130	10,500	9,025	1,669	-	-	-	-	1,124
Grain	14,040	-	12,503	31,726	15,312	11,235	1,600	-	-	-
Dry Bulk	-	1,734	12,291	48,647	25,790	5,835	-	-	-	-
Total	32,869	7,864	35,294	89,398	42,771	17,070	1,600	-	-	1,124
Total	85,859,438	76,519,648	82,194,297	80,310,217	78,806,188	88,891,604	100,588,017	103,478,088	94,292,335	102,391,846
Commodity Totals - *Short tons*										
Break Bulk	552,590	317,993	339,259	306,631	390,966	328,980	270,678	408,389	345,811	555,721
Grain	5,423,867	3,951,347	4,113,277	4,214,821	2,578,847	2,984,208	4,070,316	3,396,829	4,169,145	5,162,711
Chemical	1,630,018	1,410,028	1,468,243	1,743,708	1,966,012	1,951,762	2,205,423	1,957,973	2,200,842	2,358,665
Dry Bulk	7,891,342	6,443,658	6,866,446	8,692,368	7,939,684	8,891,195	9,163,338	8,286,375	6,905,901	7,114,556
Liquid Bulk	301,007	131,100	506,211	533,543	554,336	475,785	493,850	580,055	432,750	528,901
Petroleum	70,060,614	64,265,522	68,900,861	64,819,146	65,376,343	74,259,674	84,384,412	88,848,467	80,237,886	86,671,[illegible]
Total	85,859,438	76,519,648	82,194,297	80,310,217	78,806,188	88,891,604	100,588,017	103,478,088	94,292,335	102,391,[illegible]

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Revenues by Source
Last Ten Years

Table 2:

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operating Revenues:										
Wharfage	$26,359,823	$24,826,670	$26,567,587	$27,410,252	$31,293,692	$35,688,217	$42,288,896	$45,779,919	$42,337,275	$46,948,820
Dockage	7,078,197	7,319,259	8,138,326	8,948,217	10,331,997	11,358,813	14,630,404	14,003,472	11,970,562	13,548,519
Security fees	3,474,748	3,412,485	6,170,288	6,319,747	6,528,526	7,325,584	6,460,860	6,673,782	6,070,139	6,686,343
Freight handling	2,178,423	2,428,621	2,316,667	2,387,583	2,191,682	2,815,582	3,133,303	3,153,285	3,463,593	3,892,661
Rail Charges	980,131	754,366	839,342	1,252,172	1,151,977	1,026,819	893,900	699,535	1,427,837	2,217,491
Building and land rentals	4,318,458	3,924,060	4,417,518	6,411,552	7,490,936	8,152,093	8,456,174	9,391,040	12,444,299	14,641,254
Conference center services	1,451,630	2,007,407	1,679,885	1,814,456	2,008,474	1,688,770	1,864,556	2,209,031	2,011,136	2,152,659
Warehouse handling charges	1,367,306	596,168	426,093	368,950	-	-	-	-	-	-
FTZ user fees	284,500	326,000	337,000	302,750	301,250	253,917	222,500	207,667	224,000	225,000
Dredge placement fees	2,477,710	28,405	(3,279)	1,375,619	(36,629)	8,153,771	1,669,714	10,151,880	1,870,497	1,920,638
Other	1,080,267	802,449	1,390,425	2,107,663	1,170,509	1,004,387	2,539,138	1,152,244	1,202,624	2,041,419
Insurance proceeds, net of losses	-	-	-	-	-	-	-	-	-	1,033,235
	$51,051,193	$46,425,890	$52,279,852	$58,698,961	$62,432,414	$77,467,953	$82,159,445	$93,421,855	$83,021,962	$95,308,039
Non-Operating Revenues:										
Other:										
Investment income	$ 932,447	$ 584,849	$ 478,291	$ 467,494	$ 163,804	$ 283,544	$ 341,754	$ 518,374	$ 1,184,692	$ 2,417,838
Other	284,048	24,836	286,631	3,901,983	337,965	290,727	221,251	227,714	152,412	146,950
	$ 1,216,495	$ 609,685	$ 764,922	$ 4,369,477	$ 501,769	$ 574,271	$ 563,005	$ 746,088	$ 1,337,104	$ 2,564,788

TABLE 20 (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Expenses by Type
Last Ten Years

Table 3:

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Operating Expenses:										
Maintenance and Operation:										
Employee services	$ 8,255,443	$ 7,866,038	$ 8,374,106	$ 7,810,947	$ 8,258,807	$ 7,324,312	$ 8,304,043	$ 9,993,556	$ 9,478,572	$ 9,948,834
Maintenance	6,340,774	4,987,113	3,538,398	5,136,098	4,896,773	3,679,718	6,122,959	3,667,189	4,367,556	3,707,172
Utilities	1,357,364	1,631,307	1,702,868	2,327,822	1,735,122	902,342	1,004,905	1,073,706	980,564	936,770
Telephone	29,991	26,436	35,286	101,960	94,604	85,538	80,639	78,674	90,885	88,096
Insurance & claims	1,902,331	1,844,918	2,266,112	2,099,345	2,311,581	2,023,472	1,911,090	1,745,262	1,520,100	1,336,484
Professional services	424,975	900,742	691,191	1,415,731	1,771,323	974,998	2,422,320	864,991	1,160,192	914,565
Police expenses	74,106	55,218	66,434	14,233	24,006	14,435	16,461	31,320	1,552,251	1,736,658
Contracted services	1,834,442	1,426,265	1,876,695	1,897,144	1,633,668	1,336,574	1,277,137	1,334,780	149,847	142,769
Office and equipment rental	91,004	97,627	73,983	142,778	65,037	55,691	79,023	109,355	96,681	126,387
Operator and event expenses	1,280,002	1,550,059	1,415,417	1,538,092	1,678,367	1,427,944	1,547,155	1,624,343	1,712,280	1,825,207
Warehouse supplies	68,428	44,700	9,037	8,024	-	-	-	-	-	-
Safety/Environmental	90,947	71,246	69,075	83,442	77,086	98,478	107,859	70,797	84,493	87,427
General	93,105	196,113	129,909	185,198	175,307	220,554	494,274	876,438	242,219	216,267
	$21,842,912	$20,697,782	$20,248,511	$22,760,814	$22,721,681	$18,144,056	$23,367,865	$21,470,411	$21,435,640	$ 21,066,636
General and Administrative:										
Employee services	$ 7,349,030	$ 7,837,903	$ 7,692,080	$ 7,224,377	$ 7,423,777	$ 7,272,765	$ 8,001,279	$10,549,722	$11,446,283	$ 12,891,866
Maintenance	320,610	432,088	453,408	501,087	509,303	530,688	648,221	759,004	948,956	756,369
Utilities	196,865	224,245	172,703	194,864	171,122	149,405	159,148	160,630	162,490	173,577
Telephone	231,958	209,267	196,626	115,447	100,921	73,896	83,776	91,439	97,984	99,596
Insurance & claims	84,451	96,638	124,620	92,492	97,774	429,990	99,451	109,887	148,816	124,462
Professional services	2,419,843	3,322,950	3,526,850	3,046,566	7,092,409	3,993,766	3,870,383	4,363,193	4,462,954	5,491,998
Police expenses	314	174	82	82	-	190	1,616	1,227	2,943	3,574
Contracted services	88,262	64,213	151,445	100,952	59,756	23,431	26,167	49,477	140,500	90,680
Office and equipment rental	18,264	40,406	59,809	65,104	76,941	92,118	86,761	99,176	123,574	158,778
Administrative	1,873,318	2,392,822	2,108,277	2,035,746	1,869,480	2,140,507	2,309,972	2,667,808	2,578,220	2,865,300
Trade and sales development	148,946	204,427	157,237	184,528	188,894	200,500	209,900	165,955	172,765	174,973
Media advertising	109,262	108,425	206,557	195,766	190,661	225,363	232,608	311,184	327,641	354,200
Production	27,917	48,319	25,678	24,222	21,774	33,424	41,061	74,566	23,768	39,581
Safety/Environmental	38,206	22,681	21,544	23,299	23,651	26,732	28,007	43,037	45,881	29,398
General	100,319	25,185	42,294	25,752	8,965	185,250	92,943	23,172	32,841	8,799
	$13,007,565	$15,029,743	$14,939,210	$13,830,284	$17,835,428	$15,378,025	$15,891,293	$19,469,477	$20,715,616	$ 23,263,150
Depreciation	$ 9,648,639	$10,060,645	$12,165,114	$13,381,562	$13,738,571	$12,024,981	$12,310,557	$12,822,653	$13,140,057	$ 13,377,640
Non-Operating Expenses:										
Interest	$ 591,057	$ 504,030	$ 450,602	$ 392,699	$ (51,908)	$ 16,986	$ 535	$ 2,030,505	$ 2,973,844	$3,650,3
Other	592,931	20,735	19,386	-	9,646,400	102,957	-	9,969,479	4,953,048	6,134,1
	$ 1,183,988	$ 524,765	$ 469,988	$ 392,699	$ 9,594,492	$ 119,943	$ 535	$11,999,984	$ 7,926,892	$ 9,784,460

Table 4:

OPERATING LEASES

The Authority leases to others certain land and improvements, and these leases are classified as operating leases. As of December 31, 2017, minimum lease payments under these operating leases that have initial or remaining non-cancelable lease terms in excess of one year are as follows:

Years Ending		
2018	$	11,349,662
2019		9,269,326
2020		8,018,662
2021		6,996,181
2022		6,812,897
Thereafter		64,287,347
Total	**$**	**106,734,075**

As of December 31, 2017, $25,665,477 had been received in advance payments and $11,447,152 will be billed in future periods for operating leases and has been recorded as unearned revenue. As of December 31, 2016, $13,974,445 had been received in advance payments for operating leases and $11,967,399 has been recorded as unearned revenue.

Table 5:

CAPITAL LEASES

The Authority entered into a lease agreement with Gulf Compress. Under the terms of the lease, Gulf Compress constructed 550,000 square feet of cotton warehouses on property owned by the Port at the proposed site of the La Quinta Container Terminal Facility. On January 21, 2005, the cotton warehouses were completed and ownership was transferred to the Authority in consideration of a thirty year prepaid lease. Prepaid lease rentals will be amortized over the lease term as follows:

Years Ending		
2018	$	457,040
2019		457,040
2020		457,040
2021		457,040
2022		457,040
Thereafter		5,461,965
Total	**$**	**7,747,165**

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Changes in Net Position
Last Ten Years

Table 6:

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Revenues										
Operating revenues:										
Wharfage	$ 26,359,823	$ 24,826,670	$ 26,567,587	$ 27,410,252	$ 31,293,692	$ 35,688,217	$ 42,288,896	$ 45,779,919	$ 42,337,275	$ 46,948,820
Dockage	7,078,197	7,319,259	8,138,326	8,948,217	10,331,997	11,358,813	14,630,404	14,003,472	11,970,562	13,548,519
Security fees	3,474,748	3,412,485	6,170,288	6,319,747	6,528,526	7,325,584	6,460,860	6,673,782	6,070,139	6,686,343
Freight handling	2,178,423	2,428,621	2,316,667	2,387,583	2,191,682	2,815,582	3,133,303	3,153,285	3,463,593	3,892,661
Rail Charges	980,131	754,366	839,342	1,252,172	1,151,977	1,026,819	893,900	699,535	1,427,837	2,217,491
Building and land rentals	4,318,458	3,924,060	4,417,518	6,411,552	7,490,936	8,152,093	8,456,174	9,391,040	12,444,299	14,641,254
Conference center services	1,451,630	2,007,407	1,679,885	1,814,456	2,008,474	1,688,770	1,864,556	2,209,031	2,011,136	2,152,659
Warehouse handling charges	1,367,306	596,168	426,093	368,950	-	-	-	-	-	-
FTZ user fees	284,500	326,000	337,000	302,750	301,250	253,917	222,500	207,667	224,000	225,000
Dredge placement fees	2,477,710	28,405	(3,279)	1,375,619	(36,629)	8,153,771	1,669,714	10,151,880	1,870,497	1,920,638
Other	1,080,267	802,449	1,390,425	2,107,663	1,170,509	1,004,387	2,539,138	1,152,244	1,202,624	2,041,419
Insurance proceeds, net of losses	-	-	-	-	-	-	-	-	-	1,033,235
Total operating revenues	51,051,193	46,425,890	52,279,852	58,698,961	62,432,414	77,467,953	82,159,445	93,421,855	83,021,962	95,308,039
Investment income	932,447	584,849	478,291	467,494	163,804	283,544	341,754	518,374	1,184,692	2,417,838
Federal and other grant assistance	284,048	17,570	60,806	169,966	337,965	290,727	180,655	227,714	152,412	146,950
Donation of personal property	-	-	225,825	4,500	-	-	-	-	-	-
Gain on disposal of assets	-	7,266	-	3,727,517	-	-	40,596	-	-	-
Total Revenues	52,267,688	47,035,575	53,044,774	63,068,438	62,934,183	78,042,224	82,722,450	94,167,943	84,359,066	97,872,827
Expenses										
Operating expenses:										
Maintenance and operations	21,842,912	20,697,782	20,248,511	22,760,814	22,721,681	18,144,056	23,367,865	21,470,411	21,435,640	21,066,636
General and administrative	13,007,565	15,029,743	14,939,210	13,830,284	17,835,428	15,378,025	15,891,293	19,469,477	20,715,616	23,263,150
Depreciation	9,648,639	10,060,645	12,165,114	13,381,562	13,738,571	12,024,981	12,310,557	12,822,653	13,140,057	13,377,640
Total operating expenses	44,499,116	45,788,170	47,352,835	49,972,660	54,295,680	45,547,062	51,569,715	53,762,541	55,291,313	57,707,426
Interest expense and fiscal charges	562,442	504,030	450,602	392,699	(51,908)	16,986	535	2,030,505	2,973,844	3,650,348
Bond issuance costs	28,615	20,735	10,743	-	-	-	-	1,139,597	-	-
Fiscal payments to subrecipients	284,048	-	-	-	128,730	-	-	-	-	-
Contributions to Harbor Bridge Commitment	-	-	-	-	-	-	-	-	1,885,410	1,287,176
Contributions to other government agencies	-	-	-	-	-	-	-	3,000,000	3,000,000	4,415,092
Loss on disposal of assets	308,883	-	8,643	-	9,517,670	102,957	-	5,829,882	67,638	3,590
Loss on impairment of capital assets	-	-	-	-	-	-	-	-	-	428,254
Total Expenses	45,683,104	46,312,935	47,822,823	50,365,359	63,890,172	45,667,005	51,570,250	65,762,525	63,218,205	67,491,886
Income (Loss) Before Contributions	6,584,584	722,640	5,221,951	12,703,079	(955,989)	32,375,219	31,152,200	28,405,418	21,140,861	30,380,941
Capital Contributions	2,510,746	2,090,573	111,670,700	5,402,273	5,663,315	5,842,850	8,307,361	7,245,620	12,835,396	5,536,616
Changes in Net Position	9,095,330	2,813,213	116,892,651	18,105,352	4,707,326	38,218,069	39,459,561	35,651,038	33,976,257	35,917,557
Total Net Position, Beginning of Year	224,999,680	234,095,010	236,908,223	353,800,874	371,906,226	376,613,552	414,831,621	454,291,182	488,106,572	522,082,829
Cumulative Effect of Change in Accounting Principle	-	-	-	-	-	-	-	1,835,648	-	-
Total Net Position, End of Year	$ 234,095,010	$ 236,908,223	$ 353,800,874	$ 371,906,226	$ 376,613,552	$ 414,831,621	$ 454,291,182	$ 488,106,572	$ 522,082,829	$ 558,000,386
Net Position at Year End										
Net investment in capital assets	$ 202,587,244	$ 211,984,713	$ 321,470,695	$ 334,092,868	$ 245,665,607	$ 273,398,051	$ 293,461,952	$ 288,144,036	$ 306,107,673	384,104,593
Restricted	1,756,683	1,747,632	1,927,662	1,924,226	252,763	32,683	35,522	36,153,709	36,031,915	21,222,100
Unrestricted	29,751,083	23,175,878	30,402,517	35,889,132	130,695,182	141,400,887	160,793,708	163,808,827	179,943,241	152,673,693
Total Net Position	$ 234,095,010	$ 236,908,223	$ 353,800,874	$ 371,906,226	$ 376,613,552	$ 414,831,621	$ 454,291,182	$ 488,106,572	$ 522,082,829	$ 558,000,386

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Projected Operating Results and Debt Service Coverage Next Five Years

Table 7:

	2017	2018	2019	2020	2021
Operating Revenues:					
Wharfage	$ 46,948,820	$ 53,117,848	$ 58,671,150	$ 66,059,381	$ 75,280,044
Dockage	13,548,519	13,513,588	14,061,015	14,692,032	15,035,873
Security	6,686,343	9,278,669	9,829,716	10,559,877	11,433,087
Freight handling	3,055,156	2,525,080	2,575,582	2,627,093	2,679,635
Storage	837,505	1,423,481	1,451,951	1,480,990	1,510,609
Rail charges	2,217,491	2,875,536	2,933,047	2,991,708	3,051,542
Other revenue	3,962,057	931,113	949,735	968,729	988,104
Conference center services	2,152,659	2,323,468	2,323,468	2,323,468	2,323,468
Building and land rentals	14,641,254	15,482,043	15,770,043	18,416,143	18,416,143
FTZ user fees	225,000	224,000	224,000	224,000	224,000
Insurance proceeds, net of losses (Note 11)	1,033,235	-	-		
Total Operating Revenues	95,308,039	101,694,826	108,789,707	120,343,421	130,942,505
Operating Expenses:					
Direct expenses	33,945,145	36,531,117	38,149,912	43,247,910	44,112,868
Indirect expenses	23,762,280	24,770,692	26,365,306	26,535,612	27,066,324
Total Operating Expenses	57,707,426	61,301,810	64,515,218	69,783,522	71,179,193
Other Revenues (Expenses):					
Investment Income	2,417,838	1,369,114	930,304	93,501	93,501
Other Income	146,950	203,188	203,188	203,188	203,188
Interest Expense	(3,650,348)	(4,063,293)	(3,980,790)	(3,878,502)	(3,878,502)
Contributions to Harbor Bridge commitment (Note 10)	(1,287,176)	-	-	-	-
Contributions to other government agencies	(4,415,092)	(3,000,000)	(3,000,000)	-	-
Loss on disposal of assets	(3,590)	-	-	-	-
Loss on impairment of capital assets (Note 4)	(428,254)	-	-	-	-
Total Other Revenues (Expenses)	(7,219,672)	(5,490,991)	(5,847,298)	(3,581,813)	(3,581,813)
Net Operating Revenues Available for Debt Service	$ 30,380,941	$ 34,902,025	$ 38,427,191	$ 46,978,086	$ 56,181,499
Debt Service	8,500,722	8,501,092	8,498,589	8,501,301	8,500,421
Total Debt Service	$ 8,500,722	$ 8,501,092	$ 8,498,589	$ 8,501,301	$ 8,500,421
Average Annual Debt Service Coverage	3.57	4.11	4.52	5.53	6.61
Maximum Debt Service Coverage	3.57	4.11	4.52	5.53	6.61

See Table 8-Debt Service Requirements, for the debt service requirements on the bonds.

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Debt Service Requirements
December 31, 2017

At December 31, 2017, total debt service requirements are as follows:

Table 8:

	Principal	Interest	Total
2018	4,450,000	4,051,092	8,501,092
2019	4,530,000	3,968,589	8,498,589
2020	4,635,000	3,866,301	8,501,301
2021	4,755,000	3,745,421	8,500,421
2022	4,895,000	3,608,096	8,503,096
2023	5,045,000	3,454,491	8,499,491
2024	5,210,000	3,288,662	8,498,662
2025	5,390,000	3,112,199	8,502,199
2026	5,575,000	2,924,250	8,499,250
2027	5,785,000	2,715,912	8,500,912
2028	6,010,000	2,491,049	8,501,049
2029	6,250,000	2,248,426	8,498,426
2030	6,510,000	1,989,863	8,499,863
2031	6,785,000	1,714,034	8,499,034
2032	7,100,000	1,401,449	8,501,449
2033	7,425,000	1,074,352	8,499,352
2034	7,770,000	732,283	8,502,283
2035	8,125,000	374,319	8,499,319
Total	**$ 106,245,000**	**$ 46,760,788**	**$ 153,005,788**

Table 9:

PENSION PLAN

Plan Description

The Authority provides pension, disability, and death benefits for all its full-time employees through a nontraditional defined benefit pension plan in the state-wide Texas County and District Retirement System (TCDRS). This is accounted for as an agent multiple-employer defined benefit pension plan. The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multiple-employer public employee retirement system consisting of 701 defined benefit pension plans which function similarly to cash balance-account plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas 78768-2034 or is available on their website at www.tcdrs.org.

Benefits Provided

The plan provisions are adopted by the governing body of the Authority, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 10 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 80 or more. Members are vested after 10 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump sum are not entitled to any amounts contributed by the employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the governing body of the Authority within the actuarial constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. By law, employee accounts earn 7% interest. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contributions and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act. At retirement, the employee's account is matched at a percentage adopted by the Authority's governing body and the current match is 125%. There are no automatic post-employment benefit changes, including automatic cost-of-living adjustments. Ad hoc post-employment benefit changes, including cost-of-living adjustments can be granted by the governing body of the Authority within guidelines of the TCDRS.

Contributions

The Authority has elected the Annually Determined Contribution Rate plan provisions of the TCDRS Act. The plan is funded by monthly contributions from both employee members and the employer based on the covered payroll of employee members. Under the TCDRS Act, the contribution rate of the Authority is actuarially determined annually as of December 31, two years prior to the end of the fiscal year in which contributions are reported.

The actuarially determined rate for the calendar year 2017 was 4.26 percent and for the calendar year 2016 was 4.99 percent, however the governing body of the Authority adopted the rate of 7 percent for both the calendar year 2017 and 2016. The employee deposit rate and the employer contribution rate may be changed by the governing body of the employer within the options available in the TCDRS Act. Employee and Authority contributions were $1,068,177 and $1,068,177, respectively for the year ended December 31, 2017, and $996,832 and $996,832, respectively for the year ended December 31, 2016.

Employees Covered by Benefit Terms

At the measurement date, the following employees were covered by the benefit terms:

	December 31, 2016
Retirees or beneficiaries currently receiving benefits	97
Inactive employees entitled to but not yet receiving benefits	54
Active employees	209
	360

Actuarial Assumptions

The actuarial assumptions that determined the total net pension liability as of December 31, 2017 and the total net pension asset as of December 31, 2016 were based on the results of an actuarial experience study for the period January 1, 2009 – December 31, 2012, except where required to be different by GASB Statement 68 with the exception of the mortality assumptions that were updated and adopted in 2015. The actuarial valuations were determined using the following actuarial assumptions and were the same for both reporting years with the exceptions noted below:

Actuarial Valuation Date	**December 31, 2016**
Actuarial Cost Method	Individual Entry Age Normal
Long-term Investment Rate of Return	8.10%
Discount Rate	8.10%
Inflation Rate	3%
Projected Salary Increase Rates	4.9%
Cost-of-Living Adjustment	0%
Retirement Age	Experience-based table with rates of retirement ranging from 4.5% at ages 40-44 to 22% at age 74; for all eligible members ages 75 and older, retirement is assumed to occur immediately
Mortality (all Mortality tables use base table RP-2000 projected with Scale AA to 2014 and then projected with 110% of the MP-2014 Ultimate Scale after that)	Among active members RP-2000 Active Mortality Table for Males + 2 years RP-2000 Active Mortality Table for Females – 4 years Among inactive vested members, service retirees & beneficiaries RP-2000 Combined Mortality Table for Males + 1 year RP-2000 Combined Mortality Table for Females + 0 years Among disability retirees RP-2000 Disabled Mortality Table for Males + 0 years RP-2000 Disabled Mortality Table for Females + 2 years

Discount Rate

The discount rate used to determine the total pension liability as of December 31, 2017 and December 31, 2016 was 8.10%. The discount rate was determined using an alternative method to determine the sufficiency of the fiduciary net position in all future years. This method reflects the funding requirements under the Authority's funding policy and the legal requirements under the TCDRS Act as follows:

1) TCDRS has a funding policy where the Unfunded Actuarial Accrued Liability (UAAL) shall be amortized as a level percent of pay over 20 year closed layered periods.
2) Under the TCDRS Act, the Authority is legally required to make the contribution specified in the funding policy.
3) The Authority's assets are projected to exceed its accrued liabilities in 20 years or less. When this point is reached, the Authority is still required to contribute at least the normal cost.
4) Any increased cost due to the adoption of a cost-of living adjustment is required to be funded over a period of 15 years, if applicable.

Based on the above, the projected fiduciary net position was determined to be sufficient compared to projected benefit payments. Based on the expected level of cash flows and investment returns to the system the fiduciary net position as a percentage of total pension liability is expected to increase from its current level in future years. Since the projected fiduciary net position is projected to be sufficient to pay projected benefit payments in all future years, the discount rate for purposes of calculating the total pension liability and net pension liability of the Authority is equal to the long-term assumed rate of return on investments of 8.10% for both years presented.

Discount Rate Sensitivity Analysis

The following presents the net pension liability of the Authority, calculated using the discount rate of 8.10%, as well as what the Authority's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (7.10%) or one percentage point higher (9.10%) than the current rate.

	1% Decrease 7.10%	Current Discount Rate 8.10%	1% Increase 9.10%
December 31, 2016:			
Net pension liability	$ 6,199,703	$ 583,910	$ (4,178,437)

Long-Term Expected Rate of Return

The long-term expected rate of return on TCDRS assets is determined by adding expected inflation to expected long-term real returns, and reflecting expected volatility and correlation. The capital market assumptions and information shown below are based on January, 2017 information for a seven to ten year time horizon. The valuation assumption for long-term expected return is re-assessed a minimum of every four years, and is set based on a 30 year time horizon, the most recent analysis was performed in 2013.

Asset Class	Benchmark	Target Allocation (1)	Geometric Real Rate of Return (Expected Minus Inflation) (2)
U.S. Equities	Dow Jones U.S. Total Stock Market Index	13.50%	4.70%
Private Equity	Cambridge Associates Global Private Equity & Venture Capital Index (3)	16.00%	7.70%
Global Equities	MSCI World (net) Index	1.50%	5.00%
International Equities-Developed	MSCI World Ex USA (net)	10.00%	4.70%
International Equities-Emerging	MSCI EM Standard (net) Index	7.00%	5.70%
Investment-Grade Bonds	Bloomberg Barclays U.S. Aggregate Bond Index	3.00%	0.60%
High-Yield Bonds	Citigroup High-Yield Cash-Pay Capped Index	3.00%	3.70%
Opportunistic Credit	Citigroup High-Yield Cash-Pay Capped Index	2.00%	3.83%
Direct Lending	S&P/LSTA Leveraged Loan Index	10.00%	8.15%
Distressed Debt	Cambridge Associates Distressed Securities Index (4)	3.00%	6.70%
REIT Equities	67% FTSE NAREIT Equity REITs Index + 33% FTSE EPRA/NAREIT Global Real Estate Index	2.00%	3.85%
Master Limited Partnerships	Alerian MLP Index	3.00%	5.60%
Private Real Estate	Cambridge Associates Real Estate Index (5)	6.00%	7.20%
Hedge Funds	Hedge Fund Research, Inc. (HFRI) Fund of Funds Composite Index	20.00%	3.85%

(1) Target Asset Allocation was adopted at the April, 2017 TCDRS Board meeting

(2) Geometric Real Rates of Return in addition to assumed inflation of 2.0%, per Cliffwater's 2017 capital market assumptions

(3) Includes vintage years 2006-present of Quarter Pooled Horizon IRRs.

(4) Includes vintage years 2005-present of Quarter Pooled Horizon IRRs.

(5) Includes vintage years 2007-present of Quarter Pooled Horizon IRRs.

Net Pension Liability

The changes in net pension liability for the measurement date of December 31, 2016 based on the actuarial date of December 31, 2016 is reflected below:

Changes in Net Pension Liability	Increase (Decrease) Total Pension Liability	Fiduciary Net Position	Net Position Liability
Balances as of December 31, 2015	$ 46,331,389	$ 45,273,598	$ 1,057,791
Changes for the Year:			
Service cost	1,646,309	-	1,646,309
Interest on total pension liability	3,737,072	-	3,737,072
Effect of economic/demographic gains or losses	(640,607)	-	(640,607)
Refund of contributions	(165,687)	(165,687)	-
Benefit payments	(1,877,746)	(1,877,746)	-
Administrative expenses	-	(36,388)	36,388
Member contributions	-	996,832	(996,832)
Net investment income	-	3,346,977	(3,346,977)
Employer contributions	-	996,832	(996,832)
Other (allocated system-wide items)	-	(87,598)	87,598
Balances as of December 31, 2016	**$ 49,030,730**	**$ 48,446,820**	**$ 583,910**

For the year ended December 31, 2017, the Authority recognized pension expense as follows:

	January 1, 2016 to December 31, 2016
Service cost	$ 1,646,309
Interest on total pension liability	3,737,072
Administrative expenses	36,388
Member contributions	(996,832)
Expected investment return net of investment expenses	(3,660,261)
Recognition of deferred inflows/outflows of resources:	
Recognition of economic/demographic gains or losses	(47,857)
Recognition of assumption changes or inputs	74,864
Recognition of investment gains or losses	1,038,561
Other (allocated system-wide items)	87,598
Pension expense	**$ 1,915,842**

TABLE 25 (continued) (Unaudited)

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

Pension Plan
December 31, 2017

For the year ended December 31, 2017, the Authority recorded deferred outflows and inflows of resources related to the pension as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 285,306	$ 678,606
Changes of assumptions	299,455	-
Net difference between projected and actual earnings	3,052,371	-
Contributions made subsequent to measurement date	1,068,177	-
TOTALS	**$ 4,705,309**	**$ 678,606**

Deferred outflows of resources related to pensions resulting from contributions subsequent to the measurement date of $1,068,177 will be recognized as a reduction of the net pension liability for the measurement year ending December 31, 2017 (i.e. recognized in the Authority's financial statements December 31, 2018). Other amounts reported as deferred outflows/inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	
2017	$ 1,065,567
2018	1,065,567
2019	939,599
2020	(5,439)
2021	(106,768)
Total	**$ 2,958,526**

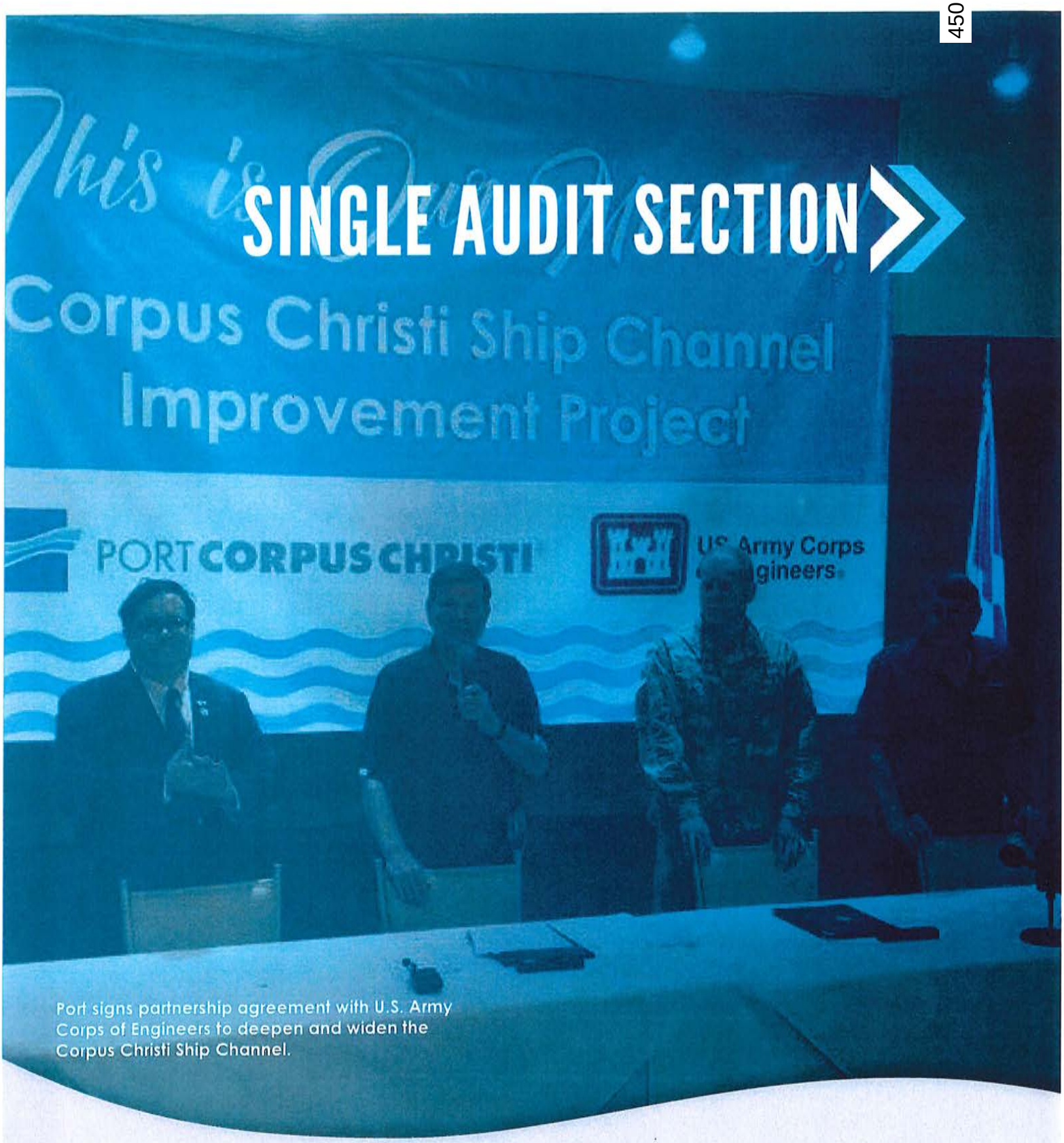
PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

Current Investments
December 31, 2017

Table 10:

The Authority's investments at December 31, 2017 are shown below:

	2017	
Investment Type	**Carrying Value**	**Fair Value**
Money market funds	16,263,917	16,263,917
Local government pool	64,050,419	64,050,419
United States agencies	125,296,341	125,296,341
Commercial Paper	9,979,545	9,979,545
Total	215,590,222	215,590,222
Short-term investments included in cash and cash equivalents	80,314,336	80,314,336
Equity in Total Investments	**$ 135,275,886**	**$ 135,275,886**

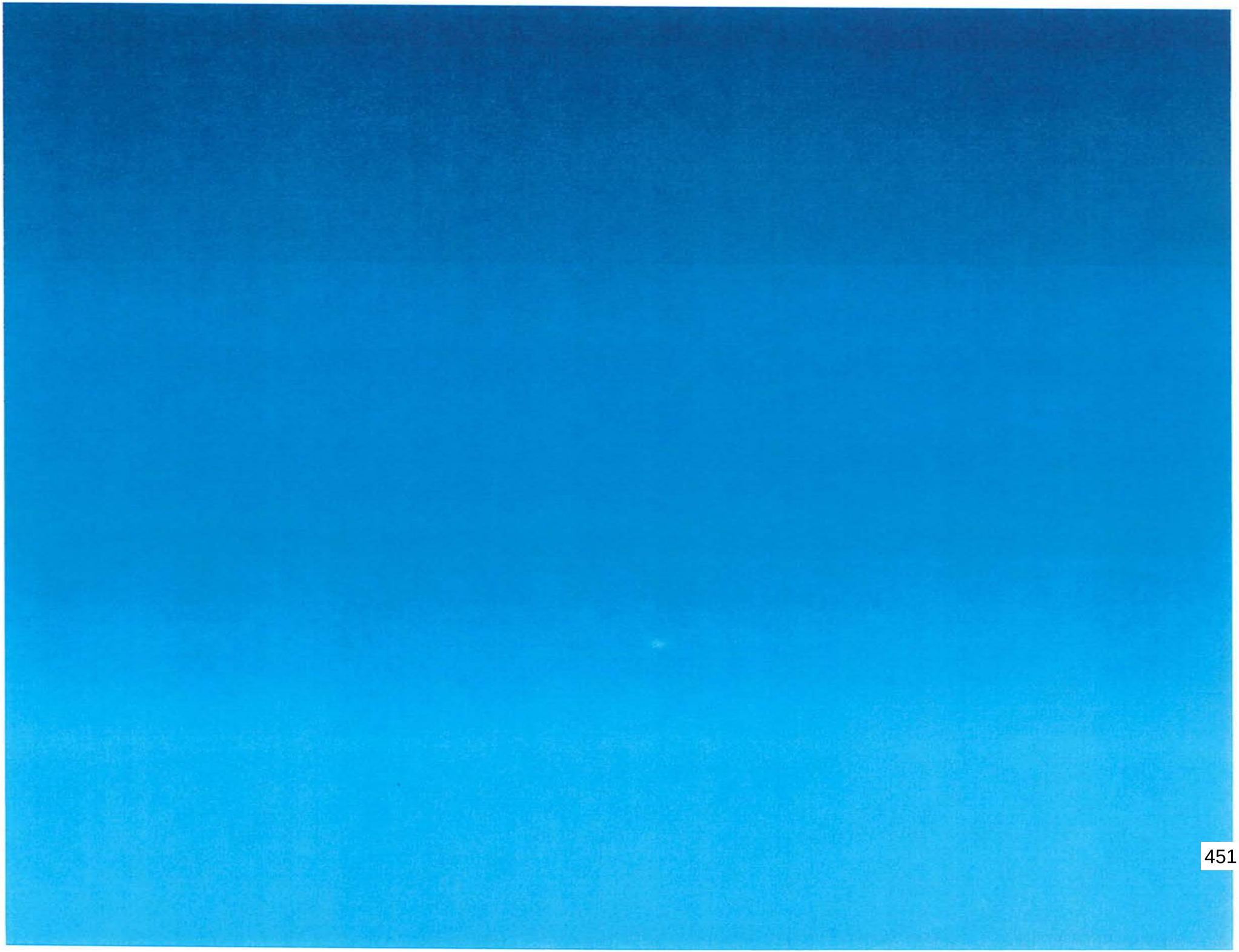


Port signs partnership agreement with U.S. Army Corps of Engineers to deepen and widen the Corpus Christi Ship Channel.

SINGLE AUDIT SECTION

PORT CORPUS CHRISTI®

Port of Corpus Christi Authority of Nueces County, TX



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

April 30, 2018

Port Commissioners
Port of Corpus Christi Authority
of Nueces County, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and the State of Texas, *Single Audit Circular*, the financial statements of the Port of Corpus Christi Authority as of and for the year ended December 31, 2017, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated April 30, 2018.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting (internal control) to determine our auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

DRAFT FOR MANAGEMENT DISCUSSIONS ONLY

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's basic financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Collier, Johnson & Woods

DRAFT FOR MANAGEMENT DISCUSSIONS ONLY

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR STATE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH THE STATE OF TEXAS SINGLE AUDIT CIRCULAR

April 30, 2018

Port Commissioners
Port of Corpus Christi Authority
of Nueces County, Texas

Report on Compliance for Each Major State Program

We have audited the Port of Corpus Christi Authority's compliance with the types of compliance requirements described in *the State of Texas Single Audit Circular* that could have a direct and material effect on each of the Authority's major state programs for the year ended December 31, 2017. The Authority's major state programs are identified in the summary of auditor's results section of the accompanying state schedule of findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its state programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the Authority's major state programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the *State of Texas Single Audit Circular* issued by the Governor's Office of Budget and Planning. Those standards and the Circular require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major state program occurred. An audit includes examining, on a test basis, evidence about the Authority's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major state program. However, our audit does not provide a legal determination on the Authority's compliance.

Opinion on Each Major State Program

In our opinion, the Port of Corpus Christi Authority complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major state programs for the year ended December 31, 2017.

DRAFT FOR MANAGEMENT DISCUSSIONS ONLY

Report on Internal Control over Compliance

Management of the Authority is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Authority's internal control over compliance with the types of requirements that could have a direct and material effect on each major state program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major state program and to test and report on internal control over compliance in accordance with the *State of Texas Single Audit Circular*, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a state program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a state program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a state program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *State of Texas Single Audit Circular*. Accordingly, this report is not suitable for any other purpose.

Collier, Johnson & Woods

DRAFT FOR MANAGEMENT DISCUSSIONS ONLY

PORT OF CORPUS CHRISTI AUTHORITY

STATE SCHEDULE OF FINDINGS AND QUESTIONED COSTS

YEAR ENDED DECEMBER 31, 2017

I. Summary of Audit Results:

a. The auditor's report expresses an unmodified opinion on the basic financial statements of the Port of Corpus Christi Authority.

b. No significant deficiencies or material weaknesses relating to the audit of the financial statements are reported in the "Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*."

c. No instances of noncompliance material to the financial statements of the Port of Corpus Christi Authority which would be required to be reported in accordance with *Government Auditing Standards* were disclosed during the audit.

d. No significant deficiencies or material weaknesses relating to the audit of the major federal award programs are reported in the "Independent Auditor's Report on Compliance with Each Major State Program and on Internal Control over Compliance in Accordance with State of Texas Single Audit Circular."

e. The auditor's report on compliance for major State award programs for the Port of Corpus Christi Authority expresses an unmodified opinion on all major programs.

f. There are no audit findings that are required to be reported in accordance with Section 510(a) of State of Texas Single Audit Circular.

g. The programs tested as major programs included:

Texas Department of Transportation
Construction of Nueces River Rail Yard Phase II

h. The dollar threshold used to distinguish between Type A and Type B programs was $750,000.

i. The Authority was determined to be a low-risk auditee.

II. Findings related to the financial statements – None

III. Findings and questioned costs for Federal awards – None

IV. Prior year audit findings requiring corrective action – None

DRAFT FOR MANAGEMENT DISCUSSIONS ONLY

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS
SCHEDULE OF FEDERAL/STATE EXPENDITURES OF AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

Program Title	CFDA Number	Grant Number	Expenditures
Federal Assistance			
U.S. Department of Homeland Security			
Direct Programs			
Port Security Grant #15	97.056	EMW-2015-PU-00228	$ 163,389
Port Security Grant #16	97.056	EMW-2016-PU-00242	$ 97,063
Total Direct Programs			260,452
Total U.S. Department of Homeland Security			260,452
Total Federal and Passed through assistance			260,452
State Assistance			
Texas Department of Transportation			
Construction of Nueces River Rail Yard Phase II		CSJ0916-35-172	4,621,358
Construction of Mike Carrell Road		CSJ0916-35-204	572,256
Total Texas Department of Transportation			5,193,614
Total State Assistance			5,193,614
Total Federal, State, and passed through assistance			$ 5,454,066

PORT OF CORPUS CHIRSTI AUTHORITY OF NUECES COUNTY, TEXAS
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL/STATE AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2017

1. General

The accompanying Schedule of Expenditures of Federal/State Awards presents the activity of all Federal and State financial assistance programs of Port of Corpus Christi Authority of Nueces County, Texas (Authority). The Authority's reporting entity is defined in the notes to the Authority's financial statements. All Federal financial assistance received directly from Federal agencies and passed through other government agencies is included on the schedule, as well as all State assistance.

2. Basis of Accounting

The accompanying Schedule of Expenditures of Federal/State Awards is presented using the accrual basis of accounting, which is described in the Notes to the Authority's financial statements.

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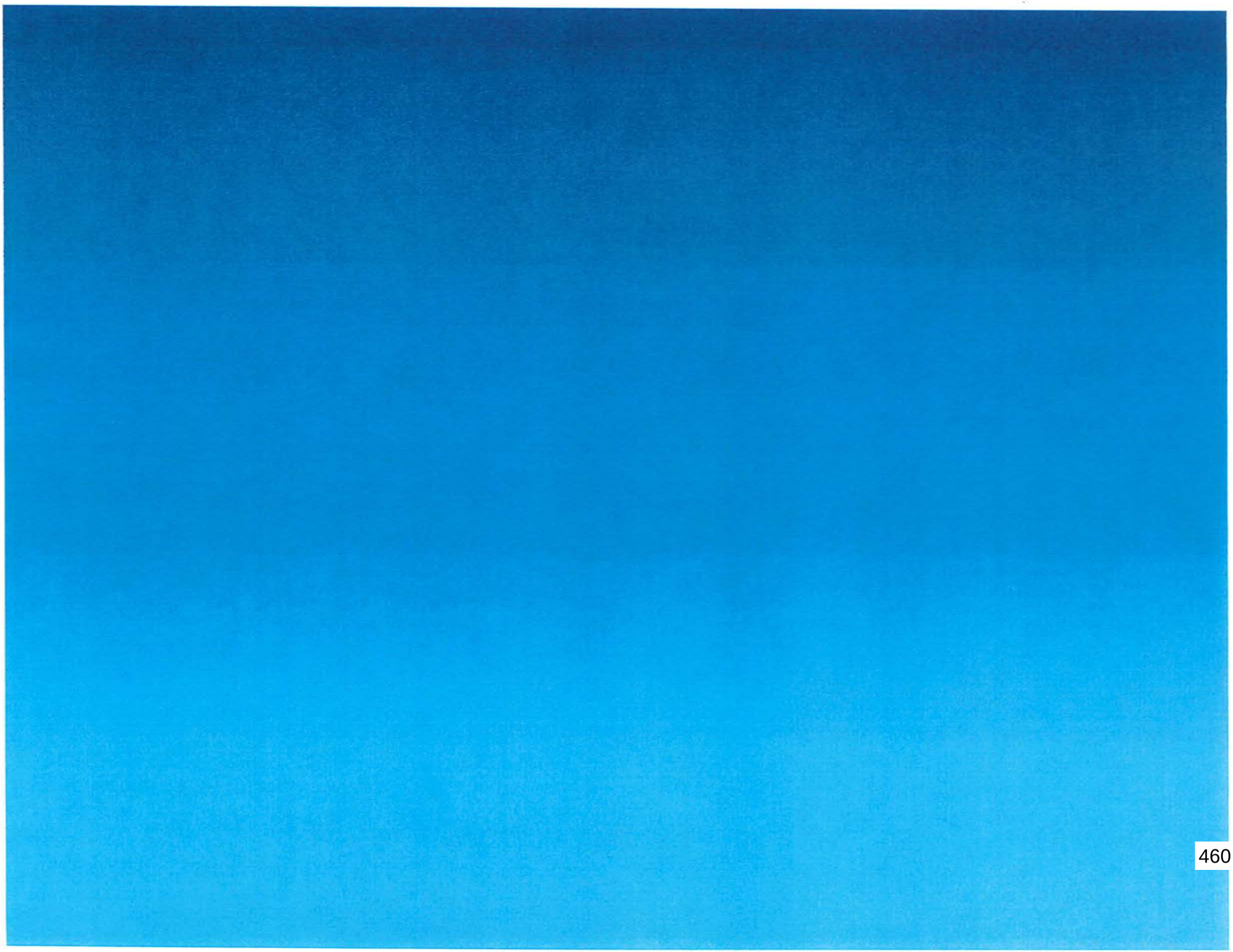

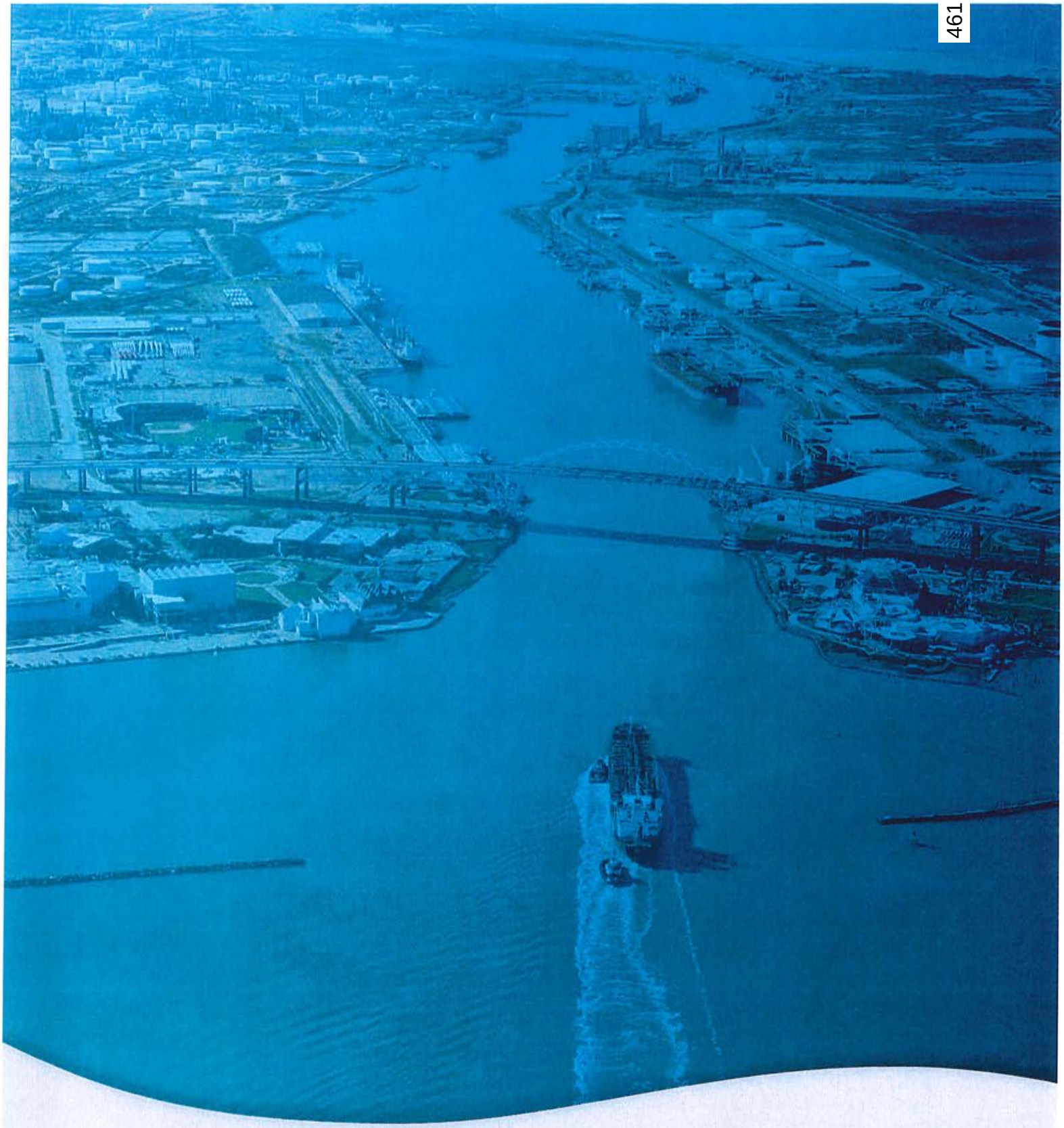

PORT CORPUS CHRISTI®

Port of Corpus Christi Authority of Nueces County, TX

INVESTMENT REPORT

For the Quarter Ended March 31, 2018

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Executive Summary

The accompanying quarterly investment report lists in summary form and in detail the investment positions of the Port of Corpus Christi Authority's (Authority) operating funds as of March 31, 2018. As of that date, the Authority had a total of approximately $199.9 million invested in a local government investment pools, money market accounts, commercial paper, agencies, treasuries, and certificates of deposit.

The goal of the Authority is to ensure the safety of all funds entrusted to the Authority, the availability of those funds for the payment of all necessary obligations of the Authority, and to provide for the investment of all funds, not immediately required, in securities earning a reasonable market yield. The safety of principal and liquidity shall always be the primary concern. The Authority's intention is to hold investments to maturity while receiving the highest reasonable market yield in accordance with its objectives at the date of investment. It is not the intent to devote substantial efforts to earn profit on investment market fluctuations. Investments will be purchased because of their interest yield expectations over their remaining life rather than for speculative purposes.

All investments in the portfolio are fully secured and will return 100% of par value if held to maturity. The Authority's investments are usually held to maturity, and any gains (losses) in market value will be reflected in market prices created by changes in interest rates during the quarter.

QUARTERLY SUMMARY:

December 31, 2017	
Beginning Book	$ 219,746,141
Beginning Market	$ 219,041,692
Unrealized Gain/(Loss)	$ (704,449)
WAM	177 Days
Net Quarterly Yield	1.086%
Yield at End of Quarter	1.089%
Benchmark for Quarter	1.550%
Earnings for Quarter	$ 611,077

March 31, 2018	
Ending Book	$ 199,887,419
Ending Market	$ 199,143,859
Unrealized Gain/(Loss)	$ (743,560)
WAM	144 Days
Net Quarterly Yield	1.150%
Yield at End of Quarter	1.103%
Benchmark for Quarter	1.940%
Earnings for Quarter	$ 576,771

Investment Values and Yield Returns

Asset Detail

	Values	Yields
Bank	$ 31,438,429	0.085%
Texpool	$ 22,021,713	1.516%
Texpool Prime	$ 17,219,548	1.707%
Money Market Account	$ 250,166	1.470%
Commercial Paper	$ 14,960,683	1.811%
Federal Agencies	$ 113,996,879	1.119%
Total	$ 199,887,419	1.103%

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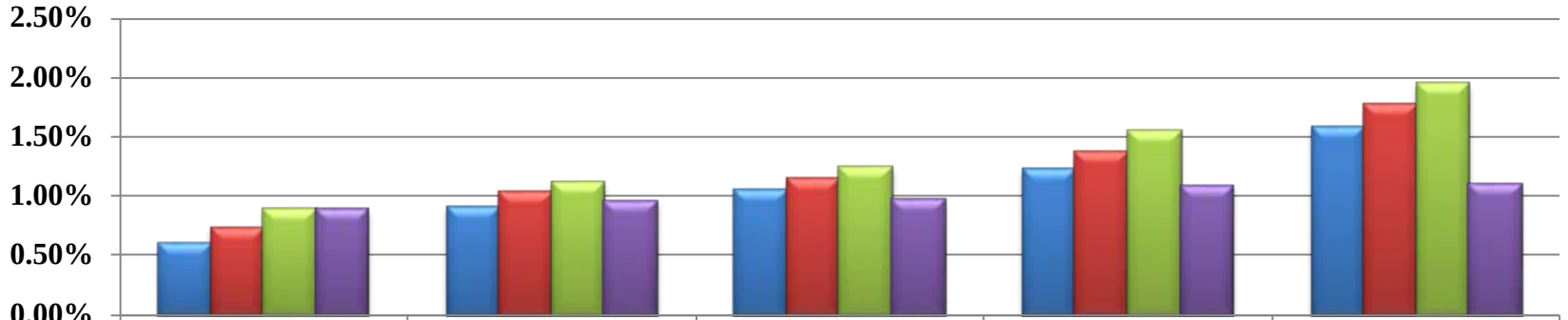
Benchmarks



	March 2017	June 2017	September 2017	December 2017	March 2018
3 Month Treasury	0.600%	0.910%	1.050%	1.220%	1.580%
6 Month Treasury	0.730%	1.030%	1.140%	1.370%	1.770%
1 Year Treasury	0.890%	1.120%	1.240%	1.550%	1.940%
Portfolio Yield	0.883%	0.959%	0.962%	1.089%	1.103%

3 Month Treasury 6 Month Treasury 1 Year Treasury Portfolio Yield

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Benchmark Review

	Q4-2017	$ Impact
Investment Portfolio	**1.150%**	
3 Mth Treasury Bill	**1.580%**	**-$225,553**
6 Mth Treasury Bill	**1.770%**	**-$325,216**
12 Mth Treasury Bill	**1.940%**	**-$414,388**

466

Thank You!

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PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: Sam Esquivel, Real Estate Services Manager
Sam@pocca.com
(361) 885-6140

Approve the Third Amendment of Lease Agreement with voestalpine Texas Holding, LLC to Change the Termination Date and Restoration Obligations Pertaining to Corpus Christi Liquefaction, LLC 110 acre Laydown Site Located in San Patricio County, Texas.

SUMMARY: PCCA staff and voestalpine Texas Holding, LLC (voestalpine) have negotiated a Third Amendment of Lease Agreement to reach a consensus to accommodate Corpus Christi Liquefaction, LLC (CCL) use of a construction laydown area during the construction of its natural gas liquefaction facility located adjacent to PCCA's La Quinta Terminal property. The Third Amendment of Lease Agreement with voestalpine clarifies the improvements that may remain when CCL surrenders the Leased Premises and a twelve (12) month opt out provision which begins December 1, 2019 at the end of the original CCL lease agreement.

BACKGROUND: On April 30, 2013 PCCA entered into a lease agreement with voestalpine for a 475.52 acre upland tract located at La Quinta Terminal in San Patricio County, Texas to develop, construct and operate a hot briquetted iron facility and other related iron and steel facilities, in multiple phases at the Lease site. The voestalpine Lease contains provisions to accommodate the CCL 110 acre Laydown Lease during the construction of a Liquefied Natural Gas facility.

ALTERNATIVES: Do not approve Third Amendment of Lease Amendment with voestalpine Texas Holding, LLC

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA Strategic Plan (Strategic Goal #2 – Provide facilities and services to meet customer needs to provide surface infrastructure and services to support maritime and industrial development).

EMERGENCY: N/A

FINANCIAL IMPACT: None

STAFF RECOMMENDATION: Staff recommends approval of the Third Amendment of Lease Amendment with voestalpine Texas Holding, LLC

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DEPARTMENTAL CLEARANCES:

Originating Department	Real Estate Department
Reviewed & Approved	Sam Esquivel
Legal	Bruce Hawn
Senior Staff	John LaRue Sean Strawbridge Kent Brinton

LIST OF SUPPORTING DOCUMENTS:

Memo Exhibit
Third Amendment of Lease

Approve the Third Amendment of Lease Agreement with voestalpine Texas Holding, LLC to Change the Termination Date and Restoration Obligations Pertaining to Corpus Christi Liquefaction, LLC 110 acre Laydown Site Located in San Patricio County, Texas.

THIRD AMENDMENT OF LEASE

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS
COUNTY OF SAN PATRICIO §

This Third Amendment of Lease ("***Amendment***") is made effective as of the ____ day of _____, 2018 ("***Amendment Date***") by and between the **Port of Corpus Christi Authority of Nueces County, Texas**, a navigation district operating under Article XVI, Section 59 of the Texas Constitution (hereinafter called "***Landlord***"), and **voestalpine Texas Holding LLC** or its assigns (hereinafter called "***Tenant***"), a Delaware Limited Liability Company (Landlord and Tenant each herein called a "***Party***" and together the "***Parties***"). This Amendment includes all Exhibits hereto.

Recitals

WHEREAS, Landlord and Tenant entered into a Lease Agreement dated May 1, 2013 ("***Original Lease***");

WHEREAS, Landlord and Tenant entered into that certain First Amendment of Lease dated as of December 1, 2013 (the "***First Amendment***");

WHEREAS, Landlord and Tenant entered into that certain Second Amendment of Lease dated as of April 1, 2014 (the "***Second Amendment***");

WHEREAS, Landlord and Tenant entered into that certain Corrective Amendment of Lease executed July 11, 2014, but effective as of May 1, 2013 ("***Corrective Amendment***");

WHEREAS, The Original Lease as amended by the First Amendment, Second Amendment, and Corrective Amendment shall hereinafter be collectively referred to as the "***Lease***";

WHEREAS, capitalized terms in this Amendment shall have the meanings ascribed to those terms under the provisions of the Lease; and

WHEREAS, Landlord and Tenant have mutually agreed to change the Laydown Lease Termination Date, as well as, the restoration obligations pertaining to the Laydown Area Site;

NOW THEREFORE, for and in consideration of the agreements set forth herein, and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties hereby agree, effective as of the Amendment Date, that the following changes shall be made to the Lease without the need for any further action by the Parties:

A. The definitions of "Laydown Lease" and "Laydown Lease Termination Date" contained in section 1.01 of the Lease are amended in their entirety to read as follows:

"Laydown Lease" means that certain lease agreement between the Landlord and CCL dated January 8, 2013, covering the Laydown Area Site, as amended by the First and Second Amendments thereto, as well as the Corrective Amendment thereto.

"Laydown Lease Termination Date" means December 31, 2024 or such earlier date on which the Laydown Lease terminates or expires under the terms of the Laydown Lease.

B. Paragraphs (a) and (b) of Section 2.02 of the Lease are amended in their entirety to read as follows:

(a) Effective as of the Laydown Area Delivery Date, Landlord hereby leases to Tenant, and Tenant hereby leases and rents from Landlord, upon the terms and conditions of this Lease, the Laydown Area Site. Landlord represents and warrants to Tenant that the Laydown Lease Termination Date will occur no later than December 31, 2024. If by the Laydown Lease Termination Date, CCL has not vacated the Laydown Area Site and restored it, except as otherwise provided in Section 2.02 (b), to the condition as existed prior to the date CCL took possession of the Laydown Area Site, the Laydown Lease shall automatically be assigned to Tenant, for enforcement purposes, and upon such assignment Tenant shall be deemed the sublessor of CCL and shall have all rights to enforce the terms of the Laydown Lease, as sublessor of CCL, but shall not have the right to modify the terms and conditions of the Laydown Lease. Notwithstanding anything to the contrary set forth in this Lease, Tenant may at any time on or after December 1, 2019, request in writing that Landlord terminate the Laydown Lease ("***Tenant's Termination Request***"). Landlord agrees within Ten (10) days of Landlord's actual receipt of Tenant's Termination Request to send CCL a notice that Landlord is exercising its right to terminate the Laydown Lease effective midnight on the one-year anniversary date of CCL's receipt of Landlord's election to terminate the Laydown Lease, whereupon such anniversary date shall become the Laydown Lease Termination Date.

(b) As soon as practicable after the Laydown Lease Termination Date, Landlord shall deliver exclusive possession of the Laydown Area Site to Tenant. Landlord, except to the extent otherwise authorized by Tenant in writing, shall require CCL to: (i) remove any structures, permanent facilities and other improvements such as concrete slabs or foundations, any hazardous substances (including any hazardous substances in soils or compacting material brought onto the Laydown Area Site), any underground improvements such as foundations, cisterns, storage tanks, electrical systems (including all concrete encased portions thereof), and pipelines installed by or for CCL, and any trash or other surplus material on the Laydown Area Site, (ii) repair any damage caused by such removal and (iii) return the Laydown Area Site to a reasonably graded, compacted, and level condition; *provided, however,* that CCL is expressly authorized to leave the drainage and storm sewer system, pad sites, non-hazardous fill material, non-hazardous stabilization materials, paving materials, and limestone base materials which were utilized in constructing pad sites, drainage and storm sewer improvements, parking lots and/or roadways on the Laydown Area Site.

[***Signature Page Immediately Follows***]

C. All other terms and conditions of the Lease, as amended, not hereby changed or modified, shall remain the same as written in the Lease, as previously amended.

EXECUTED in duplicate originals effective the _____ day of _____, 2018.

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

By: _____
Sean C. Strawbridge
Chief Executive Officer

VOESTALPINE TEXAS HOLDING LLC
a Delaware limited liability company

By: _____
Stefan Einfalt
CEO

By: _____
Helmut Schwarz
CTO

STATE OF TEXAS §
§
COUNTY OF San Patricio §

This instrument was acknowledged before me on the 2nd day of May, 2018 by Stefan Einfalt, Chief Executive Officer of voestalpine Texas Holding LLC, a Delaware limited liability company, on behalf of said limited liability company.

SANDRA VADEN
Notary Public, State of Texas
Comm. Expires 02-28-2020
Notary ID 7127192

Sandra Vaden
NOTARY PUBLIC, State of Texas

STATE OF TEXAS §
§
COUNTY OF San Patricio §

This instrument was acknowledged before me on the 2nd day of May, 2018 by Helmut Schwarz, Chief Technology Officer of voestalpine Texas Holding LLC, a Delaware limited liability company, on behalf of said limited liability company.

Sandra Vaden
NOTARY PUBLIC, State of Texas

SANDRA VADEN
Notary Public, State of Texas
Comm. Expires 02-28-2020
Notary ID 7127192

STATE OF TEXAS §
§
COUNTY OF NUECES §

This instrument was acknowledged before me on the ___ day of _____, 2018 by Sean C. Strawbridge, Chief Executive Officer of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of said authority.

_____
NOTARY PUBLIC, State of Texas

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: Sam Esquivel, Real Estate Services Manager
Sam@pocca.com
(361) 885-6140

Approve a Second Amendment of Lease Agreement with Corpus Christi Liquefaction, LLC to Extend the Term of the 110-Acre Laydown Construction Lease located at La Quinta Terminal to December 31, 2024.

SUMMARY: Corpus Christi Liquefaction, LLC (CCL) and PCCA staff have negotiated the Second Amendment of Lease to extend the term of the 110-Acre Laydown Construction Lease to December 31, 2024. The Lease Amendment clarifies the improvements that may remain when CCL surrenders the Lease Premises at term end. In addition, a twelve (12) month opt out provision begins at the end of the original lease agreement expiration (December 31, 2019). The twelve (12) month opt out provision requires PCCA to also amend the Lease Agreement with voestalpine Texas Holding, LLC to incorporate the new terms and termination provisions.

BACKGROUND: At the January 8, 2013 meeting, the Port Commission approved a 110-Acre Laydown Lease Agreement with CCL, a subsidiary of Cheniere Energy, Inc. CCL is constructing a Liquefied Natural Gas (LNG) facility along the La Quinta Ship Channel adjacent to La Quinta Terminal property owned by the PCCA. As part of the Federal Energy Regulatory Commission process CCL is required to demonstrate that they own or control all of the land to be used in connection with the construction and operation of the terminal facility. This requirement includes the temporary laydown areas and fabrication yards to be used during the construction phase of the project. Since CCL's LNG facility will occupy nearly all the property owned or controlled by CCL, CCL must secure additional land to use as a lay-down and fabrication area during the construction phase of the project.

ALTERNATIVES: Do not approve Lease Amendment with CCL.

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA Strategic Plan (Strategic Goal #2 – Provide facilities and services to meet customer needs to provide surface infrastructure and services to support maritime and industrial development).

EMERGENCY: N/A

FINANCIAL IMPACT: The annual base rent for the five (5) year extension period will increase by 53.8%.

STAFF RECOMMENDATION: Staff recommends approval of the Second Amendment of Lease with Corpus Christi Liquefaction, LLC to extend the term of the 110-acre laydown construction Lease to December 31, 2024.

DEPARTMENTAL CLEARANCES:

Originating Department	Real Estate Department
Reviewed & Approved	Sam Esquivel
Legal	Bruce Hawn
Senior Staff	Sean Strawbridge John LaRue Kent Brinton

LIST OF SUPPORTING DOCUMENTS:

Memo Exhibit
Lease Amendment
Lease Summary

Approve a Second Amendment of Lease Agreement with Corpus Christi Liquefaction, LLC to Extend the Term of the 110-Acre Laydown Construction Lease located at La Quinta Terminal to December 31, 2024.

SECOND AMENDMENT OF LEASE

This **SECOND AMENDMENT OF LEASE** ("**Second Amendment**") is made effective as of the _____ day of _____, 2017 ("**Amendment Date**") by and between the **PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS**, pursuant to authorization by its Port Commissioners (hereinafter called "**Authority**"), and **CORPUS CHRISTI LIQUEFACTION, LLC**, a Delaware limited liability company, whose principal address is 700 Milam Street, Suite 1900, Houston, Texas 77002 (hereinafter called "**Lessee**"). Authority and Lessee each herein called a "**Party**" and together the "**Parties**". This Second Amendment includes all Exhibits hereto.

WHEREAS, Authority and Lessee entered into a Lease Agreement dated January 8, 2013 ("**Lease**"), and as evidenced by that one certain Memorandum of Lease Agreement dated August 21, 2014, executed by Authority and Lessee, recorded under Clerk's File No. 640194, Official Public Records of San Patricio County, Texas, and also recorded under Document No. 2014034141, Official Public Records of Nueces County, Texas; and

WHEREAS, Authority and Lessee previously amended the Lease pursuant to that certain First Amendment of Lease dated effective December 1, 2013 ("**First Amendment**") and as evidenced by that one certain Memorandum of First Amendment of Lease dated March 30, 2015, executed by Authority and Lessee, recorded under Clerk's File No. 646066, Official Public Records of San Patricio County, Texas, and also recorded under Document No. 2015012498, Official Public Records of Nueces County, Texas; and

WHEREAS, capitalized terms in this Second Amendment shall have the meanings ascribed to those terms under the Lease or in the First Amendment, except as provided herein; and

WHEREAS, Authority and Lessee have mutually agreed to changes to the Lease as more particularly set forth herein; and

NOW THEREFORE, for and in consideration of the agreements set forth herein, effective as of the Amendment Date, the Parties hereby agree as follows:

1. Section 1.04. (a) is hereby amended in its entirety to read as follows:

(a) Unless earlier terminated by either Party under the terms herein provided, the term of this Lease Agreement ("**Term**") shall commence on February 1, 2013 (the "**Effective Date**") and shall end on December 31, 2024.

2. Section 1.04. (d) is hereby amended in its entirety to read as follows:

(d) For purposes of this Lease Agreement, "**Lease Year**" means any of the following Lease Years:

Lease Year:	Begins:	Ends:
First	Effective Date	January 31, 2014
Second	February 1, 2014	December 31, 2014
Third	January 1, 2015	December 31, 2015
Fourth	January 1, 2016	December 31, 2016
Fifth	January 1, 2017	December 31, 2017
Sixth	January 1, 2018	December 31, 2018
Seventh	January 1, 2019	December 31, 2019
Eighth	January 1, 2020	December 31, 2020
Ninth	January 1, 2021	December 31, 2021
Tenth	January 1, 2022	December 31, 2022
Eleventh	January 1, 2023	December 31, 2023
Twelfth	January 1, 2024	December 31, 2024

3. Section 1.04 is amended by adding a new subsection (e) at the end of such Section as follows:

(e) Notwithstanding anything in the Lease, as amended, to the contrary, at any time on or after December 1, 2019, Authority may unilaterally, or at the request of voestalpine Texas Holding LLC ("**voestalpine**"), terminate this Lease Agreement upon twelve (12) months' prior written notice. Should Authority provide any such written notice at any time on or after December 1, 2019, then in such event the Term of this Lease Agreement shall be deemed to have expired by its terms on the twelfth month after the date of Lessee's receipt of such written notice.

4. Section 3.01 is amended by adding a new subsection (e) at the end of such Section as follows:

(e) The Base Rent for the eighth, ninth, tenth, eleventh, and twelfth Lease Years shall be One Million and No/100ths Dollars ($1,000,000.00) per year.

5. Section 4.01. (a) (1) is hereby amended in its entirety to read as follows:

(1) For the laydown, assembly, fabrication, testing and storage of equipment and materials to be used in the construction, commissioning and startup of Lessee's, or its Affiliate's (as that term is defined in Section 7.01 herein), planned LNG import and export plant and related facilities to be built on Lessee's or such Affiliate's nearby property (the "**Construction Project**").

6. The third paragraph of Section 5.02 is hereby amended in its entirety to read as follows:

Lessee shall, upon the expiration or sooner termination of this Lease Agreement, surrender the Leased Premises to Authority in neat and clean condition, normal wear and tear excepted.

KL

Without intending to limit the foregoing, within thirty (30) days before the date of expiration or termination of this Lease Agreement (and in any case no later than December 31, 2024) Lessee, except to the extent otherwise authorized by Authority in writing, shall (a) remove any structures, permanent facilities and other improvements such as concrete slabs or foundations, any hazardous substances (including any hazardous substances in soils or compacting material brought onto the Leased Premises), any underground improvements such as foundations, cisterns, storage tanks, electrical systems (including all concrete encased portions thereof), and pipelines installed by or for Lessee, and any trash or other surplus material on the Leased Premises, (b) repair any damage caused by such removal and (c) return the Leased Premises to a reasonably graded, compacted, and level condition. Any such improvements not removed, at Authority's election, will become Authority's property; *provided, however,* that Lessee will leave the drainage and storm sewer system as designed and intact; and shall not remove the pad sites, any non-hazardous fill material, non-hazardous stabilization materials, paving materials or limestone base materials which were utilized in constructing pad sites, drainage and storm sewer improvements, parking lots and/or roadways on the Leased Premises. Lessee shall give written notice to Authority at least thirty (30) days prior to vacating the Leased Premises and shall meet with Authority for a joint inspection of the Leased Premises at the time of vacating, but nothing contained herein shall be construed as an extension of the Term or as a consent by Authority to any holding over by Lessee. In the event of Lessee's failure to give such notice or participate in such joint inspection, the Authority's inspection at or after Lessee's vacating the Leased Premises shall conclusively be deemed correct for purposes of determining Lessee's responsibility for further repairs and restoration. If any such repairs or restorations are not performed by Lessee and/or accepted by Authority by the dates herein specified, then Lessee must pay Authority any reasonable expense actually incurred by Authority to perform such repairs or restorations to the Leased Premises, which payment obligation shall expressly survive the expiration or termination of this Lease Agreement.

7. The second paragraph of Section 5.09 is hereby amended in its entirety to read as follows:

Authority has no obligation to protect any personal property of Lessee or Lessee's contractors or subcontractors located on the Leased Premises after the expiration or termination of the Lease Agreement. Without limiting Lessee's obligation to surrender the Leased Premises in the condition specified in Section 5.02, any fixtures not removed, in accordance with Section 5.02, by Lessee when this Lease Agreement expires or terminates shall be considered abandoned by Lessee and will automatically become Authority's property. If any fixture installed by Lessee, which is not expressly authorized by Authority or this Agreement to remain on the Leased Premises, is nevertheless abandoned by Lessee after this Lease Agreement expires or terminates, Lessee must pay Authority any reasonable expense actually incurred by Authority to remove the fixture from the Leased Premises.

8. The first paragraph of Section 7.01 is hereby amended by adding the following sentences to the end of such paragraph:

Notwithstanding the above restrictions on assignments or subletting, Authority's prior consent shall not be required for any assignment or subletting to an Affiliate of Lessee. "Affiliate" is defined as any person or entity controlling, controlled by or under common control of Lessee. No such assignment or subletting by Lessee to an Affiliate shall in any way release Lessee from any past or future covenants and obligations contained in this Lease Agreement.

KL

9. Section 7.02 A (4) is hereby amended in its entirety to read as follows:

(4) Lessee acknowledges and agrees in writing that, notwithstanding the transfer, Lessee remains directly and primarily liable for the performance of all the obligations of Lessee hereunder (including, without limitation, the obligation to pay all rent), and Authority shall be permitted to enforce this Lease Agreement against Lessee, the Transferee, or both of them, without prior demand upon or proceeding in any way against any other persons.

10. Section 17.04 is hereby amended to change the address of Lessee as follows:

Attention: President, Corpus Christi Liquefaction, LLC, at 700 Milam Street, Suite 1900, Houston, Texas 77002, or at such other address as Lessee shall request in writing.

11. This Second Amendment shall be binding on the successors and assigns of the Parties.

12. Except as specifically amended hereby, all terms and conditions of the Lease Agreement, as amended by the First Amendment, shall remain in full force and effect, and the Lease Agreement, as amended, is hereby ratified and confirmed as being in full force and effect between the Parties. In the event of any conflict between the terms and conditions of this Second Amendment and the terms and conditions of the Lease Agreement and/or First Amendment, the terms and conditions of this Second Amendment shall control.

13. This Second Amendment may be executed in multiple counterparts, each of which will be considered to be an original. Signature pages may be detached from the counterparts and attached to a single copy of this document to physically form one document. The Parties may provide signatures to this Second Amendment by facsimile or Adobe ".pdf" file and such facsimile or Adobe ".pdf" file signatures shall be deemed to be the same as original signatures.

[The signature page follows this page.]

IN WITNESS WHEREOF, the Parties have caused this Second Amendment to be executed by their duly authorized offices, as of the dates provided below each signature, to be effective, however, for all purposes, as of the Amendment Date.

AUTHORITY:

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

By: _____
Sean C. Strawbridge
Chief Executive Officer

Date: _____

LESSEE:

CORPUS CHRISTI LIQUEFACTION, LLC

By: Keith Little
Name: Keith Little
Title: VP-Asset Management

Date: April 13, 2018

PORT CORPUS CHRISTI

DRAFT AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: David L. Krams, P.E.
Director of Engineering Services
Krams@pocca.com
(361) 885-6134

ANTICIPATED STAFF PRESENTER: Bert Perez, P.E.
Project Engineer

Award a Construction Contract in the Amount of $69,167.00 to Russell Marine LLC, the Lowest and Best Bidder Based on Bids Received May 8, 2018, for the Cargo Dock 15 Fender Modifications Project.

SUMMARY: Staff recommends the award of a contract to Russell Marine LLC for construction of the Cargo Dock 15 Fender Modifications project. On May 8, 2018, we received four responses to our Notice to Bidders (see attached Bid Tabulation). Russell Marine LLC submitted the lowest and best bid for $69,167.00.

BACKGROUND: The Port of Corpus Christi Authority and Maritime Berthing Inc. (MBI) entered into a lease agreement on October 8, 2002, under which the PCCA leased to MBI tracts of land at Cargo Dock 14/15 for the layberth of Large Medium-Speed Roll-on/Roll-off (LSMR) military cargo vessels. Included in the original agreement were modifications to Cargo Dock 15 for the installation of ship fendering systems and mooring structure improvements designed specifically for berthing LSMR vessels. Since the MBI lease was terminated on March 31, 2018, the PCCA now seeks to return the dock fendering system to its pre-LSMR fender configuration to accommodate barges and ships of various sizes.

The project consists of removing the four LMSR ship fender systems having molded arch fenders and panels, bolts and associated hardware and replacing them with ten trapezoidal extruded rubber fenders. The PCCA will provide the ten trapezoidal fenders, and the contractor will provide remaining materials to affix the fenders to the existing concrete dock structure using epoxy, galvanized bolts and associated hardware.

Russell Marine LLC submitted the lowest and best bid for $69,167.00 for the Base Bid. Russell Marine LLC has successfully completed projects for the PCCA in the past.

ALTERNATIVES: N/A

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CONFORMITY TO PORT POLICY: The project conforms to the PCCA's Strategic Plan (Strategic Goal #2 – Provide Facilities and Services to Meet Customer Needs, Strategic Objective #2B – Provide Public Docks and Support Private Facilities to Facilitate Maritime and Industrial Development, Action #2 – Upgrade and Maintain Existing Docks and Facilities).

EMERGENCY: No.

FINANCIAL IMPACT: The 2018 Engineering budget includes $500,000 for General Maintenance of Property, Buildings, and Facilities, and costs for this project will be credited to this budget item. To date, approximately $133,300 has been expended on this line item.

STAFF RECOMMENDATION: Staff recommends award of a construction contract to Russell Marine LLC in the amount of $69,167.00 for the Cargo Dock 15 Fender Modifications project. Staff further recommends that the Director of Engineering Services be granted a 10% contingency ($6,916.70) in accordance with the PCCA's standard contingency guidelines for marine construction projects. Therefore, the total possible construction contract cost for this project based on staff's recommendation is $76,083.70.

DEPARTMENTAL CLEARANCES:

Originating Department	Engineering Services
Reviewed & Approved	David Krams
	Bert Perez
	Natasha Fudge
Legal	Used Port's Standard Construction Contract Template
Senior Staff	John LaRue
	Sean Strawbridge
	Dennis DeVries

LIST OF SUPPORTING DOCUMENTS:

Exhibit
Bid Tabulation

PORT CORPUS CHRISTI®
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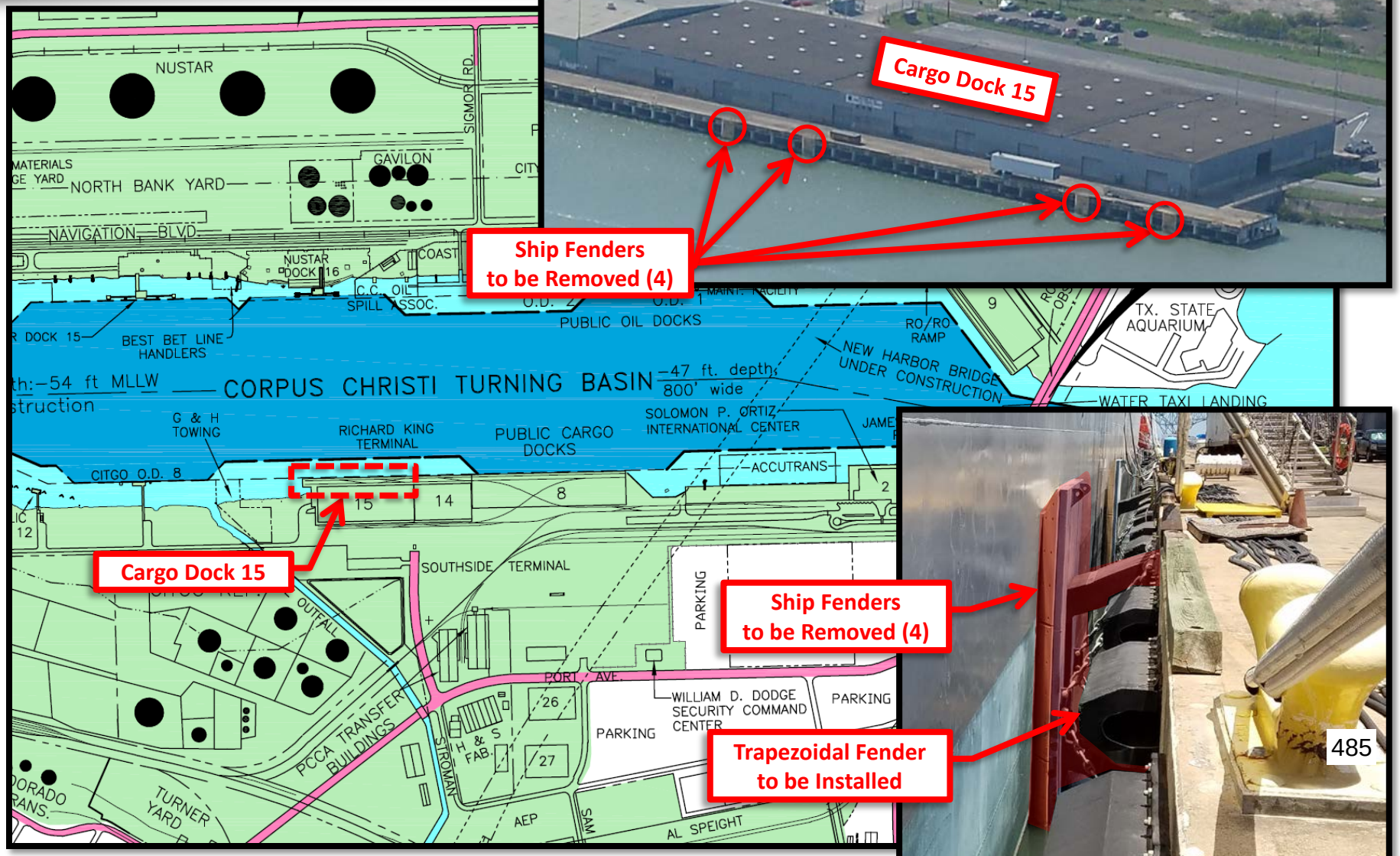
Cargo Dock 15 Ship Fender Modifications



BID TABULATION FOR
CARGO DOCK 15 FENDER MODIFICATIONS
PROJECT NO. 16-015M
Bid Opening: May 08, 2018 - 2PM

Company Name	Bid Bond or Check	Base Bid[A]
Russell Marine, LLC	**5%**	**$69,167.00**
JM Davidson Ltd.	5%	$74,820.00
ABBA Construction, LLC	5%	$267,777.00
Laredo Construction, Inc.	5%	$320,360.00

Project to be complete within 30 calendar days of date of said Notice to Proceed.

[A] **BASE BID**: Work generally consist of the demolition and removal of four (4) ship fender system, bolts and associated hardware. New work will include the installation of ten (10) trapezoidal fenders (owner provided) to be epoxied into the existing concrete structure, with contractor provided hardware as shown on the drawings. This is a Lump Sum bid item.

Read By: Lynn Angerstein

Tabulated By: Bert Perez, P.E.

Checked & Prepared By: Lucy Betancourt

Date: 05/08/2018

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: Sarah L. Garza, Director of Environmental Planning & Compliance
sarah@pocca.com
(361) 885-6163

Approve Amendment to Professional Engineering Services Contract for Additional Services with W&M Environmental Group, LLC. in an Amount Not to Exceed $15,000 for Additional Services.

SUMMARY: Staff recommends approval of Amendment No. 1 to Professional Engineering Services Contract for Additional Services with W&M Environmental Group, LLC (W&M). The additional amount to be paid to W&M under the Amendment is $15,000.00.

BACKGROUND: The Port retained W&M to develop and submit documents in compliance with the United States Coast Guard (USCG), the United States Environmental Protection Agency (EPA), the Texas General Land Office (GLO), and the Texas Commission on Environmental Quality (TCEQ) regulations to conduct bulk liquids handling of petroleum products at Bulk Dock 3. These documents include a USCG Facility Operations Manual (FOM) and Facility Response Plan (FRP), a Spill Prevention Control and Countermeasures (SPCC) plan, a GLO Facility Discharge Prevention and Response Plan (FDPRP), and a TCEQ Storm Water Pollution Prevention Plan (SWP3).

Several changes at the facility after the initial documents were prepared and approved by the respective agencies have prompted the need to revise the previously developed FRP, FOM, and SPCC. These changes include new metering skid design, the offloading of tandem barges versus single barges, additional containment structures, and revisions to piping configurations.

ALTERNATIVES: N/A

CONFORMITY TO PORT POLICY: This item conforms to Strategic Plan Goal #2 (Provide Facilities & Services to Meet Customer Needs), Strategic Objective 2B (Provide Public Docks and Support Private Facilities to Facilitate Maritime and Industrial Development), Action Item 3 (Plan and Develop New Docks and Mooring Areas).

EMERGENCY: N/A

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FINANCIAL IMPACT: The amount of the original contract with W&M is $45,000, for a total amount of $60,000, including this amendment.

STAFF RECOMMENDATION: Staff recommends approval of the Amendment to Professional Engineering Services Contract for Additional Services with W&M Environmental Group, LLC (W&M) for an amount of $15,000.00.

DEPARTMENTAL CLEARANCES:

Originating Department	Environmental Planning & Compliance
Reviewed By	Danielle Converse
	Sarah Garza
Legal	Jimmy Welder
	Dane Bruun
Senior Staff	John LaRue
	Sean Strawbridge

LIST OF SUPPORTING DOCUMENTS:

Amendment to Professional Engineering Services Contract for Additional Services.

AMENDMENT NO. 1
TO
PROFESSIONAL ENGINEERING SERVICES CONTRACT
FOR ADDITIONAL SERVICES

PROJECT NAME: ENVIRONMENTAL COMPLIANCE SUPPORT FOR BULK LIQUIDS HANDLING FACILITY AT FORMER BULK DOCK 3 LAYBERTH

PROJECT NO. 17-033B

This Amendment No. 1 to Professional Engineering Services Contract for Additional Services (the **"*Amendment")*** is made effective as of May 15, 2018, ***("Amendment Date")*** by and between the Port of Corpus Christi Authority of Nueces County, Texas, a navigation district operating under Article XVI, Section 59 of the Texas Constitution ***("Authority"),*** and W &M Environmental Group, LLC. ***("Engineer").*** Authority and Engineer are sometimes individually referred to herein as a **"*Party"*** and collectively as the ***"Parties".***

WHEREAS, Authority and Engineer entered into a Professional Engineering Services Contract dated August 30, 2017, Engineer previously supported Authority with the development and submittal of documents in order to comply with the United States Coast Guard (USCG), the Environmental Protection Agency (EPA), the Texas General Land Office (GLO), and the Texas Commission on Environmental Quality (TCEQ). The original scope of work, included preparation of the USCG Facility Response Plan, the USCG Facility Operations Manual, the Spill Prevention Control and Countermeasure (SPCC) Plan, the GLO Facility Discharge Prevention and Response Plan (FDPRP), and the TCEQ Storm Water Pollution Prevention Plan (SWP3) for Bulk Liquids Handling Facility at Former Bulk Dock 3 Layberth (the **"*Agreement")***; and

WHEREAS, several changes at the facility have occurred after the initial documents were prepared and approved by the respective agencies, these changes have prompted the need to revise the previously developed FRP, FOM, and SPCC. The facility changes include a new metering skid design, the offloading of tandem barges versus single barges, additional containment structures, and revisions to piping configurations.

WHEREAS, capitalized terms in this Amendment shall have the meanings given to them in the Agreement, except as provided herein; and

WHEREAS, the Authority and Engineer have agreed (i) to expand the Services to be provided under the Agreement, (ii) to extend the Deadline for performing the Services, and (iii) to increase the compensation payable to Engineer under the Agreement;

NOW, THEREFORE, for a good and valuable consideration, the Parties hereby agree as follows:

A. **Exhibit A** of the Agreement is hereby amended by adding thereto the additional services described **Attachment A** to this Amendment.

B. **Section 2 (PERIOD OF SERVICE)** of the Agreement is hereby amended by amending the first sentence of Section 2 to read as follows:

2. PERIOD OF SERVICE: The Engineer shall complete the Services on or before June 15, 2018, (the "Deadline"), unless the Authority agrees to extend the Deadline for good reason; provided, however, that the Authority may terminate this Contract at any time in accordance with Section 14.

C. **Exhibit B** of the Agreement is hereby amended by adding thereto the additional compensation described in **Attachment B** to this Amendment. Section 7 of the Agreement is hereby amended in its entirety to read as follows.

7. COMPENSATION: The compensation to be paid Engineer for providing the Services shall be the compensation described in Exhibit B hereto, which is incorporated herein by reference; provided, however, the total paid to Engineer for the Services shall not exceed **Sixty-thousand Dollars ($60,000).** Engineer will obtain the approval of Authority's Project Representative relative to incurring travel and other expenses before incurring such costs.

D. This Amendment shall be binding on the successors and assigns of the Parties.

E. Except as specifically amended hereby, all terms and conditions of the Agreement shall remain in full force and effect. In the event of any conflict between the terms and conditions of this Amendment and the terms and conditions of the Agreement, the terms and conditions of this Amendment shall control.

F. This Amendment maybe executed in multiple counterparts, each of which will be considered to be an original. Signature pages may be detached from the counterparts and attached to a single copy of this document to physically form one document. The Parties may provide signatures to this Amendment by facsimile or Adobe ".pdf" file and such facsimile or Adobe ".pdf" file signatures shall be deemed to be the same as original signatures.

[The signature page follows this page.]

In Witness Whereof, each Party has caused this Amendment to be executed by its duly authorized representative effective for all purposes as of the Amendment Date.

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

By: _____
Sean Strawbridge
Chief Executive Officer

W&M ENVIRONMENTAL GROUP, LLC

By: Diana A Rader _____
Name: Diana S. Rader, P.G.
Title: Principal

ATTACHMENT A

SCOPE OF SERVICES

Environmental Compliance Support Additional Services Package Activities

Several changes at the facility after the initial documents were prepared and approved by the respective agencies have prompted the need to revise the previously developed Facility Response Plan, Facility Operations Manual and SPCC plan. These changes include metering skids, offloading of tandem barges versus single barges, as well as piping and spill containment changes. Engineer will review and incorporate facility changes into the plans and resubmit to the appropriate regulatory agencies as applicable.

Environmental Compliance Support Additional Services Package Activities

Deliverables associated with the above project activities include:

- Upon receipt and review of facility modifications, Engineer will provide a revised USCG Facility Operations Manual and USCG Facility Response Plan in electronic format for Authority review
- Following approval by Authority, Engineer will submit two (2) printed copies each of the revised USCG Facility Operations Manual and Facility Response Plan to the USCG Captain of the Port for review and approval
- Following approval by Authority, Engineer will submit two (2) printed copies of the USCG Facility Operations Manual and USCG Facility Response Plan to the Authority, and electronic copy in Adobe pdf
- Upon receipt and review of facility modifications, Engineer will provide a revised SPCC plan in electronic format to the Authority for review
- Once approved by Authority, Engineer will submit two (2) copies of the SPCC plan to the Authority and electronic copy in Adobe pdf.

ATTACHMENT B

FEE SCHEDULE

The Engineer will perform the Services described in Attachment A in accordance with the terms and conditions of this Contract on an hourly fee basis; provided, however, that the total fee for services rendered under this Amendment will not to exceed $15,000, without Authority's written approval.

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: Lynn Angerstein
lynn@pocca.com
(361) 885-6142

AGENDA ITEM NO.

Approve the Purchase of a 2018 Backhoe Loader in the amount of $75,064 from Doggett Heavy Machinery Using Government Pricing From the State of Texas Buy Board Cooperative Program

SUMMARY: Staff requests approval to purchase a 2018 John Deere 310L EP 4wd with an Extendable Reach Backhoe at a cost of $75,064.00 from Doggett Heavy Machinery CC, TX. Staff approached multiple vendors and received quotes from a total of three vendors.

BACKGROUND: In order to maintain a dependable and operational fleet of equipment, the 2018 Budget included $78,000 for the purchase of a Backhoe Loader with an Extendable Reach. Staff utilized two of the state-approved purchasing programs known as the Buy Board Cooperative Purchasing Program (Buy Board) and the Houston-Galveston Area Council Inter-Local Agreement (HGAC) to obtain quotes for the Backhoe Loader. The PCCA's General Purchasing Guidelines allow for the purchase of cars, trucks, boats and other major mobile equipment directly from state or federally approved purchasing programs with Port Commission approval. The PCCA has been a member of Buy Board since 2012.

ALTERNATIVES: Competitive Bids

CONFORMITY TO PORT POLICY: PCCA Strategic Goal #4C – Establish centralized purchasing. By gathering data to analyze normal end of life cycle or performance issues, the PCCA is positioned to efficiently and economically prepare for replacement of mobile equipment.

EMERGENCY: No.

FINANCIAL IMPACT: $75,064.00 Included in Approved 2018 Budget

STAFF RECOMMENDATION: Staff recommends that a purchase order be issued to Doggett of Corpus Christi, TX in the amount of $75,064.00 for purchase of a 2018 John Deere Backhoe 310L EP 4wd with an Extendable Reach.

DEPARTMENTAL CLEARANCES:

Originating Department	Procurement
Reviewed & Approved	Gilbert Acevedo, Maintenance
Legal	Dane Bruun
Senior Staff	John LaRue
	Sean Strawbridge
	Dennis DeVries
	Jarl Pedersen

LIST OF SUPPORTING DOCUMENTS:

Pricing Tabulation of received quotes.

Vendor	Co-Op Contract #	Manf.	Model	Engine		Gross HP	Net HP	Bucket	Max Digging Depth	Warranty Info	Additional Information
Doggett Heavy Machinery	BB 515-16	Deere	310L EP	Yanmar 4TNV98CT	4x4	74	69	14' 2" - 17' 8"			5yr JDLink
	$ 75,065.00			3.3 L				24"			
Nueces Power Equipment	HGAC EM06-17	CASE	580NEP	FPT F5HFL463D	4x4	74	68	82" Longlip	18' 6"	1yr.,Unlimited Hour	
	$ 77,204.20			3.4 L				24"		2yr., 2,000 Hour Engine	
H&V Equipment Services	BB 515-16	Mecalac	TL840R	Deutz	4x4	74	69.6		17' 10"		
	$ 77,937.77			3.6 L				24" Digging			

2018 Budgeted Amount: $78,000.00

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: Sarah L. Garza, Director of Environmental Planning & Compliance
sarah@pocca.com
(361) 885-6163

Approval of Texas Commission on Environmental Quality Air Permit Amendment Application Fee in the Amount of $75,000 for the Bulk Terminal.

SUMMARY: Staff requests approval of an air permit amendment fee for the Bulk Terminal to be paid to the Texas Commission on Environmental Quality (TCEQ) in the amount of $75,000.

BACKGROUND: The Port currently has in effect as required by the Texas Clean Air Act, two air permits at the Bulk Terminal for the loading and unloading of cargo at Bulk Dock 1 and Bulk Dock 2. With the purchase of a new crane in the near future and changes to the loading operations as a result of the new crane at Bulk Dock 1; consolidation of the petroleum coke pad operations and Port's assumption of those operations; and the overall changes proposed in the future for the Public Pads, an amendment to the existing permits is necessary to authorize these activities prior to construction.

The Port's air permitting consultant, Tricord, has been developing the permit amendment in conjunction with the development of the master plan and the request for proposals a new crane. The strategy of the new permit will be to consolidate all of the Bulk Terminal operations into a single permit, maximize the operations to support approved expansion plans, and create flexibility within the permit to make operational modifications without having to obtain a permit amendment every time. The draft permit amendment is undergoing staff review and approval and is expected to be submitted to the TCEQ by the end of the month. There is a permit fee associated with the permit amendment application to the TCEQ and the permit fee is based on the dollar value of the capital improvements. Therefore, the fee for this permit amendment is $75,000.

ALTERNATIVES: None.

CONFORMITY TO PORT POLICY: This item conforms to Strategic Plan Goal #2 (Provide Facilities & Services to Meet Customer Needs), Strategic Objective 2B (Provide Public Docks and Support Private Facilities to Facilitate Maritime and Industrial Development), Action Item 3 (Plan and Develop New Docks and Mooring Areas).

EMERGENCY: This does not constitute an emergency.

FINANCIAL IMPACT: This is a onetime amendment application fee. However, there is an annual emissions inventory and inspection fee charged to holders of permit applications and this has historically been less than $10,000. With the additional operations, it is likely this fee may increase slightly.

STAFF RECOMMENDATION: Staff recommends approval of an air permit amendment fee for the Bulk Terminal to be paid to the Texas Commission on Environmental Quality (TCEQ) in the amount of $75,000.

DEPARTMENTAL CLEARANCES:

Originating Department	Environmental Planning & Compliance
Reviewed By	Eric Battersby
	Sarah Garza
Legal	Jimmy Welder
	Dane Bruun
Senior Staff	John LaRue
	Sean Strawbridge

LIST OF SUPPORTING DOCUMENTS:

None.

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: Ramona Josefczyk, Environmental Specialist
rjosefczyk@pocca.com
(361) 885-6687

Approve Amendment No. 1 to Consulting Services Contract for Additional Services with Professional Services Industries, Inc.

SUMMARY: Staff requests approval of Amendment No. 1 to Consulting Services Contract for Additional Services with Professional Services Industries, Inc. (PSI) for an increase in allowable air monitoring hours as needed to safely complete asbestos abatement in support of the Hillcrest Demo Project retroactive to February 8, 2018. Hourly air monitoring rates during asbestos abatement will remain at a unit rate of $55 per hour for an indefinite quantity.

BACKGROUND: As part of the Harbor Bridge replacement project and under the terms of the Four-Party Agreement [between the Port of Corpus Christi Authority (PCCA), Texas Department of Transportation (TxDOT), City of Corpus Christi and the Corpus Christi Housing Authority], the PCCA initiated the Neighborhood Acquisition and Relocation Program for eligible property owners and residents of the Hillcrest and Washington-Coles neighborhoods. A component of this voluntary buy-out program is to conduct environmental inspections and testing for regulated materials, including asbestos, and efficient coordination and administration of the demolition contract prior to demolition and removal of site structures.

On August 17, 2016, the PCCA and PSI entered into an indefinite delivery/indefinite contract for professional services which also included performing air monitoring during asbestos abatement activities. The contract limited air monitoring to 16 hours for residential properties and 24 hours for commercial properties. Asbestos containing material are present and being identified in larger quantities than anticipated, taking the Coastal Bend Demolition, Inc. (CBD) abatement crews an average of 40 to 60 hours to safely remove these materials, thereby increasing actual air monitoring hours. As a result, air monitoring during asbestos abatement activities may exceed the 16 hour residential or 24 hour commercial maximum prescribed in the contract.

On February 8, 2018, PSI requested an increase in the number of allowable air monitoring hours during abatement activities. CBD's contract is billed by asbestos units, not hourly. Detailed reports are required to be provided by both entities accounting for actual hours of abatements.

ALTERNATIVES: N/A.

CONFORMITY TO PORT POLICY: Conforms to Strategic Goal 4 (Foster Compatible Industrial and Maritime Development), Strategic Objective 4A (Proactively Pursue Diversified Port-related Economic Development Opportunities), Action 4a (Support new Harbor Bridge project).

EMERGENCY: N/A.

FINANCIAL IMPACT: The financial obligation related to this scope of work is unknown at this time and will depend on the number, type, and condition of properties acquired.

STAFF RECOMMENDATION: Staff requests approval of Amendment No. 1 to Consulting Services Contract for Additional Services with Professional Services Industries, Inc. for an increase in allowable air monitoring hours to actual hours to complete asbestos abatement in support of the Hillcrest Demo Project retroactive to February 8, 2018.

DEPARTMENTAL CLEARANCES:

Originating Department	Environmental Planning & Compliance
Reviewed By	Sarah Garza
	Ramona Josefczyk
	Sam Esquivel
Legal	Jimmy Welder
	Dane Bruun
Senior Staff	John LaRue
	Sean Strawbridge

LIST OF SUPPORTING DOCUMENTS:

Amendment No. 1 to Consulting Services Contract

AMENDMENT NO. 1
TO
CONSULTING SERVICES CONTRACT
FOR ADDITIONAL SERVICES
PROJECT NAME: HILLCREST DEMO PROJECT
PROJECT NO. 156005A

This Amendment No. 1 to Consulting Services Contract for Additional Services (the ***"Amendment")*** is made effective as of February 8, 2018 ***("Amendment Date")*** by and between the Port of Corpus Christi Authority of Nueces County, Texas, a navigation district operating under Article XVI, Section 59 of the Texas Constitution ***("Authority"),*** and Professional Service Industries, Inc. ***("Consultant").*** Authority and Consultant are sometimes individually referred to herein as a ***"Party"*** and collectively as the ***"Parties".***

WHEREAS, Authority and Consultant entered into a Consulting Services Contract dated as of August 16, 2016, in connection with Hillcrest Demo Project (the ***"Agreement")***; and

WHEREAS, capitalized terms in this Amendment shall have the meanings given to them in the Agreement, except as provided herein; and

WHEREAS, Authority and Consultant have included third party air monitoring during asbestos abatement activities not to exceed 16 hours for residential buildings and 24 hours for commercial buildings in the Agreement; and

WHEREAS, specific types of asbestos containing material are present and being identified in larger quantities than anticipated, taking the third party abatement crews an average of 40 to 60 hours to safely remove these materials, thereby increasing actual air monitoring hours. As a result, air monitoring during asbestos abatement activities may exceed the 16 hour residential or 24 hour commercial maximum prescribed in the Agreement; and

NOW, THEREFORE, for a good and valuable consideration, the Parties hereby agree as follows:

A. **Exhibit B** of the Agreement is hereby amended as described in Attachment A.

B. This Amendment shall be binding on the successors and assigns of the Parties.

C. Except as specifically amended hereby, all terms and conditions of the Agreement shall remain in full force and effect. In the event of any conflict between the terms and conditions of this Amendment and the terms and conditions of the Agreement, the terms and conditions of this Amendment shall control.

D. This Amendment maybe executed in multiple counterparts, each of which will be considered to be an original. Signature pages may be detached from

the counterparts and attached to a single copy of this document to physically form one document. The Parties may provide signatures to this Amendment by facsimile or Adobe ".pdf" file and such facsimile or Adobe ".pdf" file signatures shall be deemed to be the same as original signatures.

[The signature page follows this page.]

In Witness Whereof, each Party has caused this Amendment to be executed by its duly authorized representative effective for all purposes as of the Amendment Date.

PORT OF CORPUS CHRISTI AUTHORITY
OF NUECES COUNTY, TEXAS

By: _____
Sean Strawbridge
Chief Executive Officer

PROFESSIONAL SERVICE INDUSTRIES, INC.

By: _____
Name: John D. Langan
Title: Environmental Department Manager

ATTACHMENT A

EXHIBIT B

Air monitoring during abatement activities will be charged on an actual time and materials basis without a "not-to-exceed" limit.

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: Sarah L. Garza, Director of Environmental Planning & Compliance
sarah@pocca.com
(361) 885-6163

Approval of Consulting Services Agreement with Starcrest Consulting Group, LLC in an Amount of $127,000 for Development of a 2017 Port Emissions Inventory Update.

SUMMARY: Staff requests approval of a Consulting Services Agreement with Starcrest Consulting Group, LLC for development of a 2017 Port emissions inventory update for an amount not to exceed $127,000.

BACKGROUND: Development of an emissions inventory and maintenance of that inventory on a regular basis is an industry best practice. The emissions inventory is a tool that aids in an organization or entity's development of emission reduction strategies by focusing in on those emissions where the most improvement for the best value can occur. Additionally, an emissions inventory helps with providing sound science in the actual emissions from Port operations when investigating claims of poor air quality in the region or specific to Port operations.

In 2014, the Port Commission approved the funding of a baseline emissions inventory to support the development of a regional inventory. The emissions inventory was completed for the year 2013 and rolled up into the regional coastal bend emissions inventory. Staff recommend completion of an update to the Port emission inventory to keep a current perspective of Port operations and to aid in emission reduction planning strategies. Both Federal and State funding through the Diesel Emissions Reduction Act and the Volkswagon Settlement, respectively, have been announced. Staff have been developing an emission reduction strategy and technology advancement program which would both roll up into an overall Clean Equipment Program for the Port. Detailed and ongoing emissions inventories are a critical component of such programs.

Starcrest Consulting Group has extensive experience in conducting emission inventories for large ports in the United States, including Ports of Houston, Los Angeles, Longbeach, and New York/New Jersey. The scope of work takes advantage of enhancements resulting from detailed information Starcrest has been able to collect through the many emissions inventories they have completed.

ALTERNATIVES: N/A

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CONFORMITY TO PORT POLICY: Conforms to Strategic Plan Goal #5 (Be an Environmental Leader), Strategic Objective 5B (Continue to Meet and Exceed Regulatory Standards), Action Item 2 (Develop and Implement Regulatory Strategy for Future Environmental Regulations).

EMERGENCY: N/A

FINANCIAL IMPACT: The total cost of the emissions inventory will be $127,000. The previous emissions inventory was for a total fee of $153,000 so there is some cost savings recognized with this update. In order to compare the 2013 baseline emission inventory with this new inventory, there will likely be some additional calculations of the old data where factors have been updated. However, there are some efficiencies captured in the development of the new emissions inventory.

STAFF RECOMMENDATION: Staff recommends approval of a Consulting Services Agreement with Starcrest Consulting Group, LLC for development of a 2017 Port emissions inventory update for an amount not to exceed $127,000.

DEPARTMENTAL CLEARANCES:

Originating Department	Environmental Planning & Compliance
Reviewed By	Sarah Garza
Legal	Jimmy Welder
	Dane Bruun
Senior Staff	John LaRue
	Sean Strawbridge

LIST OF SUPPORTING DOCUMENTS:

Consulting Services Agreement with Starcrest Consulting Group, LLC.

CONSULTING SERVICES CONTRACT

THIS CONTRACT (the "Contract") is made and entered into effective as of the 15 day of May, 2018 ("Effective Date") by and between the Port of Corpus Christi Authority of Nueces County, Texas ("Authority"), and Starcrest Consulting Group, LLC("Consultant"), each a "Party" and collectively as "Parties".

NOW THEREFORE, in consideration of the promises and mutual covenants contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Parties hereby agree as follows:

1. CONTRACT: Authority hereby engages the Consultant and the Consultant hereby accepts its engagement for the purpose of providing to Authority the consulting services ("Services") as are generally described in the "Scope of Services" set forth in Exhibit A to this Contract which is incorporated herein by reference.

2. PERIOD OF SERVICE: The Consultant shall complete the Services on or before July 31, 2019 (the "Deadline"), unless the Authority agrees to extend the Deadline for good reason; provided, however, that the Authority may terminate this Contract at any time in accordance with Section 14. Time is of the essence in performance of this Contract. There will be no obligation established between Authority and the Consultant for performance of the Services until Authority provides the Consultant execution of this Contract and receipt by the Authority of appropriate Certificates of Insurance and other documentation as may be required herein. The term of this Contract ("Term") shall begin on the Effective Date and shall end on the first to occur of the following: (1) the Deadline, as the same may have been extended by the Authority, (2) the date on which, in the opinion of Authority, all of the Services have been rendered, (3) the date on which this Contract is terminated by the Authority pursuant to Section 14, or (4) the date on which this Contract is terminated by the Consultant pursuant to Section 14.

3. COORDINATION OF SERVICES BY AUTHORITY: Authority shall designate a Project Representative who will, on behalf of Authority, coordinate with the Consultant and administer this Contract. It shall be the responsibility of the Consultant to coordinate all assignment-related activities with the Project Representative.

For the purposes of this Contract, the Project Representative shall be:

Sarah L. Garza, Director of Environmental Planning & Compliance
P.O. Box 1541, Corpus Christi, Texas 78403
(361) 885-6163
sarah@pocca.com

Authority may change the Project Representative at any time by giving the Consultant written notice of such change.

4. NOTICES: Notices, demands, requests or other formal communication related to the Contract shall be deemed to have been given when received, whether delivered personally or

mailed. E-mail communications may be considered as formal notification provided the e-mail message states the message is intended as a formal notice and the receiving Party acknowledges receipt of the message as a formal notification. Notices shall be addressed as follows:

If to the Authority: Sean Strawbridge
Chief Executive Officer
Port of Corpus Christi Authority
222 Power Street
Corpus Christi, Texas 78401
E-mail: sstrawbridge@pocca.com

If to the Consultant: PT Anderson
Starcrest Consulting Group, LLC
1616 Speakman Drive SE
Albuquerque, NM 87123
E-mail: pta@starcrestllc.com
jray@starcrestllc.com

Either Party may change the mailing or E-mail address for notifications by providing written notice of such change to the other Party.

5. CHANGES: This Contract may be changed or modified at the request of either the Consultant or the Authority, provided both Parties agree to the requested change, and a written amendment or modification of this Contract is prepared and executed by the Parties.

6. CONSULTANT'S RESPONSIBILITIES: In addition to all other obligations contained herein, the Consultant agrees, warrants, and represents that:

6.1 The Consultant will furnish all material, equipment, labor and supplies in such quantities and of the proper quality to professionally and timely perform the Services, except as otherwise mutually agreed by the Parties;

6.2 The Consultant shall perform the Services with the professional skill and care ordinarily provided by competent consultants practicing in the same or similar locality and under the same or similar circumstances and professional license;

6.3 The Consultant will comply with the provisions of all federal, state, and local laws, regulations, ordinances, requirements and codes which are applicable to its performance of Services;

6.4 The Consultant is not and will not be bound by any agreement and has not assumed nor will assume any obligation which would, in any way, restrict its ability to perform the Services or be inconsistent with the Services;

6.5 In performing the Services, the Consultant will not use any third party's confidential or propriety information, or infringe the rights of another party, nor will the

Consultant disclose to the Authority, or bring onto the Authority's premises, or induce the Authority to use any third party's confidential or proprietary information;

6.6 The Consultant does not have the authority to act for the Authority, bind the Authority in any respect, or incur any debts or liabilities in the name of or on behalf of the Authority, except as otherwise expressly authorized in writing by the Authority;

6.7 Consultant is an independent contractor for the performance of his duties under this Contract. Accordingly, the Consultant shall be responsible for payment of all taxes including federal, state and local taxes arising out of the Consultant's activities in accordance with this Contract. Consultant is responsible for payment of the compensation, including any withholding, Social Security, or other taxes on such compensation, of any subcontractors retained by Consultant, or Consultant's employees performing Services consistent with its status as an independent contractor and in compliance with all applicable laws and regulations;

6.8 Consultant has and hereby retains full control of any supervision over the Consultant's obligations hereunder and over any persons employed or subcontracted by the Consultant for performing Services hereunder;

6.9 Consultant will in no way be considered an agent, partner, joint venturer, or employee of Authority at any time during the Term. Consultant will not undertake to commit Authority to any course of action in relation to a third party unless expressly requested and authorized to do so by the Authority in writing.

6.10 As of the Effective Date and at all times while providing Services hereunder, the Consultant shall possess and maintain in good standing any and all licenses or other authorizations and approvals necessary to perform the Services.

7. COMPENSATION: The compensation to be paid Consultant for providing the Services shall be the compensation described in Exhibit B hereto, which is incorporated herein by reference; provided, however, the total paid to Consultant for the Services shall not exceed One Hundred Twenty-Seven Thousand Dollars ($127,000). Consultant will obtain the approval of Authority's Project Representative relative to incurring travel and other expenses before incurring such costs.

8. INVOICE PROCEDURE AND PAYMENT: Consultant shall submit invoices monthly to the Authority for work performed during the preceding calendar month. Such invoices shall be due and payable by Authority on or before thirty (30) days from receipt by Authority. Monthly compensation will be for the Services actually performed during the billing period, invoiced in accordance with the Fee Schedule included in Exhibit B. Invoices shall also describe any work performed by subcontractors retained by Consultant and reimbursable costs. Consultant will provide sufficient detail with each invoice to substantiate the requested amount of monthly payment. At the Authority's request, Consultant will provide additional backup such as signed time sheets, invoices for materials and subcontracted service or other documentation

sufficient to establish the accuracy of the invoices. Invoices are to be submitted in a format previously approved by Authority.

9. INSURANCE: Consultant shall procure and maintain at its sole expense, for as long as Consultant is obligated to provide Services under this Contract, the policies of insurance described in Exhibit C attached hereto and in at least the minimum amounts specified in Exhibit C to protect Consultant from claims which may arise out of or result from Consultant's Services pursuant to this Contract, whether such operations be by Consultant, by any subcontractor of Consultant, by anyone directly or indirectly employed by Consultant or Consultant's subcontractor, or by anyone for whose acts Consultant or Consultant's subcontractor may be liable. At least five (5) days prior to execution of this Contract, Consultant will provide to Authority's Risk Program Manager certificates of insurance issued by each insurance company providing any of the required insurance coverage, and the text entered in each certificate must be acceptable to Authority. The requirement to provide acceptable certificates of insurance is a material condition of this Contract, and work under this Contract will not commence until certificates of insurance have been received, reviewed, and accepted by Authority. The minimum limits of liability and coverage for the insurance required are set forth in Exhibit C attached hereto, which is incorporated herein by reference.

10. INDEMNIFICATION AND RELEASE. Consultant hereby releases and discharges Authority and its agents, servants, representatives, employees, officers, directors, and Port Commissioners (collectively, the "Authority Parties") from liability for and assumes the risk of loss or damage to the property of Consultant and the injury or death of any person employed by Consultant. Consultant shall defend, indemnify and hold harmless the Authority Parties from and against all damages, losses, costs and expenses, of any nature whatsoever, whether incurred as a judgment, settlement, penalty, fine or otherwise (including reasonable attorneys' fees and the cost of defense), in connection with any action, proceeding, demand or claim but only to the extent caused by the negligent acts, errors, or omissions of the Consultant, its employees, agents, or subconsultants, or others for whom the Consultant is legally liable, in the performance of Services under this Contract. The Consultant is not obligated under this paragraph to indemnify the Authority Parties for the negligent acts of the Authority Parties.

Consultant's indemnity obligations under this Section 10 shall not be limited by a limitation on the amount or type of damages, compensation or benefits owed by Consultant to any employee of Consultant under workers' or workmen's compensation acts, disability benefit acts, or other employee benefit acts. The obligations of the Consultant under this Section 10 shall survive the end of the Term of the Contract.

11. LIMITATION OF LIABILITY: Except as otherwise expressly provided herein, neither Party shall be liable or responsible to the other Party for any indirect, incidental or consequential loss or damage of any nature whatsoever (including, but not limited to, contract, negligence or tort liability) of the other Party, including without limitation, any actual or anticipated profits, loss of time, inconvenience, commercial loss or any other damages, even if the Party has advance notice of the possibility of such damages.

12. DISCLOSURE OF INTERESTED PARTITES: Consultant will comply with the provisions of Section 2252.908 of the Texas Government Code and Chapter 46 of the Texas Ethics Commission Rules by preparing a Texas Form 1295, "Certificate of Interested Parties" and submitting the signed and notarized form to Authority at the time Consultant submits the signed contract to Authority. This provision will only apply to contracts approved by the Port of Corpus Christi Authority Port Commission.

13. ASSIGNMENT: Neither Authority nor Consultant will assign or transfer its interest in this Contract without the written consent of the other.

14. SUSPENSION OR TERMINATION: Authority may suspend or terminate this Contract for convenience with seven (7) days prior written notice to Consultant of such action. Upon termination of this Contract in accordance with this paragraph, Authority will have no further obligation to the Consultant hereunder except to pay the Consultant unpaid fees and expenses which the Consultant can reasonably show to have been earned under this Contract. **Under no circumstances may Consultant claim or recover consequential damages from Authority.**

In the event of suspension of Services, the Consultant shall resume the full performance of the Services when directed in writing to do so by Authority. Suspension of the Services for reasons other than the Consultant's negligence or failure to perform shall not affect the Consultant's compensation as provided for in this Contract. The schedule for performance of the Services shall be amended by a mutually agreed, written modification to this Contract to reflect the suspension.

Either Party may terminate this Contract by giving written notice to the other Party if the other Party ("Defaulting Party"): (a) materially breaches any term, condition or provision of this Contract and fails to cure the breach to the satisfaction of the notifying Party within ten (10) days after the Defaulting Party receives a written notice of the breach from the notifying Party, or (b) becomes the subject of any proceedings under state or federal law for the relief of debtors or otherwise becomes insolvent, or bankrupt, or makes any assignments for the benefit of one or more creditors.

15. DISPUTES: Each Party agrees that any dispute between the Parties relating to this Contract will first be submitted in writing to a panel of two senior executives of the Authority and Consultant, who shall promptly meet and confer in an effort to resolve such dispute through good faith consultation and negotiation. Each Party's executive shall be identified by notice to the other Party, and may be changed at any time thereafter also by notice to the other. Any decisions of the executives will be final and binding on the Parties. In the event the executives are unable to resolve any dispute within thirty (30) days after submission to them, either Party may then refer such dispute to mediation.

If the Parties refer to mediation any controversy or claim arising out of or relating to this Contract or the existence, validity, breach or termination thereof, whether during or after its term, they shall select a mutually acceptable mediator within forty-five (45) days thereafter. Neither Party shall unreasonably withhold consent to the selection of a mediator. The Parties shall share

equally the costs of mediation. If the Parties agree, they may substitute other forms of alternative dispute resolution. Any mediation shall not extend beyond thirty (30) days after the appointment of the mediator, and should the Parties fail to resolve any dispute by mediation within such 30-day period, the Parties shall have all rights available at law or in equity.

16. ATTORNEY'S FEES, DEFAULT: In the event Consultant or Authority breach any of the terms of this Contract and the Party not in default employs attorneys to protect or enforce its rights hereunder and prevails, then the defaulting Party agrees to pay reasonable attorney's fees and costs incurred by the prevailing Party.

17. STAFFING: Consultant will designate in writing to Authority its project representative, and the manner in which it will provide staff support for the project, which must be approved by Authority. Consultant must notify Authority's Project Representative of any change in personnel assigned to perform work under this Contract, and the Authority's Project Representative has the right to reject the person or persons assigned to fill the position or positions. The Authority's Project Representative shall also have the right to require the removal of the Consultant's previously assigned personnel, including Consultant's project representative, provided sufficient cause for such removal exists. The criteria for requesting removal of an individual will be based on, but not limited to, the following: technical incompetence, inability to meet the position's qualifications, failure to perform, poor attendance, ethics violation, unsafe work habits, or damage to Authority or other property. Upon notice for removal, Consultant shall replace such personnel with personnel substantially equal in ability and qualifications for the positions and shall submit the proposed replacement personnel qualification and abilities to the Authority, in writing, for approval.

18. OWNERSHIP OF WORK PRODUCT: Studies, plans, reports, surveys, drawings, specifications, computations and other information (collectively "Work Product") and documents prepared by the Consultant, subconsultants, and/or suppliers under this Contract will remain the Authority's property upon completion. This provision does not apply to pre-existing proprietary information of Consultant, subconsultants, and/or suppliers.

19. CONFIDENTIAL INFORMATION: It is understood that information developed by or communicated to Consultant in the performance of this Contract, as well as any and all information in whatever form or medium supplied to Consultant in connection herewith which is not generally available to the public is proprietary to the Authority and constitutes confidential information of the Authority. Consultant will make no oral or written disclosure of such information to third parties either during or after the term of this Contract, except as approved in writing by the Authority's Project Representative or as otherwise required by law. In the event the Consultant becomes aware that confidential information must be disclosed under a legal requirement, Consultant will notify Authority of the requirement and the affected information.

20. FORCE MAJEURE: Neither Party shall be considered in default in the performance of its obligations hereunder to the extent that the performance of such obligation is delayed by any cause beyond the reasonable control of the affected Party. In the event of such a delay, the time for performance for the affected Party shall be extended for a period equal to the

time lost during the delay, or the Contract may be terminated in accordance with terms herein should such delay be sufficient that termination is in the best interest of the Authority.

21. SEVERABILITY and WAIVER: If any part of this Contract is held to be invalid, illegal, or unenforceable in any respect, such determination shall not affect any other provision of this Contract, and this Contract shall then be construed as if the invalid, illegal, or unenforceable provision had not been included in this Contract. Further, the failure of either Party in any one or more instances to insist upon strict performance of any of the terms and provisions of this Contract or to exercise any option herein conferred shall not be construed as a waiver or relinquishment to any extent of the right to assert or rely upon any such terms, provisions or options on any future occasion.

22. GOVERNING LAW: This Contract shall be governed by and construed in accordance with the laws of the State of Texas. The Parties agree that venue of all claims and lawsuits arising out of this Contract shall lie in Nueces County, Texas.

23. OPEN RECORDS: The Authority is a governmental body subject to the requirements of the Texas Public Information Act (Texas Government Code, chapter 552), and as such the Authority is required to disclose to the public (upon request) this Contract and certain other information and documents relating to the consummation of the transactions contemplated hereby. In this regard, the Consultant agrees that the disclosure of this Contract or any other information or materials related to the consummation of the transactions contemplated hereby to the public by the Authority as required by the Texas Public Information Act or any other applicable law will not expose the Authority (or any party acting by, through or under the Authority) to any claim, liability or action by the Consultant.

24. NO ORGANIZATIONAL CONFLICT OF INTEREST: Consultant hereby certifies that it has no actual or potential Organizational Conflict of Interest. "Organizational Conflict of Interest" means that because of other activities or relationships with other persons or entities, the Consultant is unable or potentially unable to render impartial assistance or advice to Authority or the Consultant's objectivity in performing the services under this Contract is or might otherwise be impaired. Consultant agrees to immediately notify Authority of any actual or potential Organizational Conflict of Interest that develops during the term of this Contract. Consultant agrees that Authority may terminate this Contract immediately if it becomes aware of any Organizational Conflict of Interest during the term of the Contract.

25. DEFAMATION: The Parties covenant and agree that in no event, and at no time during the Term or at any time thereafter, shall either of them disparage, denigrate, slander, libel or otherwise defame the other or the other's businesses, services, properties or assets, or employees, personnel, agents, or representatives.

26. HEADINGS: All Section headings or other titles used in this Contract are used solely for convenience and shall not affect or be used in connection with the interpretation or construction of this Contract.

27. ENTIRETY OF CONTRACT: This writing embodies the entire Contract and understanding between the Parties hereto, and there are no other contracts or understandings, oral or written, between them with reference to the subject matter hereof that are not merged herein and superseded hereby. No alteration, change, or modification of the terms of this Contract shall be valid unless made in writing and signed by both Parties hereto.

[Signature page follows this page]

IN WITNESS WHEREOF, this Contract is made effective as of the Effective Date.

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

By: _____

Name: Sean Strawbridge
Title: Chief Executive Officer
Date: _____

"Authority"

STARCREST CONSULTING GROUP, LLC

By: Primus T Anderson

Name: Primus T. Anderson
Title: Principal
Date: 5/8/18

"Consultant"

EXHIBIT A

SCOPE OF SERVICES

The Consultant will perform the following services in accordance with the terms and conditions set forth in this Contract:

This scope of work is to develop and present an updated inventory of air emissions associated with the Port in Nueces and San Patricio counties for calendar year 2017. The last emissions inventory developed for the Port of Corpus Christi emissions is for 2013. This 2017 update will include comparisons to 2013 emissions and explain the emission changes for each source category.

Project Scope

The 2017 inventory will include the following port-related emission source categories:

- Ocean-going vessels (OGVs)
- Harbor craft & towboats
- Cargo handling equipment
- Heavy-duty vehicles
- Locomotives (will include non-port locomotive activity as available)

Exhaust emissions of the following pollutants will be estimated with reporting units as noted:

- Criteria pollutants, surrogates, and precursors in tons
  - Oxides of nitrogen (NO_x)
  - Sulfur dioxide (SO_2)
  - Particulate matter (PM) (10-micron, 2.5-micron)
  - Volatile organic compounds (VOCs)
  - Carbon monoxide (CO)
- Toxic air contaminant diesel particulate matter (DPM) in tons, which is the particulate matter emitted from diesel internal combustion engines
- Greenhouse gases, expressed as carbon dioxide equivalent (CO_2e) , in tonnes (metric tons), including:
  - Carbon dioxide(CO_2)
  - Nitrogen dioxide (N_2O
  - Methane (CH_4)

The port-related emissions will be compared to the overall county-wide emissions in Nueces and San Patricio counties.

Task 1 - Data Collection and Coordination with Data Providers
Consultant will coordinate with the Authority's tenants and data providers to minimize the effort of the tenants in providing the data needed and to foster improvements in data quality as the activity information for each source category is collected, and also to capture information on new retrofits, equipment replacements, operational efficiencies, or other emission reduction technologies used by the tenants/facilities to reduce emissions.

The deliverables from this task will be final tables of the information provided by the Authority's tenants, compatible for use in the emissions calculations. The information will include activity data on OGVs, harbor craft, cargo handling equipment, trucks, and locomotives. The locomotive information will relate to the two-county area with locomotive activity specific to the port being presented separately to the extent this is feasible.

Task 2 - OGV Inventory
The over-water geographic domain used in the 2013 inventory will be used for the 2017 inventory. The basic methodology for estimating emissions from the various types of OGVs that call on the port/facilities uses local activity-based data to the greatest extent possible. This includes call records from the Vessel Traffic Service, U.S. Coast Guard, and Pilots. Consultant will incorporate the data into the emission estimates after rigorous quality control steps. Emission reduction strategies will be identified and incorporated into the emission estimates.

The deliverables from this task will include:

- OGV vessel and activity data incorporated into the inventory,
- emission estimates reflecting the OGV activity reported to a level of detail to include emissions by vessel type, by location, by operating mode, and by engine type, and
- a detailed description of methods used for data collection and emission estimation, including the identified emission reduction measures and their effects on emissions.

Appropriate elements from these deliverables will also be included in the draft inventory report.

Task 3 – Harbor Craft & Towboat Inventory
The over-water geographic domain used in the 2013 inventory will be used for the 2017 inventory. Consultant will coordinate with vessel operators, the Texas Waterway Operators Association, and the American Waterway Operators to collect vessel, operational, and activity information from the multiple different companies and organizations involved with the diverse activities of harbor craft and towboats. The collected data will be reviewed and formatted for input to Consultant's existing emissions calculation engine, which will be used to calculate emissions. Input and output data will be thoroughly screened for technical correctness and reasonableness to ensure that the results are accurate and defendable to public scrutiny. Emission reduction strategies will be identified and incorporated into the emission

estimates.

The deliverables from this task will include:

- harbor craft vessel and activity data incorporated into the emissions calculation engine structure,
- emission estimates reflecting the harbor craft activity reported to a level of detail to include emissions by vessel type, by location, and by engine type, and
- a detailed description of methods used for data collection and emission estimation, including the identified emission reduction measures and their effects on emissions.

Appropriate elements from these deliverables will also be included in draft inventory report.

Task 4 - CHE Inventory

Consultant will submit the 2013 data files to each facility/terminal operator and ask for the data to be updated for 2017 equipment and activity. The updated data will be reviewed and the emissions will be calculated using the latest EPA MOVES2014a methodology. Emission reduction strategies will be identified and incorporated into the emission estimates.

The deliverables from this task will include:

- equipment, operational, and activity data associated with CHE incorporated into the emissions calculation engine structure,
- emission estimates reflecting the CHE activity reported to a level of detail to include emissions by terminal type, by equipment type, and by fuel type, and
- a detailed description of methods used for data collection and emission estimation, including the identified emission reduction measures and their effects on emissions.

Appropriate elements of these deliverables will also be included in the draft inventory report.

Task 5 - HDV Inventory

The HDV portion of the emissions inventory will cover operations on the port's terminals and on-road operations on port roads and outside the port boundary within the two-county area. This source category requires data from a variety of sources, including: time on terminal, average terminal speeds, queue times, number of trucks by type (load, trailer, bobtail, etc.), origin and destination information, model age distribution, etc. Assumptions will be made for average truck trip length using local knowledge and an evaluation of highway distances within the two counties, and default age distributions can be used in the emission factor model used to estimate emissions per truck mile.

The deliverables from this task will include:

- HDV activity data, emission estimates reflecting the HDV activity, and
- a detailed description of methods used for data collection and emission estimation, including any identified emission reduction measures and their effects on emissions.

Appropriate elements of these deliverables will also be included in the draft inventory report.

Task 6 - Locomotive Inventory

The locomotive emission estimates will include line haul and switching locomotive operations within the Authority's terminals and within the two-county inventory area. Consultant will request the Class 1 railroads serving the port and passing through the area to provide available information on activities, rail freight volumes, etc. Other methods such as scaling with throughput changes will be used if year-specific rail information is not available from the railroads.

The deliverables from this task will include:

- locomotive activity data,
- emission estimates reflecting the rail activity, and
- a detailed description of methods used for data collection and emission estimation, including any identified emission reduction measures and their effects on emissions.

Appropriate elements of these deliverables will also be included in the draft inventory report.

Task 7: Prepare Draft and Final Air Emissions Inventory Deliverables

Consultant will prepare a detailed draft report of data collection and calculation methods and emission estimates. Graphical representations will be used where possible to illustrate the data and the emissions. The draft report will be provided to the Project Manager for review, and the comments will be discussed and incorporated. After a second round of review, Consultant will finalize the report, which will be submitted electronically.

Task 8: Meetings and Coordination

Consultant will meet with the Authority regularly by teleconference to discuss the project. As issues arise, the Authority will be contacted. Consultant will also coordinate internally and provide updates by email to the Authority throughout the project.

Task 9 – Emissions Comparison

Consultant will compare the 2017 emissions to 2013 emissions in the report and discuss possible reasons for the changes. To the extent possible, the emission comparisons will be presented on a consistent basis between the years, which may mean re- estimating or otherwise adjusting the previous 2013 emission estimates if the methodology has changed significantly since then.

Schedule

The work will commence in May 2018 and the report will be completed in the second quarter of 2019.

EXHIBIT B

FEE SCHEDULE

Task	Description	Total
Task 1	Data Collection	$ 18,000
Task 2	OGVs	$ 47,000
Task 3	Harbor Craft and Towboats	$ 9,000
Task 4	Port CHE	$ 8,000
Task 5	Port-related Trucking	$ 8,000
Task 6	Locomotives	$ 7,000
Task 7	Draft and Final Reports	$ 14,000
Task 8	Meetings & coordination	$ 4,000
Expense	Travel expense (data collection)	$ 5,000
Total Cost Estimate		**$120,000**
Emissions Comparison		$ 7,000
Total Cost Estimate		**$127,000**

The Consultant will perform the Services described in Exhibit A in accordance with the terms and conditions of this Contract on a fixed rate or an hourly fee basis; provided, however, that the total fee for services rendered under this Contract will not to exceed $127,000, without Authority's written approval. Services provided by Consultant will be billed as specified in Exhibit B. These fees will cover all of Consultant's overhead costs, including but not limited to, office rent, long distance telephone charges, postage, payroll and copying charges.

The Authority agrees to reimburse the Consultant for certain authorized and approved travel expenses incurred by the Consultant during the Term and directly resulting from the Consultant's performance of the Services under this Contract. Reimbursement for lodging and meals may not exceed the maximum allowable per diem rates for domestic or foreign travel as set by the U.S. Department of Defense, Defense Travel Management Office. Lodging and meal per diem rates for specific locations (foreign and domestic) may be found at: http://www.defensetravel.dod.mil/site/perdiemCalc.cfm. Authority will also reimburse the Consultant for Direct Costs incurred by the Consultant in performing the Services. The Consultant shall submit proper documentation of any such approved travel expenses and Direct Costs to Authority from time to time, and such costs and expenses shall be billed to Authority at Consultant's actual cost.

Not later than the twentieth (20th) day of each calendar month, Consultant shall submit to Authority detailed invoices for all services performed and Direct Costs incurred, if any, pursuant to this Agreement during the prior calendar month. The invoices shall describe in detail the

Services performed during the prior month and shall list the days and hours worked, approved Direct Costs, milestone achievements, tasks performed or completed, and the Services performed during each day of the prior month. Authority shall review the invoices and notify Consultant in writing (including email) within twenty (20) days of any disputed amounts.

Should this Contract be terminated for any reason, the Consultant will be paid all fees earned up to the termination date and any approved direct expenses incurred.

EXHIBIT C

INSURANCE

Without limiting the indemnity obligations or liabilities of Consultant or its insurers, provided herein, Consultant agrees to carry and maintain at its sole expense policies of insurance ("the Policies") of the types and in the minimum amounts as follows:

	TYPE OF INSURANCE	LIMITS OF LIABILITY
A.	Workers' Compensation	Statutory
B.	Employer's Liability	$1,000,000 per Occurrence $1,000,000 Aggregate
C.	Commercial General Liability	$1,000,000 per Occurrence $2,000,000 Aggregate

The CGL Policy will provide contractual liability coverage at the aforementioned limits.

D.	Business Automobile Liability	$500,000 per Occurrence

Automobile liability insurance coverage will include all owned, non-owned, and hired vehicles.

E.	Professional Liability	$1,000,000

Consultant will procure and maintain professional liability insurance for protection from claims arising out of performance of its Services under this Contract caused by any error, omission, or act for which the Consultant is legally liable. Policies written on a claims-made basis shall have an extended reporting period of at least two (2) years beyond termination of the Contract.

Each policy, except Professional Liability, must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the Authority, its Port Commissioners, officers and employees ("Authority Parties"). Additionally, the Authority Parties shall be designated as an Additional Insured either by a blanket additional insured or a specific endorsement on all policies, except for Worker's Compensation, Employer's Liability, and Professional Liability. In the event that the work of Consultant's employees fall within the purview of the United States Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or the Federal Employer's Liability Act, Consultant shall extend its insurance coverage to provide insurance against the liabilities imposed under the applicable Act or Acts.

Each policy, except Workers' Compensation and Professional Liability, must contain an endorsement that the policy is primary to any other insurance available to the Additional Insureds with respect to claims arising under this Contract.

The insurance required as listed above, shall apply to any contractor or subcontractor performing for or on behalf of Consultant, and Consultant shall ensure that any such subcontractor is aware of and is in compliance with the insurance requirements during any period such contractor is performing work under this Contract.

The minimum insurance required may be increased periodically upon request by Authority to commercially reasonable limits**.** The company writing each of the Policies must possess a current rating with A.M. Best Company of at least "A-, VII".

Consultant's liability shall not be limited to the specified amounts of insurance required herein.

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: David L. Krams, P.E.
Director of Engineering Services
krams@pocca.com
361-885-6134

ANTICIPATED STAFF PRESENTER: Jacob Morales, P.E.
Senior Project Engineer

Approve an Increase in Contingency in the amount of $200,000 and a Change Order with J.M. Davidson, Ltd in the Amount of $145,881.68 associated with the Construction of the Bulk Liquid Handling Facilities at Bulk Terminal Dock 3.

SUMMARY: Staff requests approval of an increase in contingency in the amount of $200,000 and a Change Order in the net amount of $145,881.68 with J.M. Davidson, Ltd for changes and additions to the construction of bulk liquid handling facilities at Bulk Terminal Dock 3.

BACKGROUND: On September 19, 2017, the Commission awarded a construction contract to JM Davidson, Ltd. in the amount of $6,621,987 for the construction of petroleum liquids and vapor handling facilities at Bulk Terminal Dock 3. The completed project will allow the transfer of refined petroleum products to and from barges and ocean going vessels berthed at Bulk Dock 3, including serving the adjacent Maverick Terminals Corpus, LLC (Howard Energy) terminal currently under construction. On April 28, 2018, the PCCA's dock operator, Coastal Dock and Terminal, LLC, successfully unloaded the first diesel barge at Bulk Terminal Dock 3.

Though the project is nearly complete, prior to the arrival of the first barge, there were numerous modifications, improvements, and upgrades required to be implemented that were not included in the Contractor's original scope of work in order to obtain the necessary United States Coast Guard and General Land Office inspection approvals and accommodate Howard Energy's and the Port's Operators system needs and requests.

The attached Change Order addresses those changes and additional modifications that include modifying catwalks to provide two access points between a spud barge and a fixed dock, supplying a new gangway from the spud barge to the product barge, replacing existing 12" diameter dock hoses for more efficient and safer to handle 8" diameter hoses, fabricating robust spill pans (one for spud barge and one for fixed docks) to provide spill containment required by USCG and GLO, fabricate and install nitrogen system to vacate

product from piping after transfers, constructing 472 LF of buried 4" natural gas line, and rehabilitating various components of the existing marine vapor control system.

The cost to provide and perform the above work is $311,881.68; however the Change Order also includes a credit of $166,000.00 for not having to utilize a temporary VCU included in the original contract and for using readily available timber light poles in lieu of long delivery time steel poles, resulting in a net change order amount of $145,881.68.

ALTERNATIVES: N/A

CONFORMITY TO PORT POLICY: The project conforms to the PCCA's Strategic Plan (Strategic Goal #2 – Provide Facilities and Services to Meet Customer Needs, Strategic Objective #2B – Provide Public Docks and Support Private Facilities to Facilitate Maritime and Industrial Development, Action #4 – Develop Process to Support Private Customer Projects).

EMERGENCY: Although this is not an emergency action, construction services are required to provide an operating facility that will meet the commercial needs and established schedule of the Port's customer.

FINANCIAL IMPACT: The current construction contract amount is $7,647,004.37, and with the approval of the attached Change Order the contract will total $7,792,886.05.

STAFF RECOMMENDATION: Staff requests the approval of an increase in contingency in the amount of $200,000 and approval of the attached Change Order with J.M. Davidson, Ltd in the amount of $145,881.68 for additional work associated with the construction of bulk liquid handling facilities at Bulk Terminal Dock 3.

DEPARTMENTAL CLEARANCES:

Originating Department	Engineering
Reviewed & Approved	David Krams
	Jacob Morales
	Natasha Fudge
Legal	Used standard template
Senior Staff	John LaRue
	Sean Strawbridge
	Dennis DeVries

LIST OF SUPPORTING DOCUMENTS:

Change Order

PORT CORPUS CHRISTI

Change Order No. 8
Date: May 15, 2018
Page 1 of 5

PROJECT: Bulk Liquid Handling Facility at Bulk Dock 3
PROJECT NUMBER: 17-033B
CONTRACTOR: J.M. Davidson Ltd.

This contract will be modified to include the changes listed below, and the contract price and/or contract time will be changed to reflect these modifications:

See attached description of modifications and breakdown of charges on Page 2.

Increase in Contract Price:	$	145,881.68
Increase in Contract Time:		44 Days
Original Contract Amount:	$	6,621,987.00
Total Amount of Previous Change Orders:	$	1,025,017.37
Amount of this Change Order:	$	145,881.68
Revised Contract Amount:	$	7,792,886.05
Notice To Proceed Date:		October 03, 2017
Original Contract Time:		89 Days
Previous Changes in Contract Time:		161 Days
Calendar Days for this Change Order:		44 Days
Revised Contract Time:		294 Days
Required Completion Date:		July 24, 2018

The change in contract price incorporates all costs for this Change Order including but not limited to the following—direct and indirect costs, overhead, profit, insurance, bonds, labor, materials, equipment, supervision, and delays. This Change Order is accepted and executed by the Port of Corpus Christi Authority and J.M. Davidson Ltd., as signed by their duly authorized representatives below.

Port of Corpus Christi Authority

By: _____
Jacob Morales, P.E.
Senior Project Engineer

By: _____
David L. Krams, P.E.
Director of Engineering Services

Date: May 15, 2018

J.M. Davidson Ltd.

By: James Olivarez
James Olivarez
Chief Estimator/Planner

Date: 5/9/18

PROJECT: Bulk Liquid Handling Facility at Bulk Dock 3
PROJECT NUMBER: 17-033B
CONTRACTOR: J.M. Davidson Ltd.

1 Modify two identified access points on spud barge and fixed dock structure to accommodate two catwalks for ingress and egress from landside to barge dock. Also modify one existing catwalk to span distance between spud barge and fixed dock and fabricate one landing platform with stairs.

Increase	$	15,358.25
Increase		5 Days

2 Fabricate one 24CF steel spill pan to be situated on spud barge near hose connections and one 24CF steel spill pan to be situtated on fixed dock underneath hose connections.

Increase	$	16,665.80
Increase		4 Days

3 Fabricate and paint two 12" diameter to 8" diameter steel reducers and two 8" steel 90's to connect existing 12" diameter piping to new 8" diameter hoses for gasoline and diesel piping on spud barge.

Increase	$	10,220.05
Increase		3 Days

4 Purchase and install two 70' - 8" diameter flex hoses for gasoline and diesel piping on spud barge to connect to marine vessel.

Increase	$	35,342.95
Increase		1 Days

5 Purchase and install one 50' - 10" diameter flex hose for vapor line on spud barge to connect to marine vessel.

Increase	$	14,892.25
Increase		1 Days

6 Supply, fabricate, and install nitrogen piping system and required instrumentation for vacating gasoline and diesel piping of product from fixed dock to marine vessel.

Increase	$	32,256.35
Increase		5 Days

PROJECT: Bulk Liquid Handling Facility at Bulk Dock 3
PROJECT NUMBER: 17-033B
CONTRACTOR: J.M. Davidson Ltd.

7 Supply and install high visibility, durable labeling for 16-flex hoses on spud barge and fixed dock as specified United States Coast Guard requirement.

Increase	$	1,918.78
Increase		1 Days

8 Provide one day of crew technical support for first load transfer at Bulk Dock 3.

Increase	$	3,363.75
Increase		1 Days

9 Supply and install nine 1.5" diameter check valves, one for each of the rail loading station vapor lines.

Increase	$	5,347.50
Increase		1 Days

10 Install two additonal 8" diameter automated control valves, one for diesel and one for gasoline rail loading lines.

Increase	$	31,453.27
Increase		0 Days

11 Supply and install 18 - 4" diameter gate valves one for the gasoline and diesel lines of each of the nine rail loading stations.

Increase	$	24,207.50
Increase		2 Days

12 Supply and install additonal piping to supply compressed air to rail loading stations.

Increase	$	13,667.75
Increase		3 Days

13 Supply and install coarse aggregate at bottom of VCU #2 stack to provide an additional 3" depth of aggreagte insulation to underlying concrete foundation.

Increase	$	4,255.00
Increase		0 Days

PROJECT: Bulk Liquid Handling Facility at Bulk Dock 3
PROJECT NUMBER: 17-033B
CONTRACTOR: J.M. Davidson Ltd.

14 Supply, fabricate and install additional piping to completely tie in 3" diameter natural gas line and 2" diameter compressed air to VCU #2.

Increase	$	11,567.85
Increase		1 Days

15 Remove, pressure clean, and reinstall detonation arrestors for spud barge DSU and landside VCU #2.

Increase	$	5,097.38
Increase		1 Days

16 Retrieve, review and recreate program for both landside VCU #2 and spud barge DSU PLCs.

Increase	$	28,750.00
Increase		5 Days

17 Supply and route 550 LF of new fiber optic from spud barge DSU to landside VCU #2 to establish communication between to components.

Increase	$	15,036.25
Increase		4 Days

18 Supply and replace spud barge hydraulic crane sheave and ball swivel.

Increase	$	9,361.00
Increase		1 Days

19 Supply and install 472 LF of buried 4" diameter steel natural gas line from rail loading sleepr rack to City service meter.

Increase	$	29,440.00
Increase		5 Days

20 Purchase new 25' portable gangway for access from spud barge to product barge.

Increase	$	3,680.00
Increase		0 Days

PROJECT: Bulk Liquid Handling Facility at Bulk Dock 3
PROJECT NUMBER: 17-033B
CONTRACTOR: J.M. Davidson Ltd.

21 Delete temporary VCU and temporary fuel supply from contract because will not be required.

Decrease	$	(146,000.00)
Increase		0 Days

22 Purchase and install nine timber 25' long timber light poles in lieu of nine steel poles at each rail loading station.

Decrease	$	(20,000.00)
Increase		0 Days

TOTAL INCREASE IN CONTRACT PRICE **145,881.68**

TOTAL INCREASE IN CONTRACT TIME **44 Days**

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: Sam Esquivel, Real Estate Services Manager
Sam@pocca.com
(361) 885-6140

Approve a Utility Easement with AccuTRANS Fleeting Services, LLC for an 8-inch Waterline to AccuTRANS Fleeting Services, LLC Leased Premises Located to the North Side of Avery Point Turning Basin, Nueces County, Texas.

SUMMARY: AccuTRANS Fleeting Services, LLC (AccuTRANS) representatives are requesting a utility easement for an 8-inch diameter waterline to the AccuTRANS Fleeting Services leased premises located to the north side of Avery Point Turning Basin. The project includes a non-exclusive utility easement for the installation of an 8-inch waterline as depicted on the attached Exhibit. Approximately sixty-one (61) linear feet will be bored and encased in 18-inch diameter steel casing under existing CCTR rail and eighty-five (85) linear feet of open cut for installation of 8 inch PVC south of the CCTR rail to the AccuTRANS leased premises. The utility line will be installed at the minimum depths and clearances outlined in the Pipeline, Utility & Miscellaneous Structure Accommodation Policy in the Authority's Engineering Department Project Manual. The term of the Utility Easement will be coterminous with the term of the AccuTRANS Lease Agreements.

BACKGROUND: On March 20, 2018 the Port of Corpus Christi Authority (PCCA) entered into short term and long term lease agreements with AccuTRANS. This Utility Easement Agreement will grant AccuTRANS the right to install an 8-inch waterline to serve their leased premises.

ALTERNATIVES: Do not approve and AccuTRANS will not have access to water for their facility.

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA Strategic Plan (Strategic Goal #2 – Provide facilities and services to meet customer needs to provide surface infrastructure and services to support maritime and industrial development).

EMERGENCY: N/A

FINANCIAL IMPACT: None – No fees are assessed for utility service easements agreements granted to serve PCCA customers.

STAFF RECOMMENDATION: Staff recommends approval of the Utility Easement with AccuTRANS Fleeting Services, LLC.

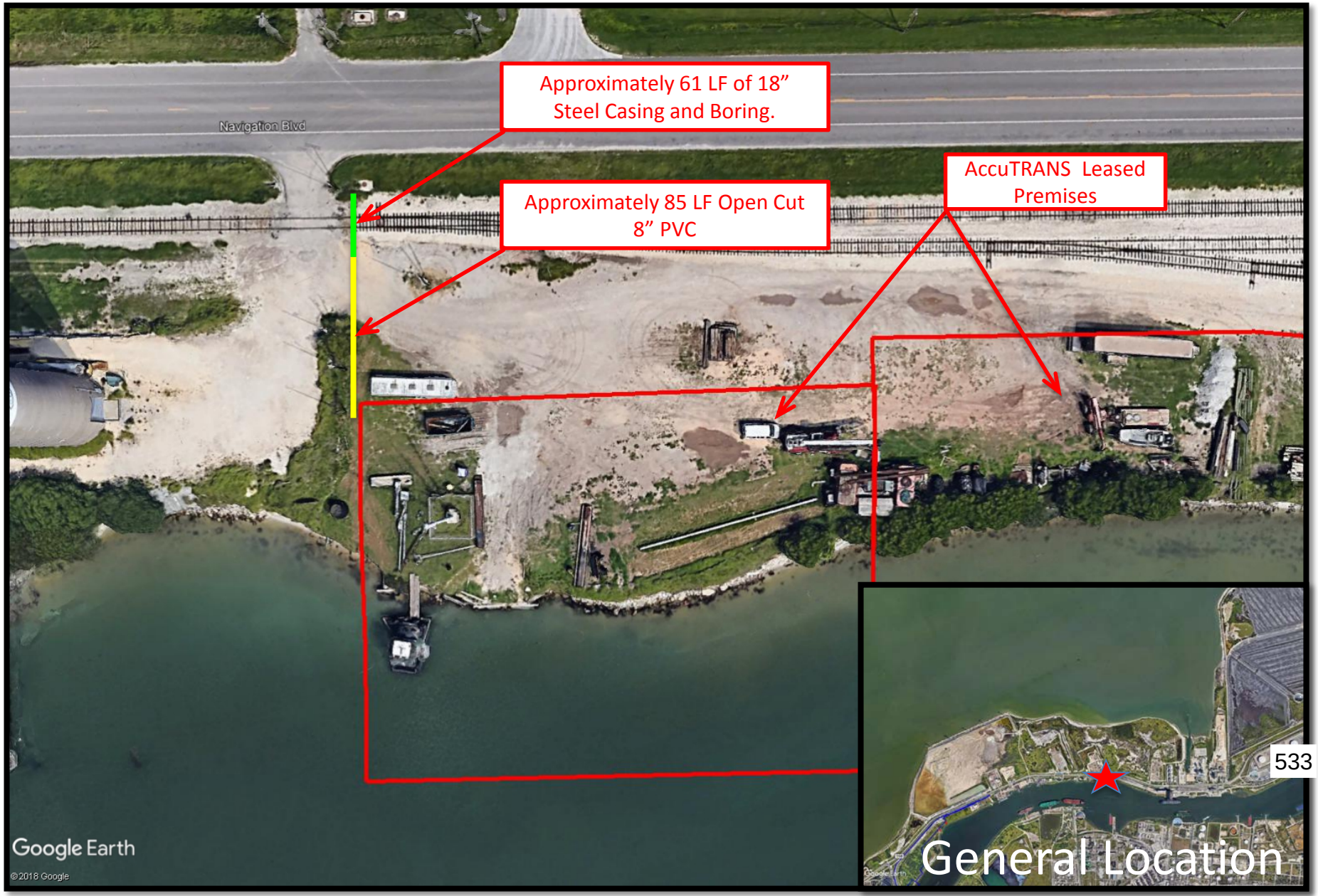
DEPARTMENTAL CLEARANCES:

Originating Department	Real Estate
Reviewed & Approved	Sam Esquivel Kent Britton
Engineering	David L. Krams, P.E.
Legal	Bruce Hawn
Senior Staff	John LaRue Sean Strawbridge Jarl Pedersen

LIST OF SUPPORTING DOCUMENTS:

Memo Exhibit
Utility Easement Agreement

Approve a Utility Easement Agreement with AccuTRANS Fleeting Services, LLC for an 8 inch Waterline to AccuTRANS Fleeting Services, LLC Leased Premises Located to the North Side of Avery Point Turning Basin, Nueces County, Texas.



UTILITY EASEMENT

THE STATE OF TEXAS §
§ **KNOW ALL MEN BY THESE PRESENTS THAT:**
COUNTY OF NUECES §

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS, acting herein by and through its Port Commissioners hereunto duly authorized (hereinafter called "**Authority**") for and in consideration good and valuable considerations, including the covenants and conditions herein made and provided to be kept and performed by Grantee, has **GRANTED AND CONVEYED** and by these presents does **GRANT AND CONVEY** to the **ACCUTRANS FLEETING SERVICES, LLC**, a Texas limited liability company, its successors and assigns (hereinafter called "**Grantee**"), a non-exclusive right-of-way and easement (the "**Utility Easement**") on and through the Authority's land located in Nueces County, Texas, for one eight-inch (8") pipeline for the transportation of potable water (together with above and below ground appurtenances to the extent allowed herein the "**Pipeline**").

The easement hereby granted is described on **Exhibit A** and is depicted on **Exhibit B**, both of which are attached hereto and incorporated herein by reference for all purposes. In the event construction is not commenced within one year from the date hereof, this easement will terminate, unless the period for commencement of construction is extended beyond one year by Authority. Authority and Grantee agree that the description of the Utility Easement initially described in Exhibits A and B are not based on an on the ground survey. Once construction is complete, Grantee will cause an as-built survey of the Utility Easement to be prepared by a licensed surveyor; Authority and Grantee, that such as-built survey will be substituted for the Exhibits A & B attached hereto.

TO HAVE AND TO HOLD unto Grantee, its successors and assigns, the rights and privileges hereby conveyed for the Term (hereinafter defined) of the Grantee Lease (hereinafter defined), and upon the following covenants and conditions which are a part of the consideration for this grant, which covenants and conditions are and shall be construed as covenants running with the land, and which covenants and conditions by its acceptance hereof Grantee covenants and agrees to keep and perform.

This right-of-way and easement is granted subject to the following:

A. Width. The pipeline easement granted herein is limited to the outside with of the Pipeline as installed.

B. Access. The rights of ingress and egress hereinabove referred to in Grantee shall be confined to the above-described easement and Temporary Construction Easement, except as noted below. Grantee shall not have the right to cross Authority's adjacent land, store materials or equipment thereon or to conduct any of its operations thereon, unless the prior consent of the Authority is obtained in writing, which consent will not be unreasonably withheld.

Except in the case of an emergency, Grantee agrees to notify the Authority not less than forty-eight (48) hours prior to its employees, agents or contractors entering upon the easement for construction, maintenance, repairs or other operations.

C. Construction, Maintenance and Use. Grantee as a condition precedent to Grantee's right to enter upon the Utility Easement for construction purposes must submit to Authority, plans for the initial construction of the Pipeline; thereafter Grantee must submit to Authority plans for any future modifications and improvements to the Pipeline constructed within the boundaries of the Utility Easement. The Initial construction plans and plans for future modifications and improvements to the Pipeline must be approved in writing by the Director of Engineering Services of Authority prior to the commencement of construction of the same, which approval shall not be unreasonably denied, delayed or conditioned. To facilitate the Authority's review, two (2) sets of formal plans that clearly define the project must be submitted to Authority for its prior approval. The drawings must be prepared on a standard engineering format and show all physical features and improvements proposed to be installed within the boundaries of the Utility Easement and must be signed and sealed by a Professional Engineer registered in the State of Texas. Any approval, comments or denial, of such revised initial construction plans or plans for future modifications and improvements, by the Authority shall be promptly made to Grantee within thirty (30) Business Days after Authority's receipt of the of such revised plans or plans. Further, Authority shall prepare detailed comments or responses to the revised initial construction or plans modifications and improvements to Pipeline in order to direct Grantee on the action needed to have such plans revised and approved. The final plans for the Pipeline as ultimately approved by the Authority are referred to herein as the "**Approved Plans**". Prior to the commencement of construction of the Pipeline, Grantee will furnish Authority issued-for-construction drawings for the Pipeline, if different than the Approved Plans. Grantee shall construct and maintain the Pipeline in a good and workmanlike manner and in compliance with all applicable governmental and industry standards for construction and maintenance of the same.

Grantee shall bore under all road, driveway, and rail crossing locations; and at such all such road, driveway, and rail crossing locations the Pipeline will be encased in eighteen-inch (18") diameter steel casing designed with sufficient pipe wall thickness and depth of cover in order to meet Cooper E-80 Railroad Live Load standards. In no event may the top of the steel casing under any rail crossings be less than five and a half feet (5.5') below bottom of rail and roads. At all other locations, the Pipeline must be buried to a depth such that the top of the Pipeline will be at least four feet (4') below the surface of the ground.

No above ground improvements may be installed in the Utility Easement, except for one water meter and backflow preventer and pipeline markers which may be installed next to the road, driveway, and rail and at any other location required by law.

Grantee shall furnish the Authority upon completion of the Pipeline or any modification thereof, an as-built drawing of the location of the improvements and any modification.

Grantee shall be responsible for coordination of its construction and use in the easement with any other existing users and easement holders in or near the Grantee's easement. Grantee shall

promptly restore any portion of the right-of-way damaged by Grantee. All restoration work shall be appropriately tested at Grantee's expense.

D. Temporary Construction Easement. Grantee has the right (the "Temporary Construction Easement") to use as much of the surface of Authority's property, to the extent reasonably available, and which is adjacent to the Utility Easement ("Adjacent Property") as may be reasonably necessary to install and maintain the Pipeline within the Utility Easement. Grantee must promptly restore the Adjacent Property to its previous physical condition if changed by use of the rights granted by this Temporary Construction Easement.

E. Reservations and Exceptions. The easement herein granted shall be subject to any and all easements heretofore granted by Authority to other parties whether of record in Nueces County or not. The Authority reserves the right to grant easements upon, over, along under and across the Utility Easement herein granted and to grant rights of use, leases and easements above, below and along on the surface of the Utility Easement.

F. Relocation. The Authority may require Grantee to remove, lower or relocate the Pipeline situated in the aforesaid Easement in the event the same materially interferes with or will materially interfere with: (1) the development of Authority's lands; (2) any facility, facility modification, or proposed facility of Authority, Authority Lessee or Authority Franchisee; (3) any road or proposed road; or (4) any operation or proposed operation of Authority, Authority Lessee or Authority Franchisee; The Authority may also require Grantee to remove, lower or relocate the Pipeline Facilities situated in the aforesaid Easement in the event the same materially interferes with or will materially interfere with any navigable channel, railroad or proposed railroad under which the Pipeline passes. In the event Authority requires Grantee to remove, lower or relocate pursuant to the provisions of this Section, the cost of such removal, lowering or relocation shall be paid by Authority.

G. INDEMNITY AGREEMENT. TO THE EXTENT PERMITTED BY LAW, GRANTEE SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS AUTHORITY AND AUTHORITY'S PORT COMMISSIONERS, DIRECTORS, MANAGERS, EMPLOYEES, AND AGENTS (COLLECTIVELY, THE "AUTHORITY PARTIES"), FROM AND AGAINST ANY AND ALL LIABILITIES, CLAIMS, DAMAGES, LOSSES, LIENS, CAUSES OF ACTION, SUITS, FINES, JUDGMENTS AND OTHER EXPENSES (INCLUDING, BUT NOT LIMITED TO ATTORNEYS' FEES AND EXPENSES AND COSTS OF INVESTIGATION), OF ANY KIND, NATURE OR DESCRIPTION (INCLUDING CLAIMS FOR PERSONAL INJURY, BODILY INJURY, EMOTIONAL DISTRESS, REAL AND PERSONAL PROPERTY DAMAGE AND ECONOMIC LOSS) (ALL OF WHICH ARE COLLECTIVELY REFERRED TO HEREIN AS "CLAIMS") WHICH MAY BE BROUGHT, INSTITUTED OR ASSERTED AGAINST THE AUTHORITY PARTIES TO THE EXTENT BASED ON, RELATING TO, OR ARISING OUT OF ANY OF THE FOLLOWING EVENTS (EACH BEING REFERRED TO IN THIS SUBSECTION AS AN "INDEMNIFIED EVENT"):

(1) THE FAILURE ON THE PART OF GRANTEE OR ITS OFFICERS, AGENTS, CONTRACTORS, OR EMPLOYEES (COLLECTIVELY, THE "GRANTEE PARTIES") TO COMPLY WITH THIS AGREEMENT OR ANY LAWS OR REGULATIONS APPLICABLE TO THE INSTALLATION, OPERATION, MAINTENANCE, USE OR REMOVAL OF THE ACCESS ROAD BY THE GRANTEE PARTIES; OR

(2) ANY INJURY TO OR DEATH OF OR CLAIM OF INJURY TO OR DEATH OF ANY PERSON (INCLUDING THE EMPLOYEES OF THE GRANTEE PARTIES) OR ANY DAMAGE TO OR LOSS OF OR CLAIM OF DAMAGE TO OR LOSS OF PROPERTY ARISING OUT OF THE INSTALLATION, OPERATION, MAINTENANCE, USE OR REMOVAL OF THE ACCESS ROAD BY THE GRANTEE PARTIES.

Notwithstanding anything in this Agreement to the contrary, to the extent the Indemnified Event for which a Claim is made arises out of the joint, concurrent or comparative negligence, causation, responsibility or fault of the Grantee Parties and the Authority Parties, whether negligence, strict liability, breach of warranty, express or implied, or products liability, then Grantee shall defend the Authority Parties against such Claim, but Grantee shall be relieved of its obligation of indemnity with respect to such Claim to the extent, but only to the extent, of the percentage of responsibility attributed to the Authority Parties with respect to causing or contributing to cause the Indemnified Event for which such Claim was made. Furthermore, Grantee shall be relieved of its obligation of indemnity (but not its obligation to defend) with respect to any Claim to the extent, but only to the extent, of the amount actually recovered from one or more insurance carriers and either paid to the Authority Parties or paid for benefit of the Authority Parties in reduction of such Claim. The indemnities contained in section will not be limited by a limitation on the amount or type of damages owed by Grantee to any employee of Grantee under the Workers' Compensation Act or similar employee benefit acts.

H. No Public Dedication. In no event and under no circumstances of any kind or nature whatsoever shall the Utility Easement granted be deemed to be a gift or dedication of any portion of the Authority's Property for the benefit of the general public or to any governmental entity.

I. Insurance. Without limiting the indemnity obligations or liabilities of Grantee, or its insurers, provided herein, Grantee agrees at all times this Utility Easement Agreement is in effect to carry and maintain at its sole expense policies of insurance (the "**Policies**") of the types and in the minimum amounts and comply with the other requirements set forth in **Exhibit "C"** attached hereto and incorporated herein by reference. If Grantee is self-insured for a specific required insurance coverage or for all insurance coverage, Grantee agrees to provide a Letter of Self Insurance indicating such and conforming with the insurance requirements set forth in Exhibit C.

J. Assignment. The rights herein granted may not be assigned without the prior written consent of the Authority, which consent will not be unreasonably withheld. This Utility Easement shall be deemed a covenant running with the land and shall inure to the benefit of and be binding upon the parties hereto, their successors and assigns.

K. Termination. The term of the Utility Easement ("**Term**") shall be coterminous with the term of that certain long-term Lease Agreement between Authority and Grantee dated March 20, 2018 (the "**Grantee Lease**"). Upon the expiration or earlier termination of the Grantee Lease, this Agreement will automatically terminate without any further action by either Party, but Authority and Grantee (or its successor) shall enter into a written agreement confirming the termination of this Utility Easement at the request of either Party. This Utility Easement and all of Grantee's interest hereunder, at the option of Authority, shall forthwith terminate upon breach by Grantee of any of the conditions hereof and the failure of Grantee to remedy the same within ninety (90) days after written

notice from the Authority so to do. Grantee agrees it will within ninety (90) days after the termination of this easement remove the Pipeline existing in the Utility Easement and restore Authority's lands to the condition in which same existed prior to the existence of the Pipeline. In the event Grantee fails to remove the Pipeline, the Authority may either declare the termination of Grantee's interest in any the Pipeline and all of Grantee's interest therein shall thereupon terminate, or the Authority may cause the Pipeline or any part thereof, to be removed and disposed of, and the lands of the Authority restored, all at the cost of Grantee. The termination of this Utility Easement will not release either Party from any liability or obligation under this Utility Easement, whether indemnity or otherwise, resulting from any acts, omissions or events happening prior to the date of termination.

The execution of this easement shall be conclusive of the agreement of Grantee to all of the terms and conditions hereof, whereupon this easement and all of its provisions shall extend to and be binding upon the legal representatives, successors and assigns of Grantee and Authority, respectively.

[Signature page follows this page]

AUTHORITY'S SIGNATURE PAGE TO 8" WATERLINE UTILITY EASEMENT
(Port of Corpus Christi Authority to AccuTRANS Fleeting Services, LLC)

EXECUTED this ____ day of _____, 2018, but to be effective for all purposes as of April 17, 2018 (the "Effective Date").

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

By:_____
Sean C. Strawbridge,
Chief Executive Officer

STATE OF TEXAS §
§
COUNTY OF NUECES §

This instrument was acknowledged before me on the _____ day of _____, 2018, by SEAN C. STRAWBRIDGE, Chief Executive Officer of the Port of Corpus Christi Authority of Nueces County, Texas, on behalf of said Authority.

_____
Notary Public, State of Texas

GRANTEE'S SIGNATURE PAGE TO 8" WATERLINE UTILITY EASEMENT
(Port of Corpus Christi Authority to AccuTRANS Fleeting Services, LLC)

EXECUTED this ____ day of _____, 2018, but to be effective for all purposes as of the Effective Date.

ACCUTRANS FLEETING SERVICES, LLC

By:_____
Name: _____
Title: _____

Date: _____, 2018

STATE OF LOUISIANA §
§
PARISH OF _____ §

This instrument was acknowledged before me on the _____ day of _____, 2018, by _____, the _____ of AccuTRANS Fleeting Services, LLC, on behalf of said entity.

_____
Notary Public, State of Louisiana

EXHIBIT A – LEGAL DESCRIPTION OF WATERLINE PUBLIC IMPROVEMENTS EASEMENT

STATE OF TEXAS
COUNTY OF NUECES

Field notes of the centerline of a waterline easement over land out of the submerged land patented to Nueces County Navigation District No. 1 and referred to by records of the Texas General Land Office (GLO) as Patent 84, Survey 939, Volume 47A, Abstract no. 2677 and Refugio Scrip 1922, which patent is recorded in Volume 192, Page 579 of the deed records in Nueces County, Texas. The easement centerline is further described as follows:

Commencing at Port of Corpus Christi monument "CCPE-5 (1991)" (N: 17,188,099.73, E: 1,331,657.91, Z: 5.6' NAVD88) found on the terminal of a ship mooring west of the ADM Grain Company facility,

thence N 48°56'36" W a distance of 2,304.02' to a point and **point of beginning** of this described centerline (N:17,189,613.02, E: 1,329,920.54), point being 2.5' measured at 90 degrees from the extended northwest boundary of an AccuTRANS lease & northwest line of existing ADM lease, point being at the intersection of said 2.5' offset line and an existing 16" waterline;

thence continuing along a line 2.5' offset from said extended northwest boundary of AccuTRANS lease S 23°21'48" W at 81.54' passing a proposed water meter in all a distance of 117.49' to a point (N:17,189,505.16, E: 1,329,873.95) on a line 2.5' offset from the extended northeast line of said AccTRANS lease,

thence S 66°38'12" E a distance of 2.50' to a point (N:17,189,504.17, E: 1,329,876.25) on the northwest line of a proposed AccuTRANS lease which is the **end** point;

Reference plat of lease dated May, 2018 for more information.

5/9/2018

James M. Naismith, RPLS, LSLS

Naismith Marine Services, Inc.

STATE OF TEXAS
REGISTERED
JAMES M. NAISMITH
4828
PROFESSIONAL
LAND SURVEYOR

EXHIBIT “B”

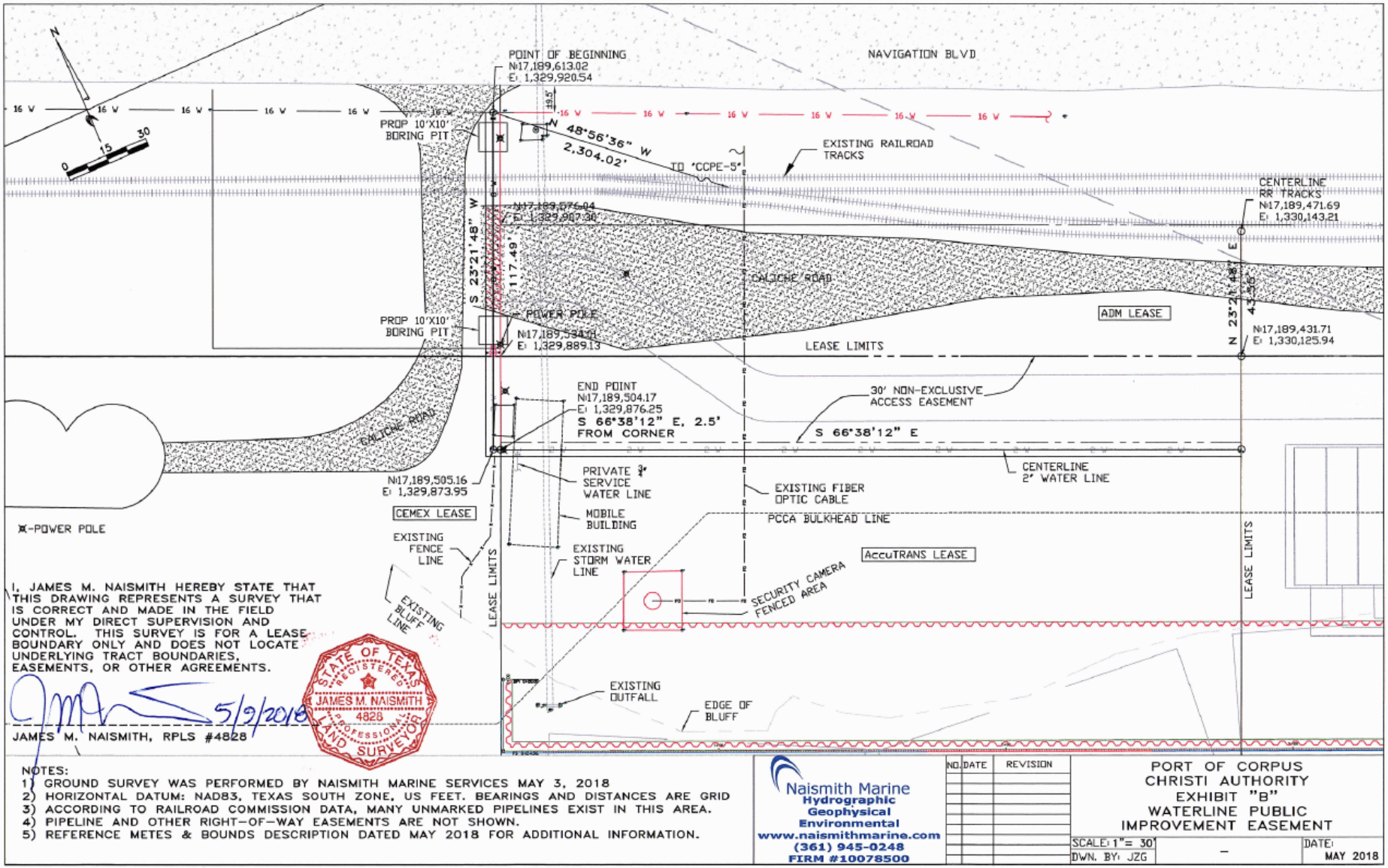

POINT OF BEGINNING
N17,189,613.02
E: 1,329,920.54
NAVIGATION BLVD
PROP 10'X10' BORING PIT
N 48°56'36" W
2,304.02'
TO "CCPE-5"
EXISTING RAILROAD TRACKS
CENTERLINE RR TRACKS
N17,189,471.69
E: 1,330,143.21
S 23°21'48" W
1117.49'
N17,189,576.04
E: 1,329,987.30
CALICHE ROAD
POWER POLE
PROP 10'X10' BORING PIT
N17,189,534.19
E: 1,329,889.13
ADM LEASE
LEASE LIMITS
N 23°21'48" E
43.56'
N17,189,431.71
E: 1,330,125.94
END POINT
N17,189,504.17
E: 1,329,876.25
S 66°38'12" E, 2.5' FROM CORNER
30' NON-EXCLUSIVE ACCESS EASEMENT
S 66°38'12" E
CENTERLINE 2" WATER LINE
N17,189,505.16
E: 1,329,873.95
PRIVATE 3" SERVICE WATER LINE
EXISTING FIBER OPTIC CABLE
CEMEX LEASE
MOBILE BUILDING
PCCA BULKHEAD LINE
EXISTING FENCE LINE
EXISTING STORM WATER LINE
AccuTRANS LEASE
SECURITY CAMERA FENCED AREA
EXISTING BLUFF LINE
LEASE LIMITS
LEASE LIMITS
EXISTING OUTFALL
EDGE OF BLUFF
-POWER POLE
I, JAMES M. NAISMITH HEREBY STATE THAT THIS DRAWING REPRESENTS A SURVEY THAT IS CORRECT AND MADE IN THE FIELD UNDER MY DIRECT SUPERVISION AND CONTROL. THIS SURVEY IS FOR A LEASE BOUNDARY ONLY AND DOES NOT LOCATE UNDERLYING TRACT BOUNDARIES, EASEMENTS, OR OTHER AGREEMENTS.
5/9/2018
JAMES M. NAISMITH, RPLS #4828
STATE OF TEXAS
REGISTERED
JAMES M. NAISMITH
4828
PROFESSIONAL
LAND SURVEYOR
NOTES:
1) GROUND SURVEY WAS PERFORMED BY NAISMITH MARINE SERVICES MAY 3, 2018
2) HORIZONTAL DATUM: NAD83, TEXAS SOUTH ZONE, US FEET. BEARINGS AND DISTANCES ARE GRID
3) ACCORDING TO RAILROAD COMMISSION DATA, MANY UNMARKED PIPELINES EXIST IN THIS AREA.
4) PIPELINE AND OTHER RIGHT-OF-WAY EASEMENTS ARE NOT SHOWN.
5) REFERENCE METES & BOUNDS DESCRIPTION DATED MAY 2018 FOR ADDITIONAL INFORMATION.
Naismith Marine
Hydrographic
Geophysical
Environmental
www.naismithmarine.com
(361) 945-0248
FIRM #10078500
NO. DATE REVISION
PORT OF CORPUS CHRISTI AUTHORITY
EXHIBIT "B"
WATERLINE PUBLIC IMPROVEMENT EASEMENT
SCALE: 1"= 30
DWN. BY: JZG
DATE: MAY 2018

EXHIBIT C

INSURANCE

Without limiting the indemnity obligations or liabilities of Grantee or its insurers, provided herein, Grantee agrees to carry and maintain at its sole expense policies of insurance ("the Policies") of the types and in the minimum amounts as follows:

	TYPE OF INSURANCE	LIMITS OF LIABILITY
A.	Workers' Compensation	Statutory
B.	Employer's Liability	$1,000,000 per Occurrence $1,000,000 Aggregate
C.	Commercial General Liability	$1,000,000 per Occurrence $2,000,000 Aggregate

The CGL Policy will provide contractual liability coverage at the aforementioned limits.

D.	Business Automobile Liability	$1,000,000 per Occurrence

Automobile liability insurance coverage will include all owned, non-owned, and hired vehicles.

E.	Umbrella Liability	$5,000,000 per Occurrence

Umbrella liability coverage will apply to Employer's Liability, Commercial General Liability, and Business Automobile Liability.

F.	Contractor's Pollution Liability	$2,000,000 per Occurrence
G.	Railroad Protective Liability	$1,000,000 per Occurrence $5,000,000 Aggregate

If Grantee is self-insured for a specific required insurance coverage or for all insurance coverage, Grantee agrees to provide a Letter of Self Insurance indicating such and conforming with the insurance requirements set forth in this Exhibit C. Each policy must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the Authority, its Port Commissioners, officers and employees ("Authority Parties"). Additionally, the Authority Parties shall be designated as an Additional Insured either by a blanket additional insured or a specific endorsement on all policies, except for Worker's Compensation and Employer's Liability. In the event that the work of Grantee's employees fall within the purview of the United States Longshoremen's and Harbor Workers' Compensation Act, the Jones Act or the Federal Employer's

Liability Act, Grantee shall extend its insurance coverage to provide insurance against the liabilities imposed under the applicable Act or Acts.

Each policy, except Workers' Compensation, must contain an endorsement that the policy is primary to any other insurance available to the Additional Insureds with respect to claims arising under this Contract.

The insurance required as listed above, shall apply to any contractor or subcontractor performing for or on behalf of Grantee, and Grantee shall ensure that any such subcontractor is aware of and is in compliance with the insurance requirements during any period such contractor is performing work under this Contract.

The minimum insurance required may be increased periodically upon request by Authority to commercially reasonable limits. The company writing each of the Policies must possess a current rating with A.M. Best Company of at least "A-, VII".

Grantee's liability shall not be limited to the specified amounts of insurance required herein.

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: Maggie Iglesias-Turner
Manager Business Development
maggie@pocca.com
361-885-6156

Approve Freight Handler License for Pe Ben USA, Inc.

SUMMARY: Staff seeks Port Commission approval to grant Pe Ben USA, Inc. a freight handler license to operate at the Port of Corpus Christi.

BACKGROUND: Port of Corpus Christi Authority Tariff 100-A, Item 667, states that no entity may operate as a stevedore or freight handler at the Port of Corpus Christi without first obtaining a license to conduct such activity.

Pe Ben USA, Inc. is a vastly experienced pipe-logistics company with the capability to handle all forms of work within the pipeline industry. Pe Ben USA, Inc. utilizes over 200 company-owned trucks and other heavy equipment to safely and efficiently execute the movement of pipe in load/unload operations via rail/truck.

ALTERNATIVES: N/A

CONFORMITY TO PORT POLICY: Goal 4: Foster Compatible Industrial and Maritime Development; Strategic Objective 4A: Proactively Pursue Diversified Port-related Economic Development Opportunities; Action Item 3: Identify and Pursue General Cargo and Dry Bulk Diversification Opportunities.

EMERGENCY: No.

FINANCIAL IMPACT: Original Freight Handlers License Application Fee: $3,000.00.

STAFF RECOMMENDATION: Staff recommends authorization to approve a freight handler license to Pe Ben USA, Inc. to operate as a freight landler at the Port of Corpus Christi. The Pe Ben USA license application and support documentation was reviewed by Port staff including Finance, Safety, Risk and Environmental.

DEPARTMENTAL CLEARANCES:

Originating Department	Business Development
Reviewed & Approved	Maggie Iglesias-Turner Dennis DeVries Sarah Garza Donna James-Spruce Danielle Hale
Legal	Dane Bruun
Senior Staff	Sean Strawbridge John LaRue Jarl Pedersen

LIST OF SUPPORTING DOCUMENTS:

Pe Ben USA, Inc. Freight Handler Application and related support documentation.

PORT CORPUS CHRISTI

APPLICATION FOR STEVEDORE AND/OR FREIGHT HANDLERS LICENSE

Pursuant to the provisions of Item 667, Port of Corpus Christi Authority Tariff 100-A, application is hereby made for a license to operate as a Non- Resident Freight Handler **at the Port of Corpus Christi. In support thereof, the following information is submitted.**

1. Company or firm name: Pe Ben USA, Inc.

2. (a) Principal business address:

13738 FM 529 Rd.
Houston, TX 77041

(b) Telephone: (832) 384-1979 Fax: (281) 452-5915
(c) Email address: bids@pebenusa.com

3. (a) Address at which books and records are or will be maintained:

13738 FM 529 Rd.
Houston, TX 77041

(b) Telephone: (832) 384-1979 Fax: (281) 452-5915
(c) Email address: bids@pebenusa.com

4. (a) Form of business entity; e.g., proprietorship, partnership, limited partnership, corporation, limited liability company (please specify): S-Corporation

(b) If a limited partnership, corporation, or limited liability company, the applicant was organized in the State of: Texas

5. (a) Names and position of principal officers, and addresses if different from No. 2(a)

Dustin Mykyte	Dale Mykyte	Jimmy Gregory
President	CEO	Vice President, Operations

(b) Names and addresses of applicant's owners and any others having an indirect controlling interest in applicant's business.

N/A

6. Nature of applicant's business

Pe Ben USA, Inc. is an experienced pipe-logistics company, including all forms of work within the pipeline industry

7. (a) Describe equipment and facilities available to applicant for carrying on proposed licensed operations.

Pe Ben USA, Inc. utilizes over 200 company owned trucks and a fleet of excavators, dozers, and other heavy equipment to facilitate the movement of pipe. We have experience working with vessel discharge, helicopters, railcars, and trucks to facilitate pipe-logistics operations.

(b) Are equipment and facilities owned by applicant? If not, describe arrangements under which they are available to applicant.

All major equipment is owned by Pe Ben USA, Inc.

8. In support of this application, and to establish proof of applicant as a competent operator with past practices which demonstrate a commitment to safe and efficient performance of stevedoring and/or freight handling, and skill, experience, equipment and personnel necessary to do so, please provide documentary evident of: (NOTE: Statements or additional pages may be attached hereto and will be considered a part hereof.)

(a) Financial responsibility.

(b) Experience in delivering the proposed service.

(c) Ownership or availability of equipment and facilities essential to performance of proposed service.

(d) Required insurance coverage (see Tariff 100-A Item 667(7)).

(e) Safety record.

(f) Environmental Management System (see Tariff 100-A Item 667(8)).

9. (a) Does applicant currently hold a valid license to perform the proposed service or similar service at any other port? (Please specify the service and port or ports.)

The other sea ports we have performed services in do not require licenses to operate, however have worked in The Port of Houston, The Port of Toledo, and The Port of Mobile.

(b) Has applicant actually performed the proposed service in the past two months? Yes X No___
If "Yes" state where and for whom services have been provided

American Steel Pipe- Yeehaw Junction, FL - EQT- Blatimore, MD - Welspun- Midland, TX

If "No" state reason

N/A

10. (a) What types of cargo does the applicant intend to handle in its stevedoring or freight handling operations?

Steel pipe of any size or grade.

(b) Is this type of cargo presently being handle at the Port of Corpus Christi? Yes X No___
If "Yes" describe why applicant should be licensed to handle this cargo instead of one of the existing stevedores or freight handlers:

Due to the heavily regulated oil & gas industry, our core customers are typically very specific in who they allow to handle their cargo. That is not to say that existing freight handlers cannot succesfully handle this cargo, however these oil & gas companies limit their exposure by partnering with companies like Pe Ben to mitigate risk since we are very knowledgable about the industry specfications required by governing bodies.

11. How much new business does applicant have under contract to handle in the Port of Corpus Christi during the next twelve months? 161,417 NT
Please describe the cargo:

42"x .600 & 42" x .720 Steel Pipe

NOTE: If this is proprietary information, please provide this information orally to the Port's Executive Director, Chief Operating Officer, or Chief Commercial Officer. Failure to demonstrate that the applicant has a contractual commitment to bring new cargo to the Port of Corpus Christi (i.e., cargo that is not currently being handled in the Port) may result in the denial of the application.

12. Will the applicant maintain an office in Nueces or San Patricio County? Yes___ No X
If "Yes," what is the address of this office: _____
Who will supervise the applicant's operations in the Port of Corpus Christi? Name: Jimmy Gregory
Please describe the supervisor's experience in the stevedoring and/or freight handling business: _____
Jimmy is our VP of Operations and has over 15 years of field experience int he pipeline industry.

13. Please provide any other information about the applicant you deem relevant to this application:

Pe Ben USA, Inc. has the resources and industry relationionships that can bring in new busines to the POCC that otherwise might not have considered the Port as an option. We only seek to utilize our expertise in the steel pipe industry and do not intend to be involved in handling any other commodities. We want to provide our customers with the numerous available options within the POCC while giving them the experience and peace of mind that they currently have with our company. We feel this will not only add to the already respected reputation of the port, but also bring in additional business opportunites.

Signature Page follows this Page

In the event this license application is approved and license granted, the applicant agrees to abide by the provisions of the Port of Corpus Christi Authority Tariff 100-A, changes thereto and reissues thereof. Applicant understands and agrees that in order for a license to be granted, the applicant must have a Port Authority approved Environmental Management System in place. The Port Authority will assist a licensee in developing and implementing an EMS upon licensee's request. At a minimum, licensee's EMS must comply with the Authority's EMS requirements which are outlined in the *EMS Compliance Requirements for Port Users Environmental Performance* located on the Authority website at www.portofcorpuschristi.com.

The person whose signature appears below on behalf of the applicant declares that he or she has read this application, understands its contents to be true and factual, and is authorized to sign on behalf of the applicant.

Signed this 6th day of April, 2018

On behalf of Pe Ben USA, Inc.
(TYPE OR PRINT NAME OF APPLICANT)

By: _____

Printed Name: Dustin Mykyte

Title: President

LICENSE APPROVED AND GRANTED

The Port Commission of the Port of Corpus Christi Authority approved the foregoing license application at its public meeting held on the ___ day of _____, 20___. Accordingly, the applicant is hereby granted a license to perform the services described in the application during the reminder of the calendar year 201___, with the following limitations, if any: _____

_____

_____.

Signed this _____ day of _____, 20___

On behalf of the Port of Corpus Christi Authority

By: _____

Printed Name: _____

Title: Chief Commercial Officer

PE BEN USA, INC. AND AFFILIATES

COMBINED FINANCIAL STATEMENTS

DECEMBER 31, 2016 AND 2015

(With Independent Auditor's Report Thereon)

Insight. Oversight. Foresight.℠

DoerenMayhew
CPAs AND ADVISORS

PE BEN USA, INC. AND AFFILIATES

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DoerenMayhew
CPAs AND ADVISORS

One Riverway, Ste. 1200
Houston, Texas 77056
713.789.7077
doeren.com

INDEPENDENT AUDITOR'S REPORT

To the Shareholders and Members
of **Pe Ben USA, Inc. and Affiliates**

Report on the Combined Financial Statements

We have audited the accompanying combined financial statements of Pe Ben USA, Inc. and Affiliates, which comprise the combined balance sheets as of December 31, 2016 and 2015, and the related combined statements of income and comprehensive income, changes in shareholders' equity and members' equity, and cash flows for the years then ended, and the related notes to the combined financial statements.

Management's Responsibility for the Combined Financial Statements

Management is responsible for the preparation and fair presentation of these combined financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of combined financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these combined financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the combined financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the combined financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the combined financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the combined financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the combined financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

DoerenMayhew

Opinion

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of Pe Ben USA, Inc. and Affiliates at December 31, 2016 and 2015, and the combined results of their operations and their cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Houston, Texas
April 28, 2017

PE BEN USA, INC. AND AFFILIATES

COMBINED BALANCE SHEETS
DECEMBER 31, 2016 AND 2015

Assets	2016	2015
Current assets:		
Cash and cash equivalents (Notes 2 and 11)	$ 4,679,145	$ 496,966
Restricted cash and cash equivalents (Notes 2 and 11)	470,000	470,000
Accounts receivable, trade (Notes 2 and 14)	6,074,782	3,595,795
Tax refund receivable	128,798	-
Advances to related parties (Note 4)	79,003	14,178
Cost and estimated earnings in excess of billings on uncompleted contracts (Note 3)	54,710	901,202
Prepaid expenses	1,614,958	812,044
Other assets	193,557	766,041
Total current assets	13,294,953	7,056,226
Property and equipment, net (Notes 6 and 8)	16,370,302	6,211,060
Other assets:		
Goodwill, net (Note 2)	69,000	80,500
Deposits	166,966	70,700
Deferred taxes (Note 5)	864,875	514,297
Total other assets	1,100,841	665,497
Total assets	$ 30,766,096	$ 13,932,783
Liabilities, Shareholders' Equity and Members' Equity		
Current liabilities:		
Accounts payable, trade	$ 886,424	$ 752,220
Accrued liabilities	2,236,315	1,702,510
Due to shareholder	405,846	117,102
Line of credit (Note 7)	-	3,200,000
Notes payable, current portion (Note 8)	2,867,739	320,602
Billings in excess of costs and estimated earnings on uncompleted contracts (Note 3)	205,735	430,603
Income taxes payable	-	21,116
Pension withdrawal liability, current portion (Note 15)	980,832	951,880
Total current liabilities	7,582,891	7,496,033
Long-term liabilities:		
Notes payable, long-term portion (Note 8)	9,091,778	1,659,766
Pension withdrawal liability, long-term portion (Note 15)	1,708,809	2,695,203
Total long-term liabilities	10,800,587	4,354,969
Total liabilities	18,383,478	11,851,002
Shareholders' equity and members' equity:		
Common stock (Note 10)	4,008,079	5,598,700
Preferred stock (Note 10)	2,162,879	2,162,879
Retained earnings (deficit) (Note 10)	5,117,488	(5,988,976)
Accumulated other comprehensive loss	(173,794)	(105,550)
Members' equity	1,267,966	414,728
Total shareholders' equity and members' equity	12,382,618	2,081,781
Total liabilities and shareholders' equity and members' equity	$ 30,766,096	$ 13,932,783

See independent auditor's report and accompanying notes to combined financial statements.

PE BEN USA, INC. AND AFFILIATES

COMBINED STATEMENTS OF INCOME AND COMPREHENSIVE INCOME
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Sales (Notes 2 and 14)	$ 67,465,507	$ 29,884,079
Cost of sales	49,551,151	24,468,808
Gross profit	17,914,356	5,415,271
General and administrative expenses	6,152,482	5,168,269
Net income from operations	11,761,874	247,002
Other income (expense):		
Interest expense	(771,904)	(479,051)
Interest income	6,712	15,811
Gain on asset disposition	391,151	94,262
Miscellaneous income	5,349	41,557
Amortization of goodwill (Note 2)	(11,500)	(11,500)
Penalties and fines	(6,850)	(2,316)
Foreign currency transaction gain (Note 14)	-	416,936
Pension withdrawal adjustment (Note 16)	-	813,181
Total other income (expense)	(387,042)	888,880
Net income before taxes	11,374,832	1,135,882
Income tax provision (Note 5)	591,047	189,458
Net income	11,965,879	1,325,340
Other comprehensive loss:		
Unrealized losses on foreign currency translation	(68,244)	(245,478)
Total comprehensive income	$ 11,897,635	$ 1,079,862

See independent auditor's report and accompanying notes to combined financial statements.

PE BEN USA, INC. AND AFFILIATES

COMBINED STATEMENTS OF CHANGES IN SHAREHOLDERS' EQUITY AND MEMBERS' EQUITY
YEARS ENDED DECEMBER 31, 2016 AND 2015

	Common Stock		Preferred Stock		Retained Earnings	Accumulated Other Comprehensive	Members'	
	Shares	Balance	Shares	Balance	(Deficit)	(Loss) Gain	Equity	Total
Balance, January 1, 2015	201,000	$ 4,008,079	-	$ -	$ (7,285,906)	$ 139,928	$ 386,318	$ (2,751,581)
Net income	-	-	-	-	1,296,930	-	28,410	1,325,340
Shares of stock issued in exchange for redemption of shareholder note payable (Note 10)	31,810	1,590,621	3,000,249	2,162,879	-	-	-	3,753,500
Effect of foreign currency translation	-	-	-	-	-	(245,478)	-	(245,478)
Balance, December 31, 2015	232,810	$ 5,598,700	3,000,249	$ 2,162,879	$ (5,988,976)	$ (105,550)	$ 414,728	$ 2,081,781
Net income	-	-	-	-	11,112,641	-	853,238	11,965,879
Conversion of shares of stock into shareholder note payable (Note 10)	(31,810)	(1,590,621)	-	-	-	-	-	(1,590,621)
Distributions	-	-	-	-	(6,177)	-	-	(6,177)
Effect of foreign currency translation	-	-	-	-	-	(68,244)	-	(68,244)
Balance, December 31, 2016	201,000	$ 4,008,079	3,000,249	$ 2,162,879	$ 5,117,488	$ (173,794)	$ 1,267,966	$ 12,382,618

See independent auditor's report and accompanying notes to combined financial statements.

PE BEN USA, INC. AND AFFILIATES

COMBINED STATEMENTS OF CASH FLOWS
YEARS ENDED DECEMBER 31, 2016 AND 2015

	2016	2015
Cash flows from operating activities:		
Net income for the year	$ 11,965,879	$ 1,325,340
Adjustments to reconcile net income to net cash provided by (used in) operating activities:		
Depreciation	1,911,235	939,714
Amortization	11,500	11,500
Bad debt expense	-	23,250
Gain on asset disposition	(391,151)	(94,262)
Foreign currency transaction gain	-	(416,936)
Pension withdrawal adjustment	-	(813,181)
(Increase) decrease in:		
Accounts receivable, trade	(2,478,987)	(2,753,127)
Tax refund receivable	(128,798)	-
Cost and estimated earnings in excess of billings	846,492	(901,202)
Prepaids and other current assets	(230,430)	(890,407)
Deposits	(96,266)	(14,656)
Deferred tax asset	(350,578)	(129,520)
Increase (decrease) in:		
Accounts payable, trade	134,204	401,590
Accrued liabilities	533,805	1,105,006
Billings in excess of costs and estimated earnings	(224,868)	430,603
Income taxes payable	(21,116)	(42,917)
Pension withdrawal liability	(957,442)	(923,782)
Net cash provided by (used in) operating activities	10,523,479	(2,742,987)
Cash flows from investing activities:		
Property and equipment additions	(875,735)	(215,240)
Proceeds from the sale of assets	975,000	246,797
Advances to related parties	(64,825)	(5,350)
Net cash provided by investing activities	34,440	26,207
Cash flows from financing activities:		
Proceeds from line of credit	-	6,585,000
Repayments on line of credit	(3,200,000)	(3,385,000)
Due to shareholders	(1,301,877)	(169,181)
Distributions to shareholders	(6,177)	-
Proceeds from notes payable	-	635,000
Repayments on notes payable	(1,807,349)	(474,102)
Net cash (used in) provided by financing activities	(6,315,403)	3,191,717
Net increase in cash and cash equivalents	4,242,516	474,937
Effect of foreign currency translation	(68,244)	(245,478)
Cash and cash equivalents - beginning of year	966,966	737,507
Cash and cash equivalents - end of year	$ 5,141,238	$ 966,966

See independent auditor's report and accompanying notes to combined financial statements.

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: Sam Esquivel, Real Estate Services Manager
Sam@pocca.com
(361) 885-6140

Approve a Temporary Access Easement for a Dredge Pipeline to the Tule Lake Dredge Material Placement Area in connection with the Tule Lake Lift Bridge Foundation Removal Project

SUMMARY: PCCA staff is requesting approval for a Temporary Access Easement for a dredge pipeline to the Tule Lake Dredge Material Placement Area in connection with the Tule Lake Lift Bridge Foundation Removal Project. The Temporary Access Easement will grant the PCCA, its contractors and subcontractors, temporary access and right-of-way for the temporary installation and operation of dredge pipeline crossing under Citgo's property located at Citgo Oil Dock 3. The term of the Temporary Access Easement expires at the first to occur, removal of the dredge pipelines or 180 days from the effective date of the Temporary Access Easement.

BACKGROUND: At the November 15, 2016 meeting, the Port Commission approved a construction contract to Weeks Marine, Inc., (Weeks) for the Tule Lake Lift Bridge Foundation Removal project. The project scope of work includes the complete removal of the north and south bridge abutments, bridge fendering system, and the partial removal of the north and south bridge main pier structures and their supporting piles above elevation -68' MLT (mean low tide). In addition, the scope of works includes dredging a 1,200' reach of the ship channel to widen the channel from 200' to 300' and to deepen to -47' MLT. The dredge material will be placed in the Tule Lake Dredge Material Placement Area.

ALTERNATIVES: N/A.

CONFORMITY TO PORT POLICY: This project is consistent with the PCCA Strategic Plan (Strategic Goal #2 – Provide facilities and services to meet customer needs to provide surface infrastructure and services to support maritime and industrial development).

EMERGENCY: N/A

FINANCIAL IMPACT: None

222 Power Street 78401 | PO Box 1541 78403 | Corpus Christi, Texas | T 361 882 5633 F 361 882 7110 | portofcorpuschristi.com

STAFF RECOMMENDATION: Staff recommends approval of the Temporary Access Easement for a dredge pipeline to the Tule Lake Dredge Material Placement Area in connection with the Tule Lake Lift Bridge Foundation Removal Project.

DEPARTMENTAL CLEARANCES:

Originating Department	Real Estate Department
Reviewed & Approved	Sam Esquivel
Legal	Jimmy Welder
Senior Staff	Sean Strawbridge John LaRue Kent Britton

LIST OF SUPPORTING DOCUMENTS:

Memo Exhibit
Temporary Access Easement

Approve a Temporary Access Easement for a Dredge Pipeline to the Tule Lake Dredge Material Placement Area in connection with the Tule Lake Lift Bridge Foundation Removal Project

TEMPORARY ACCESS EASEMENT FOR
TULE LAKE LIFT BRIDGE FOUNDATION REMOVAL PROJECT

State of Texas §
§ **Know All Men by these Presents:**
County of Nueces §

That **CITGO Refining and Chemicals Company, L.P.**, a Delaware limited partnership ("***Grantor***"), for and in consideration of the sum of Ten Dollars ($10.00), the covenants contained herein, and other good and valuable consideration does hereby GRANT and CONVEY unto the **Port of Corpus Christi Authority of Nueces County, Texas** ("***Grantee***"), and its contractors and subcontractors, a temporary access easement and right-of-way ("***Temporary Easement***") for the temporary installation and operation of a dredge pipeline ("***Dredge Pipeline***") crossing under Grantor's property in Nueces County, Texas, shown on **Exhibit A** attached hereto (the "***Grantor's Property***"), subject to the following terms and condition:

1. The Dredge Pipeline shall be used to transport dredge material from the Tule Lake Lift Bridge Foundation Removal Project to the Tule Lake Dredge Material Placement Area located just south of Grantor's Property and for no other purpose.

2. The Dredge Pipeline shall be installed by pulling it through one of the barrels of the multi-barrel box culvert ("***Culvert***") located on Grantor's Property. In the event Grantee is unable to install the Dredge Pipeline in the Culvert without accessing Grantor's Property above the Culvert, then Grantee shall have temporary access to Grantor's Property solely for the purpose of installing the Dredge Pipeline through the Culvert. Installation of the Dredge Pipeline will be performed in a manner that will not interfere with any loading or unloading operations at CITGO's Oil Dock 3.

3. Grantee shall remove the Dredge Pipeline from the Culvert as soon as reasonably practicable once the dredging for the Tule Lake Lift Bridge Foundation Removal Project has been completed. In the event, Grantee is unable to remove the Dredge Pipeline from the Culvert without accessing Grantor's Property above the Culvert, then Grantee shall have temporary access to Grantor's Property solely for the purpose of removing the Dredge Pipeline from the Culvert. Removal of the Dredge Pipeline will be performed in a manner that will not interfere with any loading or unloading operations at CITGO's Oil Dock 3.

4. Grantee will provide Grantor with reasonable advance notice prior to installing, removing or repairing the portion of the Dredge Pipeline in the Culvert. To the extent feasible, each such notice will be given at least three days in advance.

5. The effective date of this Temporary Easement is the execution date specified immediately preceding the signatures of the parties hereto ("***Effective Date***"). This Temporary Easement will become null and void if Grantee, or it contractor or subcontractor, has not begun installing the Dredge Pipeline in the Culvert within ninety days after the Effective Date. If this Temporary Easement does not terminate pursuant to the preceding sentence, it shall terminate on the first to occur of the following: (1) the removal of the Dredge Pipeline as described in paragraph 3, or

(2) one hundred eighty days after the Effective Date unless Grantor agrees in writing to extend the term of this Temporary Easement.

6. Grantee represents and warrants to Grantor that it has all required federal and state permits necessary to conduct the dredging operations contemplated for the Project and to place this dredge material in the Tule Lake Dredge Material Placement Area.

7. Grantee shall promptly repair, at its sole expense, any damages to the Culvert that occur in connection with the installation, operation or repair of the Dredge Pipeline.

8. Weeks Marine, Inc., is Grantee's contractor for the Project ("***Contractor***"), and the Contractor has engaged a subcontractor ("***Subcontractor***") to perform the dredging required for the Project. Grantor understands and agrees that the Contractor or the Subcontractor may perform some or all of Grantee's obligations hereunder, but that Grantee shall be required to perform any such obligations that the Contractor or Subcontractor fail to perform.

9. **To the extent allowed by Texas law, Grantee shall indemnify and hold harmless Grantor and its officers and employees from and against all claims and damages of any kind whatsoever (except against loss or liability for damage that is caused by or results from the sole or concurrent negligence of Grantor, its agents, employees, invitees, or an independent contractor directly responsible to Grantor), including damages to persons and property of Grantor, arising or resulting from the acts or omissions of Grantee, the Contractor or the Subcontractor while exercising the Grantor's rights under this Temporary Easement. If Texas law prohibits Grantee from indemnifying Grantor, Grantee will nonetheless pay for all damages caused by its negligent acts or omissions or the negligent acts or omissions of Contractor or Subcontractor in the installation, operation, or removal of the Dredge Pipeline.**

10. Grantor and Grantee agree that this Temporary Easement contains the entire agreement between the Grantor and Grantee with respect to the subject matter hereof, and that all prior oral agreements relating to the Temporary Easement are merged into this Temporary Easement, and that no modification or amendment hereto shall be effective unless made in writing and signed by the Grantor and a duly authorized representative of Grantee.

11. The contract persons for the parties for purposes of this Temporary Easement are as follows:

Grantor's contact: _____ Phone: 361._____
Grantee's contact: _____ Phone: 361._____

12. Signatures on electronic or scanned signature pages shall be deemed original signatures. This Temporary Easement may be executed in one or more counterparts, including electronic counterparts, each of which shall, for all purposes, be deemed an original, and all such counterparts, taken together, shall constitute one and the same instrument.

[Signature Page follows this Page]

Executed this ___ day of May, 2018.

CITGO REFINING AND CHEMICALS COMPANY, L.P.

By: _____
Name: _____
Title: _____

PORT OF CORPUS CHRISTI AUTHORITY OF NUECES COUNTY, TEXAS

By: _____
Sean C. Strawbridge
Chief Executive Officer

564

EXHIBIT A

GRANTOR'S PROPERTY

PORT CORPUS CHRISTI

AGENDA MEMORANDUM

Action Item for Port Commission Meeting of May 15, 2018

DATE: May 15, 2018

TO: Port Commission

FROM: David L. Krams, P.E.
Director of Engineering Services
Krams@pocca.com
(361) 885-6134

Sarah L. Garza
Director of Environmental Planning & Compliance
sarah@pocca.com
(361) 885-6163

ANTICIPATED STAFF PRESENTER: Dan Koesema, P.E., CFM
Chief of Channel Development

Approve a Master Services Agreement and Service Order No. 1 with AECOM Technical Services, Inc. for a Feasibility Study and Environmental Impact Statement for a 75-foot Deepening Project for the Corpus Christi Ship Channel System.

SUMMARY: Due to the significantly increased market interest in Very Large Crude Carrier facilities in Texas to handle Permian and Eagle Ford crude slates, Staff requests approval of the attached Master Services Agreement with AECOM Technical Services, Inc. and approval of Service Order No. 1 to prepare a Feasibility Study, Environmental Impact Statement, and ultimately receiving the U.S. Army Corps of Engineers (USACE) requisite permits for a 75-foot deepening project in order to achieve the only onshore VLCC compliant facilities in the U.S. Gulf.

BACKGROUND: The U.S. Army Corps of Engineers will soon commence physical construction of the Corpus Christi Ship Channel Improvement Project to widen and deepen the Corpus Christi Ship Channel from -47 feet to -54 feet. However, the -54-foot depth will not be sufficient to allow for fully loaded Very Large Crude Carriers (VLCC) to access the Port without lightering. With increasing crude oil production in the Permian Basin and continued investments in new pipelines, docks, tanks, and facilities to transport the crude, the Port of Corpus Christi has emerged as the prime destination for crude export, and there has been a push from industry to further deepen the channel.

In order for PCCA to deepen the channel to -75 feet, a Feasibility Study and Environmental Assessment up to the level of an Environmental Impact Statement is required to be submitted to the USACE for their issuance of the requisite permit.

Staff negotiated the attached Master Services Agreement and its Service Order No. 1 with AECOM Technical Services, Inc. to prepare the necessary studies, which generally include:

- Engineering
- Hydrodynamic Modeling
- Cost Estimating
- Economic Evaluation
- Real Estate Documentation
- Section 408 for Alteration of a Federal Channel
- Section 204(f) for Federal Assumption of Maintenance
- Permit Approval

The Master Services Agreement provides the general terms, conditions, insurance, etc. for this and any subsequent service orders that may be issued to AECOM Technical Services, Inc., during the three-year term of the Master Services Agreement.

ALTERNATIVES: N/A

CONFORMITY TO PORT POLICY: The project conforms to the PCCA's Strategic Plan (Strategic Goal #2 – Provide Facilities and Services to Meet Customer Needs).

EMERGENCY: No. However, market forces are expecting action from the PCCA.

FINANCIAL IMPACT: The 2018 budget did not include funds associated with the project.

STAFF RECOMMENDATION: Staff recommends approval of the attached Master Services Agreement with AECOM Technical Services, Inc. and approve Service Order No. 1 to prepare a Feasibility Study and Environmental Impact Statement for a 75-foot deepening project for the Corpus Christi Ship Channel System.

DEPARTMENTAL CLEARANCES:

Originating Department	Engineering Services
Reviewed & Approved	David Krams Dan Koesema Paul Carangelo Sarah Garza
Legal	PCCA's Standard Master Services Agreement & Service Order
Senior Staff	Sean Strawbridge - CEO Dennis DeVries - CFO Lynn Angerstein - Procurement