



PORT OF GUAM

ATURIDAT I PUETTON GUAHAN

Jose D. Leon Guerrero Commercial Port

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Lourdes A. Leon Guerrero
Governor of Guam

Joshua F. Tenorio
Lieutenant Governor

REGULAR MEETING OF THE BOARD OF DIRECTORS

Jose D. Leon Guerrero Commercial Port

Thursday, July 14, 2022

Virtual Board Meeting

3:00 p.m.

A G E N D A

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES
 1. June 16, 2022 – Regular Board Meeting
- III. PUBLIC COMMENTS:
 - a. Public Comments
 - b. Employee Comments
 - c. PAGGMA Association
- IV. GENERAL MANAGER’S REPORT (deferred to Old/New Business Items)
- V. OLD BUSINESS
- VI. NEW BUSINESS
 1. Resolution No. 2022-15 relative to authorizing the General Manager to explore and pursue the benefits of becoming a member of the International Association of Ports and Harbors (IAPH) and report findings to the Board of Directors
- VII. ADJOURNMENT



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**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, June 16, 2022**

I. CALL TO ORDER

There being a quorum, the regular meeting of the Board of Directors was called to order at 3:02 p.m., Thursday, June 16, 2022. Present at the meeting were:

Francisco G. Santos, Chairman
Dorothy P. Harris, Board Member
Dr. Judith P. Guthertz, Board Member
Conchita S.N. Taitano, Board Member
Rory J. Respicio, General Manager
Dominic G. Muna, Deputy General Manager, Operations
Luis R. Baza, Deputy General Manager, Admin/Finance
Atty. Christine K. Claveria, Port Counsel

Also present was Port Staff.

II. ELECTION OF OFFICERS

Vice Chairperson & Board Secretary

Director Guthertz made motion to nominate Dorothy P. Harris as Vice Chairperson and Dr. Judith P. Guthertz as Board Secretary. Motion seconded by Director Harris and was unanimously approved.

III. APPROVAL OF MINUTES

a. **April 28, 2022 – Regular Board Meeting:** Director Guthertz made motion to approve the minutes of April 28, 2022, subject to correction. The motion was seconded by Director Taitano and was unanimously passed.

IV. PUBLIC COMMENTS

- a. **Public Comments:** None.
- b. **Employee Comments:** None.
- c. **PAGGMA Association:** PAGGMA Vice President Steve Muna mentioned that the association is currently working on the liberation float as well as working with the Human Resources Division to recognize port employees for their hardwork and dedication.

V. GENERAL MANAGER'S REPORT

1. **Board Appointment to the Port Board of Directors.** On March 11, 2022, Governor Lou Leon Guerrero appointed Ms. Conchita S.N. Taitano to fill the seat of Ms. Isa Marie C. Koki, whose term has expired. We proudly announce and welcome Ms. Taitano to the Port Authority Board of Directors as she received legislative confirmation on June 2, 2022. Congratulations Ms. Taitano.
2. **General Manager's Notes for YTD Finances.** We are providing the following summary for April and May 2022:

For May 31, 2022, Year-to-Date Finances:

REVENUES AND CARGO THROUGHPUT:

- The Port's Total YTD Operating revenue for May 31, 2022, is \$38.3 million, 3.0% or \$1.1 M higher than the YTD April FY 22 budget projection of \$37.2M.
- The total number of containers handled as of May 31, 2022, is 58,005, which is 3.3% or 1,847 containers higher than last year's May 2021 total of 56,158.

OPERATING EXPENSES:

- Overall YTD Operating expense, as of May 31, 2022, is \$33.3 M, which is 3.5% lower than the YTD budget as of May of \$34.5M, or \$1.2 M in YTD cost avoidances.

OVERTIME EXPENSE AND DIRECT LABOR REVENUE:

- Overtime YTD for Divisions involved in Operations is \$1,227,545 which is 40% or \$353K higher than the YTD overtime budget of \$874,448. The OT for May is \$156K, which is 6% or \$10,645 lower than the overtime for April.

Direct Labor reimbursement is \$2.6 million, which is 17.7% or \$389K higher than the FY22 budget of \$2.2M.

Here is the breakdown:

Direct Labor Revenue:	\$ 2,592,676
Operations Overtime:	\$ 1,227,545
Variance:	\$ 1,365,131

YTD OPERATING REVENUES MINUS YTD EXPENSES:

- Operating revenues minus operating expenses resulted in an operating income of \$4.9 million. The final result for May is a net income of \$16.5 million, after adding a net

of Other Income/Expenses totaling \$11.5M. In February, the Port received \$15 million from the American Rescue Plan Act 2021 Fiscal Recovery Funds.

Note: \$11.5M is a net balance of Other Income and Expense composed of Interest Income, Interest Expense, Federal Reimbursements, Federal Expenses, Retirees COLA, Supplemental, Medical and Dental, and Other Non-Operating Income & Expenses.

Other Financial Highlights, as of May 31, 2022:

- The debt service ratio as of May 31, 2022, is 1.83. This is 46% higher than the Bond Indenture Debt service ratio requirement of 1.25.
- Days Cash on Hand is 1,017 days, 104% or 518 days higher than the 500 days requirement of Moody's Rating agency.

DEBT SERVICE RATIO - MAY 2022

Projected Annual Debt Service Coverage	1.83
Debt Service Coverage Requirement	1.25
Variance	.58
% Above the Indenture Requirement	46%

For April 30, 2022, Year-To-Date Finances:

REVENUES AND CARGO THROUGHPUT:

- The Port's Total YTD Operating revenue for April 30, 2022, is \$33.7 million, 3.4% or \$1.1 M higher than the YTD April FY 22 budget projection of \$32.5M.
- The total number of containers handled as of April 30, 2022, is 51,072, which is 3.5% or 1,717 containers higher than last year's April 2021 total of 49,355.

OPERATING EXPENSES:

- Overall YTD Operating expense, as of April 30, 2022, is \$30.0 M, which is 4.1% lower than the YTD budget as of April of \$30.2M, or \$1.2 M in YTD cost avoidances.

OVERTIME EXPENSE AND DIRECT LABOR REVENUE:

- Overtime YTD for Divisions involved in Operations is \$1,070,974, 40% or \$306K higher than the YTD overtime budget of \$765,142. The overtime for April is \$167K, 19% or \$27,261 higher than the overtime for March.

Direct Labor reimbursement is \$2.3 million, which is 20.2% or \$389K higher than the FY22 budget of \$1.9M.

Here is the breakdown:

Direct Labor Revenue:	\$ 2,317,465
Operations Overtime:	<u>\$ 1,070,974</u>
Variance:	\$ 1,246,491

YTD OPERATING REVENUES MINUS YTD EXPENSES:

- Operating revenues minus operating expenses resulted in an operating income of \$4.7 Million. The final result for April is a net income of \$16.2 million, after adding a net of Other Income/Expenses totaling \$11.5M. In February, the Port received \$15 million from the American Rescue Plan Act 2021 Fiscal Recovery Funds.

Note: \$11.5M is a net balance of Other Income and Expense composed of Interest Income, Interest Expense, Federal Reimbursements, Federal Expenses, Retirees COLA, Supplemental, Medical and Dental, and Other Non-Operating Income & Expenses.

Other Financial Highlights, as of April 30, 2022:

- The debt service ratio as of April 30, 2022, is 1.95. This is 56% higher than the Bond Indenture Debt service ratio requirement of 1.25.
- Days Cash on Hand is 1,022 days, 104% or 522 days higher than the 500 days requirement of Moody's Rating agency.

DEBT SERVICE RATIO - APRIL 2022

Projected Annual Debt Service Coverage	1.95
Debt Service Coverage Requirement	1.25
Variance	.70
% Above the Indenture Requirement	56%

3. **Port Donates Face Masks to Schools.** On May 2, 2022, the Port donated more than 25,000 3M masks to five southern elementary and middle schools. The recipients on behalf of each school who received twelve boxes amounting to 6,000 masks were: Inarajan Elementary School Principal, Inarajan Middle School Principal Derrick Santos, Merizo Martyrs Memorial School Counselor Cabrini Rivera, Talofoto Elementary School Acting Principal Mike Perez, and MU Lujan Elementary School Principal Elias Taisipic received five boxes of 3M masks accounting for 2,500 masks. Giving masks to our children so they may continue to remain safe as we navigate the COVID-19 pandemic together shows how much our Port employees care about our community. The Port Strong Spirit shines so brightly when we continue giving back to Guam's people. Many thanks to the Port staff who helped organize this event on behalf of all PAG employees.

4. **Port Police Arrest Man on Drug Charges.** On May 18, 2022, Port Police held a joint federal and local law enforcement operation to conduct surprise regulatory inspections of all containers coming into and out of the Port terminal. Port Police were joined by officials from the U.S. Coast Guard and Guam Customs for the Multi-Agency Strike Force Operation (MASFO). Inspections were made to detect narcotics and hazardous materials and proper safety protocols. During the operation, Port Police Officers searched the cab of a semi-truck in the outbound area of the terminal when they discovered a small resealable plastic bag that allegedly contained crystal methamphetamine, also known as "ice." They also reportedly found drug paraphernalia. Officials from the U.S. Coast Guard conducted a field test with the substance in the small clear bag and the paraphernalia, and the items resulted in a presumptive positive for methamphetamines. The amount of illegal drugs allegedly discovered was reflective of personal use only. Kyle Marcus Cruz, 31, of Dededo, was booked and released in connection with possession of a Schedule II controlled substance.

Most notably, no evidence exists that drugs are coming through the Port Authority of Guam. We will continue to work with all local and federal law enforcement partners on these random and routine inspections. We will do everything possible to keep the Port safe and continue this Administration's efforts to secure our borders.

5. **Guam Power Authority - Interruptible Load.** On May 23, 2022, Mr. John Benavente, General Manager, Guam Power Authority (GPA), reached out to the Port seeking assistance with power generation due to the high peak demand between 6 pm to 10 pm. With two base load units down for the next several days, GPA wanted to avoid any possible power disruption to its customers. In doing so, the Port was to isolate from the GPA grid, which would help distribute power to the island community. The Port had isolated from GPA grid using Load Centers 2 thru 5 from May 24 to June 13.

6. **Canteen Demolition & Retaining Wall Along Route 11.** Former tenant AR Sunriser Canteen/Catering Restaurant contracted the work with UMS Heavy Equipment Company. Still, this project could not proceed with demolishing the canteen and retaining wall along Route 11 due to financial reasons. The canteen structure lays atop pipelines (underground) owned by Tristar, which is a matter of significant concern to both PAG and Tristar. We then

engaged with Tristar on the possibility of exercising the provision under the F-1 Management Agreement that will allow Tristar to engage with UMS in completing the demolition of the structure and retaining wall. Tristar agreed to this approach. PAG issued the notice to proceed on May 13, 2022, in the project amount of \$16K, a cost shared between Tristar and the Port. This derelict building and adjacent retaining wall was demolished on May 25, 2022.

7. **Meetings with Department of Defense Officials in Hawaii and D.C.** From May 20-26, 2022, Chief Planner Joe Javellana, CIP Coordinator Clarence Lagutang, and I held meetings with the following:

- **U.S. Army Corps of Engineer** - Nani Shimabuko, Project Manager, and Jennifer Moore, Program Manager
 - Discussed upcoming Army Corps projects in Guam and closely coordinated with PAG. PAG and USACE partnership in maintaining safe ports navigation and flood control is critical to support all watercraft's usage

- **Homeland Security Protective Services** - James Cruz, DHS Protective Officer
 - Discussed the Regional Resiliency Assessment Report (RRAP) and the need for the Port to have this kind of high-level, critical assessment of the Port. We partnered with the Commonwealth Port Authority and submitted one grant application. Grant was awarded recently, and we are working on the next steps to execute this grant.
 - PAG was nominated by Cybersecurity & Infrastructure Security Agency (CISA).
 - PAG was selected and will be awarded the RRAP that will result in receiving funds to perform a robust assessment of cybersecurity impact across all CIS and provide solutions that will build cyber/physical resilience and economic sustainability.

- **Senate Armed Services Committee** - Congresswoman Madeleine Bordallo, Senator Jack Reed (Chairman, Senate Armed Services Committee)
 - We discussed with Senator Reed's Legislative Director and staff the PAG's critical need for gantry cranes and exempting Guam from Buy America Act.

- **Naval Facilities Engineering Command Headquarters** - Congresswoman Madeleine Bordallo, Rear Admiral Korka; Commander Jennifer La Torre, Business Director; Andy Sanders – Legal; Katherine Langbeine, Congressional Liaison; Dave Curfman, Chief Engineer; Cindy Readal, Contracting Officer; Captain Omar Tobias, Executive Officer; Captain Dan Turner, Operations
 - We discussed Guam Port's critical role in the buildup and DoD's support for Port to obtain three (3) gantry cranes. We advocated on the Port's behalf to include the need for the Port to be ready for the Military's Readiness program to succeed. We

also discussed how the Port could support current and future DoD missions that Port facilities can be utilized for both military and commercial use, namely:

- Area A
 - Hotel Wharf
 - Golf Pier
 - F-1
- We also discussed the Port's critical role in the National Defense and contingency support as to how the Port can meet the Navy's needs by providing the necessary funding to increase the Port's capacity.
- **Defense Logistics Agency Headquarters** - Congresswoman Madeleine Bordallo, Vice Admiral Michelle Skubic, Director; Brad Bunn, Vice Director; Rear Admiral Doug Noble, Director, Operations J3; John Miller, Legislative Affairs; Marty Binder; Strategic Initiative Group; Ruth Vetter, General Counsel
 - We discussed Guam Port's critical role in the Indo-Pacific area of responsibility and DLA's support for the Port to obtain three (3) gantry cranes. We advocated on the Port's behalf to include how the Port can support its current and future DLA's missions. Specifically, the Port's facilities can be utilized to fuel/de-fuel waterborne assets, and load/unload cargo.
 - Area A can be utilized by DLA contractor (Tristar) to expand POL storage and handling of fuel to support DoD mission.
 - Hotel Wharf to support future DLA mission for cargo/military assets handling.
8. **Maritime Response to Infectious Disease - Ebola Full Scale Exercise.** A MRID Ebola Full Scale Exercise took place on June 1-3, 2022. This exercise involved a suspected infectious disease (Ebola) case at the Port Authority. The U.S. Coast Guard spearheaded this exercise, with agency representatives from the Office of the Governor, Guam Homeland Security, Department of Public Health and Social Services, Guam Fire Department, Guam Memorial Hospital, Guam Police Department, the Port, and Guam Environmental Protection Agency.
9. **GCC Summer Program Tour.** Students from Guam Community College Summer Transportation Institute toured the Port facilities on June 9, 2022. Twenty-two (22) middle-school students and two instructors participated in the tour. The students got a first-hand look at the Port's operations. They went dockside to view the gantry cranes and wharves where operations occur. They could see the different sections within the terminal facilities, i.e., maintenance, gatehouse, CFS, reefer section, and walked along F5. This program is a federally funded program sponsored by U.S. Department of Transportation's Federal Highway Administration. The purpose of the program is to expose participants to the different sectors of transportation that include air, land, sea, and safety components of the industry in hopes of generating interest and developing a career path for these individuals in this field.

10. **PAG Citizen-Centric Report.** The Port released its annual Citizen-Centric Report on June 14, 2022. This report gives the public a glimpse into the Port's FY 2021 progress compared to previous years and provides an overall performance review to include our current challenges and future outlook. With it, we aim to provide transparency of the Port to our stakeholders and the community we serve. According to the report, operating revenues increased 0.7% in FY2021 by \$432K, from \$54.7M in FY 2020 to \$55.1M in FY 2021. Total operating expenses increased by \$2.6M, from \$55.7M in FY 2020 to \$58.3M in FY 2021, or 4.6%. This increase was largely due to a rise in post-employment benefits and pension costs. Despite the struggles brought on by the COVID-19 pandemic, the Port showed an increase in handling container cargo and non-containerized cargo at 1.9% and 11.8%, respectively. Other improvements reflected in the report include a reduction of time spent by a vessel at the port's waterfront and higher crane productivity. In FY 2021, the Port received a low-risk auditee designation for the third consecutive year. Moody's Investors Service also raised its outlook for the PAG from negative to stable, pointing to low leverage, strong liquidity, and the Port's ability to remain fully operational during the coronavirus pandemic. Future initiatives outlined in the report include F1 to Golf Pier fuel pipeline connectivity, welding shop renovations, tractor replacements, the harbor of refuge moorage repairs, port security updates, wharves service life extension, the construction of dock B at the Agat Marina, repair of boat ramp bumpers at the Agat Marina, and acquiring gantry cranes.
11. **Department of Youth Affairs Summer Youth Employment.** In anticipation of the upcoming DYA 2022 Summer Youth Employment Internship Program, the Port Authority will be hosting up to thirty-five (35) summer youth employment participants tentatively scheduled to start on June 20, 2022. This program will allow selected youth to gain work experience and skills in the varying career paths at the Port.
12. **Port Visit and Tour.** We had an opportunity to present our port modernization program to the following:
 - **Chamber of Commerce Youth Professionals** - Representatives of Docomo Pacific, M-80 Systems, PHRS, Atkins Kroll, Chamber of Commerce, Matson, Guam Copier, JCA Guam, and Guam Bonita Botanical on May 3.
 - The Planning Division presented ongoing and planned projects, allowing our young professionals to see first-hand the maritime and transportation industry and its impact on our economy. Visit ended with a tour of the Port Terminal.
 - **Cross-Cultural Business Study Abroad Program** - Professors and Students from Mississippi on June 14.
 - Planning and Finance provided presentations on ongoing and planned projects and the FY 2021 Citizen-Centric Report. Discussions included operational impacts of the COVID-19 pandemic, the Port's financial status, and our high employee morale. Their visit ended with a tour of the Port's Terminal Yard.

- **Maritime Administration (MARAD)** - Sharon Cuevas, Regional Transportation Representative, Region IX, USDOT Office of Intelligence, Security and Emergency Response on June 15.
 - The Planning Division provided a presentation on ongoing and planned projects. Deputy General Manager Luis Baza, Financial Affairs Controller, and I met with Ms. Cuevas and USCG LCDR Al Blaisdell, LT Henry Dunphy, and Joshua Blocker to discuss the current challenges faced by the Port and the intent to regain Strategic Seaport Designation. Ms. Cuevas and the Coast Guard Officials toured the Port's Terminal Yard. We also pitched the need to replace the Port's 3 STS Gantry Cranes and discussed our grant submission to MARAD and our recent meetings with DoD. At the end of our meeting, Ms. Cuevas said she would take the information she received during her visit and share it with her senior management to emphasize the Port's critical and strategic importance.
- 13. **Relay for Life of Guam:** The Relay-for-Life "Fight for the Future" culminating event is scheduled for Saturday, July 30, 2022, from 2 pm - 8 pm at the Skinner Plaza in Hagatna. So far, we have raised \$780.00 through t-shirt sales. Our goal this year is to reach \$3,690.00 by June 24.
- 14. **Relative to Bill No. 114-36 (COR).** *An Act to Amend §73102, §73107, §73109, §73141, and §73142 of Chapter 73, Title 5, Guam Code Annotated, Relative to Powers of Customs Officers, Definitions, Guard on Vessels, Place of Inspection, and Release of Sealed Cargo at Guam's Ports of Entry, and to Further Updating the Penalties in Violation of these Statutory Requirements.*

In my capacity as Port General Manager, I submitted written testimony requesting that Bill 114-36 be held in abeyance so that the Attorney General can render a legal opinion on the constitutionality of this legislation. The Public Hearing for Bill 114-36 is scheduled for today at 3 pm in the Legislature's Public Hearing Room.

We are submitting this testimony as part of the GM's Report, so it'll be made part of our record. In our testimony, we took the opportunity to convey to the legislature that the Port has been extremely supportive of Customs and Quarantine since the inception of our administration. Governor Lou Leon Guerrero, Lt. Governor Joshua Tenorio, and our Board have directed me, as Port General Manager, to do whatever possible to assist Customs and Quarantine with its mandate to inspect all cargo coming into our island through our island's only commercial seaport, and even coming through the Port's marinas. We are working closely with Customs and Quarantine to support its mandate to STOP illicit drugs, invasive species, and counterterrorism activities from entering our island. And, over the past three and a half years, significant improvements have been made with the working relationship between the Port and Customs and Quarantine.

For instance, accommodating a new office space for Customs at the Port - free of charge; granting all access pass within port terminal facilities to carry out its mandates; identifying 4-acre parcel of land for their cargo inspection facility; included In our port 2020 master plan update a Customs Inspection Feasibility to be used to assist Customs in obtaining funding; ensured Customs direct Involvement In discussions on Port and PUGG's Initiative for systems Integration; dedicated a gated secured area for their Inspection; dedicated an area at Seaplane Ramp for marine Interdiction task order office and boathouse; allowed use of Port washdown station; accommodated an office space at the Hagatna marina; authorized access to Port's surveillance cameras at the marina and terminal yard; and facilitated immediate repair to their X-Ray Van.

We also highlight our concerns over the constitutionality and ambiguous authority being proposed to Customs. Therefore, we request Sen. Telena Nelson, the Port's Oversight Chairperson and sponsor of Bill 114-36 (COR), to hold this bill in abeyance until the Attorney General has rendered an opinion.

15. **Relative to Matters Raised by Former Deputy General Manage Felixberto 'Alfred' Duenas to Public Utilities Commission (PUC), and Our Response to Mr. Duenas' Concerns.** The Port petitioned PUC on March 30, 2022, to review and approve the contract award to JJ Global Services for the Port's IFB-PAG-CIP-021-010. This project is for repairing and upgrading the Port's EQMR Building.

We are attaching Mr. Duenas' letter to the PUC, and our response, which addresses every single one of his concerns, backed up by facts. PUC approved PAG's petition by an affirmative vote on March 31, 2022.

16. **Grant Awards and Ongoing Grant Submissions.**

- **Fuel Pipeline Connectivity Project.** RFP-PAG-022-003 was posted on April 11, 2022. A pre-proposal conference and site visit was held on April 19, 2022. Five (5) prospective offerors were in attendance. Three proposals were submitted on May 13, 2022. The procurement process is ongoing.
- **Department of Agriculture Grant (DoAG).** PAG will be requesting to the grantee a no-cost schedule modification to September 30, 2023, due to the active procurement process of the following projects.
 - **Harbor of Refuge Repairs.** The Harbor of Refuge Repairs project will be presented under New Business for Board action. The work consists of installing a mooring system and repairing anchor blocks. The amount for this project is \$870,000.00 with a period of performance of 180 calendar days from the issuance of Notice to Proceed.
FWS Grant Award: \$606,582.20 / PAG Funds: \$263,417.80

- **Agat Marina Dock B Construction.** This project will also be presented to the Board for action under New Business. The amount for this project is \$1.4M. The project's period of performance is 240 calendar days from the issuance of Notice to Proceed, beginning with the A/E Design and permitting process to ending construction and acceptance of the project by PAG.

FWS Grant Award: \$500,000.00 / PAG Funds: \$994,750.00
- **Repair of Agat Marina's Boat Ramp Bumpers.** On April 11, 2022, the Official NTP was issued to ProPacific Builders Corporation (Contractor). The contractor is working with DPW Building Inspection & Permits Section Application for Permit.
- **Gantry Crane Acquisition.**
 - **USDA Direct Loan.** The application with USDA direct loan of \$15M has been put on hold pending the PAG's MEGA Grant Application.
 - **MARAD MEGA Grant Program.** Port's planned grant application to acquire STS Gantry Cranes through Economic Development Administration (EDA) has been changed. The 3 STS Gantry Cranes application was submitted for MARAD's mega grant program on May 20, 2022. Pending review by USDOT.
- **MARAD Marine Highway Program.** Planning has collaborated with Maintenance and Operations Divisions to finalize and prioritize the Port's acquisition program to over \$7M. Grant submission is in June 2022. The Port has requested and received letters of support from several stakeholders supporting the project. Status Quo.
- **Office of Local Defense Community Cooperation (Formerly Office of Economic Adjustment-OEA).** No cost, one-year grant extension has been submitted to the Office of the Governor and OLDCC for consideration. Port Consultant WSP conducted site visits/meetings in Guam from May 16-20, 2022.
- **EPA Diesel Emissions Reduction Act (DERA) Program.** The PAG team continues to work with GEPA to move the project forward. IFB-PAG-006-022 was advertised on March 8, 2022, as an indefinite quantity bid for one (1) year with a delivery period of 270 days upon the availability of funds. The bid close date was April 8, 2022; one bid submission was received. On April 26, 2022, a meeting was held with end-users, procurement, and Port legal counsel to discuss the next steps. Currently under review.
- **US DOT Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program.** U.S. DOT/MARAD, Ms. Kris Gilson - Director of Environmental Compliance, will be conducting an on-site visit on June 29, 2022, of Wharves F1 through F6. In addition, PAG and Ms. Gilson will host and conduct a

roundtable discussion of the proposed project with local and federal regulatory agencies. (e.g., DOAg, NOAA EFH, Guam EPA, BSP FedCon/Coastal Management, SHPO, NOAA Section 7, and US Army Corps of Engineers). We are coordinating efforts ongoing with local and federal agencies.

17. Port Revenue Bonds Project Status. As of June 13, 2022, the attachment provides information on the status of the revenue bond projects that consist of rehabilitation of the hotel wharf, golf pier repairs and improvements, waterline replacement/ relocation, EQMR building, and warehouse 1 repair/upgrades, new admin annex building, and other priority projects.

VI. OLD BUSINESS

There were no old business discussed.

VII. NEW BUSINESS

1. IFB-PAG-CIP-022-001 Renovation and Repairs of Harbor of Refuge Phases 2 thru 5 Bid Award. The General Manager presented executive summary IFB-PAG-CIP-022-001 wherein twelve (12) firms obtained IFB packets, while only one (1) company participated in the bid opening. During the bid opening process, a review of the required documents for bidding was reviewed and it was determined that the only responsible and responsive bidder with the lowest price was ART Constructors, LLC with a bid amount of \$1,671,676.46. As the lone bidder and in accordance with Title 2 GARR, Division 4, Chapter 3, Section 3102(c)(1)(C), allows the Port to reject the bid offer and apply the Sole Source method of procurement, wherein both parties may negotiate a fair and reasonable price, when only one bid submittal is received. After finalization of negotiations, the Port accepted ART's offer of \$870,000.00. This procurement bid process has been reviewed by Port counsel and is now being brought before the Board for contract award approval.

Director Guthertz made motion to approve the award to ART Constructors LLC for IFB-PAG-CIP-022-001 for the Renovation and Repairs of Harbor of Refuge Phases 2 thru 5, who has been deemed to have met all the requirements and specifications set forth in the IFB, and consistent with the Guam Procurement Regulations. Motion was seconded by Director Taitano and was unanimously approved.

2. IFB-PAG-CIP-022-002 Rebid of Construction Rehabilitation of Hotel Wharf and Highway 11 Roadway Reconstruction Bid Award. The General Manager presented executive summary IFB-PAG-CIP-022-002 wherein fifteen (15) firms obtained IFB packets, while only one (1) company participated in the bid opening. During the bid opening process, a review of the required documents for bidding was reviewed and it was determined that the only responsible and responsive bidder with the lowest price was Sumitomo Mitsui Construction Company (SMCC) with a bid amount of \$59,683,065.00. As the lone bidder and in accordance with Title 2 GARR, Division 4, Chapter 3, Section 3102(c)(1)(C), allows the Port to reject the bid offer and apply the Sole Source method of procurement, wherein both parties may negotiate

a fair and reasonable price, when only one bid submittal is received. After finalization of negotiations, the Port accepted SMCC's offer of \$46,331,895.00. This procurement bid process has been reviewed by Port counsel and is now being brought before the Board for contract award approval.

Director Guthertz made motion to approve the award to Sumitomo Mitsui Construction Company for IFB-PAG-CIP-022-002 for the Rebid of Construction Rehabilitation of Hotel Wharf and Highway 11 Roadway Reconstruction, who has been deemed to have met all the requirements and specifications set forth in the IFB, and consistent with the Guam Procurement Regulations. Motion was seconded by the Vice Chairperson and was unanimously approved.

3. **IFB-PAG-CIP-022-004 Construction of Agat Marina Dock B Bid Award.** The General Manager presented executive summary IFB-PAG-CIP-022-004 wherein thirteen (13) firms obtained IFB packets, while only two (2) companies participated in the bid opening. During the bid opening process, a review of the required documents for bidding was reviewed and it was determined that the responsible and responsive bidder with the lowest price was AIC International, Inc. with a bid amount of \$1,494,750.00. This procurement bid process has been reviewed by Port counsel and is now being brought before the Board for contract award approval.

Director Guthertz made motion to approve the award to AIC International, Inc. for IFB-PAG-CIP-022-004 for the Construction of Agat Marina Dock B, who has been deemed to have met all the requirements and specifications set forth in the IFB, and consistent with the Guam Procurement Regulations. Motion was seconded by Director Taitano and was unanimously approved.

4. **IFB-PAG-CIP-022-006 Design-Build Agat Marina Bathrooms Bid Award.** The General Manager presented executive summary IFB-PAG-CIP-022-006 wherein twelve (12) firms obtained IFB packets, while only one (1) company participated in the bid opening. After the opening of the sealed bid, it was determined that the responsible and responsive bidder was ProPacific Builders with a bid amount of \$345,000.00. This matter is being brought before the Board for contract award approval.

Director Guthertz made motion to approve the award to ProPacific Builders for IFB-PAG-CIP-022-006 for the Design-Build Agat Marina Bathrooms, who has been deemed to have met all the requirements and specifications set forth in the IFB, and consistent with the Guam Procurement Regulations. Motion was seconded by Director Taitano and was unanimously approved.

5. **Resolution No. 2022-13 relative to petitioning the Public Utilities Commission for the approval of the award to AIC International, Inc. for the construction of Agat Marina Dock B.** Director Guthertz made motion to approve Resolution No. 2022-13 relative to petitioning the Public Utilities Commission for the approval of the award to AIC International,

Inc. for the construction of Agat Marina Dock B. Motion was seconded by Director Taitano and was unanimously approved.

6. **Resolution No. 2022-14 relative to petitioning the Public Utilities Commission for the approval of the award to Sumitomo Mitsui Construction Company for the Rebid of Construction Rehabilitation of Hotel Wharf and Highway 11 Roadway Reconstruction.** Director Guthertz made motion to approve Resolution No. 2022-14 relative to petitioning the Public Utilities Commission for the approval of the award to Sumitomo Mitsui Construction Company for the Rebid of Construction Rehabilitation of Hotel Wharf and Highway 11 Roadway Reconstruction. Motion was seconded by Director Taitano and was unanimously approved.

7. **Employee Incentive Events; Request for \$50K - GovGuam Liberation Day Festivities/Labor Day/Port Week Celebration.** In celebrating the port employees, the General Manager requested for Board's approval to authorize the use of \$50,000 to fund Liberation Day, Labor Day and Port Week events through the Employee Incentive Program. If approved, such funds are transferred to PAGGMA Association who will handle the disbursement of funds for these events. A financial expense report will be submitted to the Finance Division that accounts for the expenditures of these events. Any unused funds will be remitted back to the Port Authority. The funding source is through the Temporary Staffing Services. Director Taitano made motion to approve funding authorization in the amount of \$50,000.00 to fund Liberation Day, Labor Day and Port Week events through the Employee Incentive Program, seconded by Director Guthertz. Motion was unanimously approved.

8. **Sponsorship Request for 78th Guam Liberation Day July 21st – Gold Package \$20K.** The General Manager mentioned that the Port received a request from Guam Visitors Bureau-Guam Liberation Committee seeking sponsorship support under the Gold Package level. He said the package level offers social media exposure which is an opportunity for the Port to highlight its pandemic experiences, and the Port's role in the community and the region. The funding source is through the Temporary Staffing Services. Director Guthertz made motion to authorize management to sponsor the Gold Package level in the amount of \$20,000.00 for purposes of the 78th Guam Liberation Day, seconded by Director Taitano. Motion was unanimously approved.

9. **Sponsorship Request for Association of Pacific Ports 108th Annual Conference September 25-28, 2022, Saipan – Admiral Package \$5K.** The General Manager mentioned that the Association of Pacific Ports will be holding its Annual Conference on September 25-28, 2022 in Saipan, CNMI. As a longstanding member of APP, Board approval is being requested to support the annual conference and become a sponsor for the Admiral Package at \$5,000.00. The funding source is through the Temporary Staffing Services. Director Guthertz made motion to authorize management to sponsor the Admiral Package level in the amount of \$5,000.00 for purposes of the Association of Pacific Ports 108th Annual Conference. Motion was seconded by Director Taitano and was unanimously approved.

VIII. ADJOURNMENT

There being no further business to discuss, it was moved by Director Guthertz and seconded by the Vice Chairperson to adjourn the meeting at 4:07 p.m. The motion was unanimously passed.


Dr. Judith P. Guthertz, Board Secretary
Board of Directors

APPROVED BY:


FRANCISCO G. SANTOS, Chairman
Board of Directors





PORT OF GUAM

ATURIDAT / PUETTON GUAHAN

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Lourdes A. Leon Guerrero
Governor of Guam

Joshua F. Tenorio
Lieutenant Governor

General Manager's Report for Board of Directors
July 14, 2022

1. **Moody's Issues Baa2 Credit Rating for Second Year in a Row.** On June 20, 2022, we received positive financial news as Moody's Investors Service (MIS) issued a Baa2 credit rating for FY 2021. This rating was based on the Port's credit strengths for the fiscal year. Moody's report highlighted the following:

- The Port's credit is supported by a very stable revenue profile. The stable outlook reflects our expectation that operating revenue will remain healthy and continue to support solid debt service coverage and liquidity levels," said the report released by Moody's.
- The Port derives credit strength for its role as the sole commercial port in Guam. Although the coronavirus pandemic has had deleterious effects on the island's economy, the port's financial profile remains solid, with stable operating revenue supporting sound levels of debt service coverage (2.0x in fiscal 2021) and liquidity (361 days cash on hand).
- Despite the extremely negative effects of the coronavirus pandemic that effectively closed the island's tourism economy, the port's operating revenue in 2020 and 2021 were \$54.6 million and \$55.1 million, respectively - in line with the \$54.0 million average since 2016. And,
- The debt service coverage for the Port is solid and expected to remain around 2X on the net revenue basis. The scorecard-indicated outcome for the Port Authority of Guam for FY 2021 is A3, which is above the assigned rating of Baa2 for FY 2020.

The upgrading of the Port's 2018 Revenue Bond affirms that we have been on target with the directives put in place by Governor Lou Leon Guerrero, Lt. Governor Josh Tenorio, Board Chairman Frank Santos, and our Board. This news, along with the Port's low-risk designation over the past three years, brings us the credibility needed to seek funding to replace the Port's aging gantry cranes, rehabilitate the wharves to ensure resiliency, and replace our aging facilities, so that the Port does not become a choke point for discharging and deploying military assets and commodities, in addition to our charge to keeping the Port 100% operational at all times.

2. **Summer Interns Take Emotional EQ Webinar.** The Port's summer interns have completed the Government of Guam's EQ Webinar, a practice of emotional wellness, presented by the Guam Behavioral Health and Wellness Center (GBHWC). Thirty-three (33) of thirty-five (35) interns partook in the webinar for a total of 94% participation. Administrative leave for one (1) hour is offered to all Government of Guam employees who opt to participate.

Acting Governor Josh Tenorio, Judiciary of Guam Chief Justice Philip Carbullido, and Director Therese Arriola from the Guam Behavioral Health and Wellness Center (GBHWC) collaborated on this project and made this webinar available free to all Government of Guam employees. The Port's summer interns also took part in this webinar training. This webinar seeks to reduce the influx of residents into the judicial system by proactively teaching people how to manage one's emotions effectively. This is a proactive effort to steer residents away from the Judicial system.

The GBHWC has made the EQ Webinar available to all Government of Guam employees from July 11-15, 2022. The webinar takes less than 45 minutes and discusses the concept of emotional intelligence and the practice of emotional wellness. We are grateful that this resource is available for all of our Port Strong Family and the entire GovGuam workforce, thanks to Governor Leon Guerrero, Lt. Governor Tenorio, Chief Justice Carbullido, Director Arriola, and her team at GBHWC. Understanding how Emotional intelligence works and how, when applied, will go a long way to effectively managing situations at the work and homefront. These coping skills transcend all ages. We hope others will go through this training and find value in deploying emotional intelligence coping skills to foster healthy relationships with their families, friends, and colleagues.

3. **Ground Breaking Ceremony Events.**

- **Construction and Rehabilitation of Hotel Wharf.** On July 6, 2022, a Ground Breaking Ceremony was held for the Construction and Rehabilitation of Hotel Wharf. In June, the Port's Board of Directors and the Public Utilities Commission approved the bid awards for Phase I and II of the rehabilitation of Hotel Wharf (H-Wharf). Sumitomo Mitsui Construction Company was awarded the bid. As the island's only commercial port, the rehabilitation of Hotel Wharf is a priority project of Governor Lou Leon Guerrero and Lt. Governor Josh Tenorio because they value the additional berthing capacity, this will provide. Operationally, the space will alleviate construction materials, cruise lines, and roll-on/roll-off operations from the main cargo handling area and better align with the Port's investment in the Public Cargo Terminal. The total cost for the project is \$46,331,895.00.

On September 6, 2019, the PAG entered into a grant agreement with the US Department of Transportation (USDOT) Maritime Administration to rehabilitate H-Wharf. Phase I will procure all steel piling work materials for the Wharf and installation of the piles for the south wall. Phase II would include the installation of the west and east wall piles and other marine structures such as bulkhead concrete works (east, west, and south wall), on-shore bollards, bulkhead mooring-cleat, and bollard, and cell fenders. The respective costs for Phase I and II are \$39,485,672.00 and \$6,846,223.00 for a total of \$46,331,895.00. The project is being funded through \$10 Million in federal grants and the remaining by the Port.

- **Construction of Agat Marina's Dock B and New Restroom Facilities.** A groundbreaking ceremony for the Agat Marina's Dock B and New Restroom Facilities took place on July 11, 2022. The construction of Agat Marina's Dock B will provide an additional 48 slips for recreational boaters and anglers of Guam. Low-cost maintenance facility using non-rot recycled plastic composite material, marine grade aluminum frames and stringers, and stainless steel junction boxes with watertight fittings. They are designed to withstand the combination of wind, sea action, boat docking, and other loads without damage to the dock structure and components throughout a twenty (20) year of design life. The New Restroom Facility will provide the community and tourists with better accommodations as they partake in recreational activities offered at the Marina.
4. **Testimony in Support of Bill 298-36 (LS).** On June 30, 2022, a Public Hearing was held on Bill 298-36, *An Act to Amend Section 4(a) of Public Laws 34-70 and 35-44, Relative to the Financing or Refinancing Improvements and Capital Improvements of the Jose D. Leon Guerrero Commercial Port (Port), and Other Related Facilities and Operations of the Port, Through Revenue Bond Proceeds*. I submitted written testimony registering our support for the bill, which is attached to this report for your reference.
 5. **PAG Response to OPA 21-0548; Calculation of Back Wages for Reinstated Port Authority of Guam Employee Who Retired During Termination Period.** The Port received a copy of an AG opinion written by Chief Deputy AG Shannon Taitano dated May 31, 2022. This AG Opinion was addressed to the Honorable Benjamin J. Cruz, Public Auditor, and is in response to the Public Auditor's inquiry regarding the calculation of back wages for a terminated PAG employee who retired from government service during the termination period and was later reinstated pursuant to a settlement agreement (Ref. OPA 21-0548).

The Public Auditor posed the following questions:

- When paying the employee pursuant to the settlement agreement, could the Port include in its calculation of back wages (inclusive of annual salary increments) amounts that would have been earned between the date when the employee retired and began receiving her monthly annuities until the date of reinstatement to her original position at the Port?
- Can the Port reinstate an employee prior to: (a) execution of the Settlement Agreement; and (b) promulgation of the CSC Judgment of Dismissal signed by the CSC Commissioners?

PAG Response:

"While we do not dispute the applicable law, we do, however, dispute the application of facts (or lack thereof) to the law as set forth in your opinion letter. Thus, in the spirit of transparency, and in an effort to once again make clear the record surrounding this longstanding issue, the PAG provides the following response:

The Port did not consider income that would have been earned between the date of retirement until reinstatement in the calculation of back wages owed.

- *In 2012, the PAG issued final notices of adverse action to seven PAG employees resulting in their termination. The employees appealed their terminations to the Civil Service Commission ("CSC"). Subsequent to their termination, and while the adverse action appeals were ongoing, one of the employees retired. From 2013 to her reinstatement, the employee received monthly annuities from the date of her retirement.*
- *Title 4 G.C.A. § 8121(a)(1) provides: "A retired member who subsequently becomes an employee eligible for member under § 8106 of this Title on or after January 1, 1999, shall, upon becoming so employed, have that member's right to receive payment of that member's annuities suspended for the duration of the member's employment, but all other rights pertaining to that member's annuity provided by the Article, including automatic increases therein, shall be retained by that member."*
- *Here, the PAG would like to clarify that it did not include wages for the period of time between the employee's retirement and reinstatement for which she received annuities in the calculation of back wages owed to her. In fact, the PAG mandated mitigation in all settlement negotiations, including the retired employee's settlement terms. The PAG presented to its Board of Directors the following calculations in order to illustrate what it would have cost the PAG had it not mandated mitigation:*

Option 1.	Non-mitigation:	\$1,278,670.19 including benefits;
Option 2.	Non-mitigation:	\$1,278,670.19 including benefits and Port would pay the Retirement Fund \$674,036.00 for her annuities they remitted during 2013 to present; and
Option 3.	Mitigation:	\$387,029.25 including benefits.

- On June 25, 2020, the PAG Board found that it was in the best interest of the PAG to explore and offer settlement terms that included mitigation, which ultimately saved the PAG a minimum of \$1,056,553.84 in total. For this employee, the PAG Board approved the following terms, wherein the employee paid back all retirement annuities received as part of her duty to mitigate:

Back wages (net gross pay after mitigation): \$296,915.42
A payment schedule plan favorable to the Port;
Reinstatement of sick leave hours and annual leave hours owed;
Reasonable legal fees; and
Remit to Retirement Fund retirement benefits owed to employee.

- Accordingly, although Title 4 G.C.A. § 8121(a)(1) is clear, your opinion letter as written does not accurately illustrate the actions the PAG and its Board took to follow and apply the law. As written, the PAG is once again put in a position to clear the record as there is nothing in your opinion letter that addresses nor acknowledges the PAG's efforts to mandate mitigation of the back wages owed to the retired employee upon her reinstatement. As a result of the PAG's and the employee's mitigation efforts, the PAG realized a savings of approximately \$684,036.00.

The Civil Service Commission incorporated the terms of the Settlement Agreement into the Stipulated Judgment of Settlement and Dismissal.

- The PAG does not contest the fact that the CSC approved and entered the Stipulated Judgment of Settlement and Dismissal ("Stipulated Judgment") in this instant case on February 9, 2021. Nor does the PAG contest CSC Rule 11.7.5. which states that a "judgment is the final administrative adjudication of the Commission." Consequently, the PAG agrees that a CSC judgment does not become effective until it is entered and signed by a majority of Commission members at a publicly advertised meeting. Further, the PAG acknowledges the CSC's Standard Operating Procedure ("SOP") governing the handling of settlement agreements which provides for the CSC's Administrative Law Judge's ("ALJ") review and advisement on what disposition the Commission should take upon receiving a proposed judgment of settlement and dismissal. Again, the PAG does not dispute the applicable law or procedural rules. However, we dispute the factual application as your letter does not illustrate the complete picture.

- *In your letter, you acknowledged that the Stipulated Judgment expressly states that the Settlement Agreement was incorporated therein. You also quoted part of the terms of the agreement including that, among other things, the PAG would void the adverse action, reinstate the employee to her prior position, and that a written Stipulated Judgment would be submitted to the CSC. However, your legal opinion did not mention that the Settlement Agreement expressly states that the employee shall be reinstated to her position at the PAG with an effective date of July 1, 2020. Further, assuming arguendo that the Settlement Agreement was not final and effective until entered and signed by a majority of Commissioners, the Stipulated Judgment signed by the CSC incorporated the terms of the parties' written Settlement Agreement, fully and finally resolving the respective adverse action appeal, and thereby ratifying the PAG's actions honoring the terms of the Settlement Agreement. Thus, the PAG's decision to reinstate the employee on the effective date of July 1, 2020, pursuant to the terms of the Settlement Agreement approved by the PAG BOD, reviewed by the ALJ, and later signed and approved by the CSC, was at most, harmless error and in the best interest of the agency and the public.*
- *Finally, in your letter, you recognized that the PAG submitted the Stipulated Judgment to the CSC on August 13, 2020 – approximately six (6) months before the CSC actually signed and entered the judgment on the record. In order to avoid further fees and costs, including accrued interest, the PAG acted pursuant to the terms of the Settlement Agreement, thereby reducing further financial liabilities that may have resulted between the time the Stipulated Judgment was filed with the CSC and when it was actually signed and entered by the majority of the Commissioners. Nonetheless, when applied, the conclusions reached in your letter neither increase nor decrease the back wages owed to any of the wrongfully terminated employees.*

General, I hope that the foregoing dispels any misunderstandings and clarifies for you, the Public Auditor, relevant stakeholders, and the general public in that no illegal payments were made or that the PAG needed a signed CSC judgment to execute the settlement. Moreover, it is alarming that your office would issue an opinion letter without a complete analysis and application of the pertinent facts surrounding the question being presented. Further, those requesting a legal opinion should act responsibly by providing your office with all relevant facts to accompany their request for an AG opinion. In this case, to do otherwise is reckless and perpetuates a suspicion that these audits are not being done to provide any meaningful corrective actions, but instead prolongs the trauma experienced by these wrongfully terminated employees.

Consequently, while we are certain that is not Chief Deputy AG Taitano's intent, this AG opinion misrepresents how the wages of these reinstated Port employees were reconstructed and only furthers a decade-old conspiracy theory that seven individuals conspired to defraud the PAG. Please note that when the PAG applied the legal conclusions set forth in this legal opinion, the PAG would not owe any of these wrongfully terminated employees any more or

less in damages. What has been lacking in the Public Auditor's audits is that the PAG SAVED more than a million dollars as a result of mandatory mitigation and favorable negotiations in the interest of the PAG and our ratepayers.

What has also been obviously missing from the Public Auditor's audits on the back wages of these wrongfully terminated employees is the abuse of power, and the many errors of omission, on the part of the past PAG General Manager, as well as the blatant disregard for the Rule of Law, PAG's Personnel Rules and Regulations, and even court orders from the Supreme Court of Guam, Superior Court of Guam and the Civil Service Commission. The many years of this litigation resulted in millions spent on attorney fees, yet the Public Auditor fails to recant the genesis of this travesty.

We believe that our island community will be better served if Chief Deputy AG Taitano applies the facts surrounding the Public Auditor's questions and re-issues a qualified AG opinion determining if the PAG violated any laws concerning the Public Auditor's claims thereof."

6. **General Manager's Notes for YTD Finances.** We are providing the following summary for June 2022:

REVENUES AND CARGO THROUGHPUT:

- The Port's Total YTD Operating revenue for June 30, 2022, is \$42.6 million, 2.0% or \$801 K higher than the YTD June FY 22 budget projection of \$41.8M.
- The total number of containers handled as of June 30, 2022, is 64,748, 0.3% or 169 containers higher than last year's June 2021 total of 64,579.

OPERATING EXPENSES:

- Overall YTD Operating expense, as of June 30, 2022, is \$37.8M, which is 2.7% lower than the YTD budget as of June of \$38.9M, or \$1.1 M in YTD cost avoidances.

OVERTIME EXPENSE AND DIRECT LABOR REVENUE:

- Overtime YTD for Divisions involved in Operations is \$1,338,011, 36% or \$354K higher than the YTD overtime budget for June at \$983,754. The OT for June is \$110K, which is 29% or \$46K lower than the overtime for May at \$156K.

Direct Labor reimbursement is \$2.9 million, 15.6% or \$387K higher than the FY22 budget of \$2.5M.

Here is the breakdown:

Direct Labor Revenue:	\$ 2,866,368
Operations Overtime:	<u>\$ 1,338,011</u>
Variance:	\$ 1,528,357

YTD OPERATING REVENUES MINUS YTD EXPENSES:

- Operating revenues minus operating expenses resulted in an operating income of \$4.8 million. The final result for June is a net income of \$16.3 million, after adding a net of Other Income/Expenses totaling \$11.5M. In February, the Port received \$15 million from the American Rescue Plan Act 2021 Fiscal Recovery Funds.

Note: \$11.5M is a net balance of Other Income and Expense composed of Interest Income, Interest Expense, Federal Reimbursements, Federal Expenses, Retirees COLA, Supplemental, Medical and Dental, and Other Non-Operating Income & Expenses.

Other Financial Highlights, as of June 30, 2022:

- The debt service ratio as of June 30, 2022, is 1.66. This is 32% higher than the Bond Indenture Debt service ratio requirement of 1.25.
- Days Cash on Hand is 976 days, 95% or 476 days higher than the 500 days requirement of Moody's Rating agency.

DEBT SERVICE RATIO - JUNE 2022

Projected Annual Debt Service Coverage	1.66
Debt Service Coverage Requirement	1.25
Variance	.41
% Above the Indenture Requirement	32%

7. **Preparation of Port's Fiscal Year 2023 Budget.** Division heads are now preparing their divisional Fiscal Year 2023 Budget. We anticipate providing the Board with the budget digest by August. In the June 23, 2022, memorandum, they were advised in the Fiscal Year 2021, despite the struggles brought on by COVID-19, the Port showed an increase in container cargo and non-containerized (breakbulk) cargos at 1.9% and 11.8%, respectively. We also experienced an increase in the total operating revenues by \$432K, from \$54.6M in FY 2020 to \$55M in FY 2021. Other improvements reflected

in the CCR report include reduced time spent by a vessel at the port's waterfront and higher crane productivity.

We will continue to set aside real cash for a rainy day and request from the Board that the vacancy pool continues. We asked the division heads to remain mindful that we are an autonomous agency, meaning the revenues we generate remain with the Port and are used for our current and future needs. We remain committed to using performance-based and zero-based budgeting practices to focus on targets that will allow us the flexibility to allocate funds when necessary.

8. Grant Awards and Ongoing Grant Submissions.

- **Fuel Pipeline Connectivity Project.** Notice of Intent to Award sent to the highest qualified bidder on June 8, 2022. The procurement process is ongoing.
- **Department of Agriculture Grant (DoAG).** DoAG submitted a one-year request for no-cost schedule modification to U.S. Fish Wildlife Services for their review and consideration of grant-funded projects actively listed below.
 - **Harbor of Refuge Repairs.** A contract was awarded to Art Constructors, LLC on June 26, 2022. *Next Steps:* (i) Signing of contract by PAG; (ii) Issuance of Purchase Order; (iii) CIP/Engineering will schedule a pre-construction meeting with the contractor; (iv) Project's period of performance is 180 calendar days or 6 months from issuance of NTP by PAG and USFWS/DoAG.
 - **Repair of Agat Marina's Boat Ramp Bumpers.** On April 11, 2022, the Official NTP was issued to ProPacific Builders Corporation (Contractor). The contractor is working with DPW Building Inspection & Permits Section Application for Permit. *Work ongoing.*
- **Gantry Crane Acquisition.**
 - **USDA Direct Loan.** The application with a USDA direct loan of \$15M *has been put on hold pending the PAG's MEGA Grant Application.*
 - **MARAD MEGA Grant Program.** Port's planned grant application to acquire STS Gantry Cranes through Economic Development Administration (EDA) has been changed. The 3 STS Gantry Cranes application was submitted for MARAD's mega grant program on May 20, 2022. *Pending review by USDOT.*

- **MARAD Marine Highway Program.** Awaiting results of application evaluation. The grant application was submitted on June 17, 2022. Strategic Planning received and responded to RFIs from MARAD on July 11, 2022.
 - **Office of Local Defense Community Cooperation (Formerly Office of Economic Adjustment-OEA).** No cost, one-year grant extension has been submitted to the Office of the Governor and OLDCC for consideration. Port Consultant WSP conducted site visits/meetings in Guam from May 16-20, 2022. *Pending review and approval by OLDCC.*
 - **EPA Diesel Emissions Reduction Act (DERA) Program.** Strategic Planning responded to RFI from US EPA DERA program officials on July 7, 2022. PAG submitted the required form to US EPA. US EPA program official anticipates issuing grant award early next week.
 - **US DOT Rebuilding American Infrastructure with Sustainability and Equity (RAISE) Grant Program.** PAG conducted an on-site meet-and-greet meeting and round table discussion with U.S. DOT/MARAD, Ms. Kris Gilson – Director of Environmental Compliance, on June 29, 2022. Other local agencies in attendance included Guam EPA, BSP FedCon/Coastal Management, and Guam DoAG. *Next Steps:* (i) PAG will utilize its Owner Agent Engineer, WSP, to provide consulting services for this NEPA process as well as develop a design for the project; (ii) MARAD and Guam EPA advised the PAG that new marine surveys should be conducted; (iii) The marine surveys would then be used to update a previously completed 2012 Environmental Assessment that covered much of the Port; (iv) Once the design and the surveys are complete, formal consultation letters will be sent to all federal and local regulatory agencies.
9. **Port Revenue Bonds Project Status.** As of July 12, 2022, the attachment provides information on the status of the revenue bond projects that consist of rehabilitation of the hotel wharf, golf pier repairs and improvements, waterline replacement/relocation, EQMR building and warehouse one repair/upgrades, new admin annex building, and other priority projects.

Respectfully submitted,



Rory J. Respicio

General Manager

2018 Port Revenue Bonds Status Report
As of July 12, 2022

Bond Project	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFP/PO Number	Status
Rehabilitation of "H" Wharf (Federal Share & Port Share)	\$10,000,000.00 \$13,774,255.00	\$0.00 \$1,187,446.07	\$10,000,000.00 \$12,586,808.93	PO No. 17043-OF for \$2,249,945.54 awarded to GHD Inc. New Contract Amount: \$2,656,621.37 Construction Phase includes the procurement of all steel piling works materials for the Wharf Phase 2 would include the installation of the west and east wall piles and other marine structures, on-shore bollards, bulkhead mooring-cleat and bollard, and cell fenders. The respective negotiated cost for Phase 1 and Phase 2 are \$39,485,672.00 and \$6,846,223.00, for a total of \$46,331,895.00.	On 07/06/2022, PAG/Sumitomo Mitsui Construction Company held a groundbreaking ceremony at H-Wharf. On 06/16/2022, PAG Board of Directors and Public Utilities Commission approves of contract and PAG Docket 22-05 to Sumitomo Mitsui Construction Company for the Rebid of Construction Rehabilitation of Hotel Wharf and Highway 11 Roadway Reconstruction, IFB-PAG-CIP-022-002. ALJ Report. Next Steps: (i) Submission of Bond by SMC; (ii) Issuance of P.O.
Golf Pier Repairs and Improvements	\$2,000,000.00	\$372,147.93	\$1,627,852.07	RFP No. 2019-02: A&E Design for \$484,000.17 awarded to NC Macario	Reissuance of IFB to be determined by management.
Waterline Replacement and Relocation	\$6,000,000.00	\$319,086.18	\$5,680,913.82	RFP No. 2019-03: A&E Design for \$1,406,427.48 awarded to NC Macario	Project is currently pending SHPO review.
EQMR Building Repairs and Upgrades	\$3,628,800.00	\$447,013.13	\$3,181,786.87	RFP No. 2019-03: A&E Design for \$1,406,427.48 awarded to NC Macario	A change order is being processed with the Engineer of Record to descope the project and produce all required design documentation.
Warehouse 1 Repairs	\$2,000,000.00	\$447,013.13	\$1,552,986.87	RFP No. 2019-03: A&E Design for \$1,406,427.48 awarded to NC Macario	A change order is being processed with the Engineer of Record to descope the project and produce all required design documentation.
Other Priority Projects 1. Repair of F-1 Fuel Pier and wharves F-2, F-3, F-4, F-5, and F-6 waterfront facilities 2. Upgrade of the Port's IT system and integration of TOS	\$4,980,745.00	\$0.00	\$4,980,745.00	See status	1. The PAG was awarded \$17,941,997.00 toward the total project cost of \$22,427,496.00 as part of the MARAD RAISE grant program. This project seeks to make structural repairs to enhance the capacity of the existing berths from F1 - F6. 2. TOS upgrade work is ongoing in collaboration with Port OAE Consultant WSP and sub-contractor Cargo Velocity. Ongoing.
Other Priority Projects - EnterpriseOne Financial Management System New Admin. Annex Building	\$2,500,000.00 \$10,445,000.00	\$1,969,488.35 \$0.00	\$530,511.65 \$10,445,000.00	See status See status	Work is ongoing for further improvements to both job costing for CIP and ACH payments.
Grand Total	\$55,328,800.00	\$4,742,194.79	\$50,586,605.21		



PORT OF GUAM

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Lourdes A. Leon Guerrero
Governor of Guam

Joshua F. Tenorio
Lieutenant Governor

June 28, 2022

The Honorable Joe S. San Agustin
Senator & Chairman
Committee on General Government Operations,
Appropriations and Housing
761 S. Marine Corps Drive
Ran Care Building, Suite 3
Tamuning, Guam 96913

Subject: Testimony in support of Bill 298-36 (LS)

Dear Chairman San Agustin and members of your committee:

Buenas yan Hafa Adai! I am submitting this written testimony in my official capacity as General Manager of the Port Authority of Guam (“PAG”), registering our support for Bill 298-36 (LS),” An Act to Amend Section 4(a) of Public Laws 34-70 and 35-44, Relative to the Financing or Refinancing Improvements and Capital Improvements of the Jose D. Leon Guerrero Commercial Port (Port), and Other Related Facilities and Operations of the Port, Through Revenue Bond Proceeds.”

On March 24, 2022, the Port Authority of Guam Board of Directors passed a resolution authorizing management to present to you and the 36th Guam Legislature Oversight Committee Chairperson a request to introduce to proposed legislation to amend Public Law 35-44 relative to projects funded by revenue bonds.

Please allow me to provide you with a chronological history which led us to request your support of Bill 298-36 (LS) as follows:

- The Port’s modernization program is designed to meet the island’s growth including the expansion of the military and growing tourism. The key project initiatives justified to the bond market investors were: (1) expansion of wharf space to accommodate larger vessels and increase vessel handling capacity; (2) upgrade of the Port’s terminal operating system to allow for automated cargo invoicing, cargo and container tracking, financial management, and maintenance management; (3) expansion of existing facilities to support fishing and cruise line industries; and (4) replacement of gantry cranes at the end of its useful life to maintain continuous uninterrupted cargo movement.
- Public Law 34-70, enacted into law on December 5, 2017, authorized the Port to issue revenue bonds in the amount of \$71.44 million specific in statute the capital improvement projects and amounts. This public law listed the following capital improvement projects to

finance: (1) local match for the TIGER grant program funding for Hotel Wharf rehabilitation and access road in the approximate amount of \$14.2 million; (2) replacement of the Administration Building in the approximate amount of \$17.5 million; (3) replacement and relocation of waterline(s) in the Port's terminal yard, in the approximate amount of \$6 million; (4) repair and expansion of Equipment Maintenance & Repair Building (EQMR) in the approximate amount of \$3.628 million; (5) repair of Warehouse 1 in the approximate amount of \$2 million; (6) repair of Golf Pier in the approximate amount of \$2 million; and (7) to refinance all or a portion of outstanding loans of the Port.

- On July 20, 2018, Pro Marine Technology submitted an underwater assessment and inspection services of F-1, F-3 to F-6 and highly recommended that repairs to the waterfront structures be made.
- In early 2019, we became aware prior to rehabilitating Golf Pier that a connectivity fuel line would need to be installed at F1 to allow discharged/loaded fuel to be routed to/from petroleum fuel companies' storage tanks; the Terminal Operating and Financial Management systems would need to be integrated along with an upgrade of the Port's current information technology system so accurate financial data on the expenses rendered to vessel operations and related services versus revenues received are known.
- The 2007 Port Master Plan provided recommendation for the current Port Administration Building to be extended with an annex and a bridge connecting the existing building, but such project was changed in 2013 Master Plan Update. Not surprisingly, we saw in the 2013 Master Plan Update that a "new large building be constructed and the current administration building be demolished." We maintained that if the prior Port management pursued the 2007 Master Plan recommendation, then a portion of the \$17.5 million earmarked for the construction of the administration building could be used to address the deficiencies of the Port's revenue-generating waterfront facilities, a connectivity line between Golf Pier and F-1 and improvements needed for the Port's Information Technology systems.
- Discussions were held with our bond investors as well as Guam Economic Development Authority representatives in 2019 on the possibility of reprogramming revenue bond proceeds earmarked for the construction of the new administration building could be used to address the deficiencies of the Port's revenue-generating facilities, a connectivity line between Golf Pier and F-1, and improvements needed for the Port's Information Technology systems. We were informed by Bond Counsel that:
 - under the Tax Certificate of the Authority, Section 1.5 (c), Purpose of Financing, 40% of the \$17.5 million can be reprogrammed without triggering the 40% taxable income ratio; and
 - amendment to Public Law 34-70 would need to be made in order to reprogram such bond proceeds to fund the repairs of the waterfront facility, install the connectivity line and upgrade/integrate the information technology system.

- Based on these discussions, we informed Governor Lou Leon Guerrero, who then lent her support, together with the Port's Board of Directors. The Port Board passed Resolution No. 2019-03 on March 29, 2019 authorizing management to present to the Governor of Guam and 35th Guam Legislature Oversight Chairperson a request to introduce proposed legislation to amend Public Law 34-70 relative to projects funded by revenue bonds.
- We then presented to Governor Leon Guerrero, and the 35th Guam Legislature a draft bill. The 35th Guam Legislature unanimously agreed that an amendment to Public Law 34-70 be made to allow for the reprogramming of such bond proceeds needed to address these deficiencies of the Port's revenue-generating facilities, the connectivity fuel line between Golf Pier and F-1, and improvements needed for the Port's information systems and remaining balances if any be allocated to provide for supplemental funding for the procurement of new gantry cranes.
- On October 16, 2019, Governor Leon Guerrero signed Public Law 35-44 which authorized the reprogramming of the revenue bond proceeds and amending the capital improvement projects.
- Subsequently, the Port received the architectural and engineering designs for the Port's revenue bond projects, and based on the engineering estimates provided in the designs, the construction costs associated with the repairs exceeded those outlined in Public Laws 34-70 and 35-44. We learned during that time that engineering estimates outlined in the revenue bond mandates were obtained in 2014, and the reality is that costs of construction pegged at 2014 are all severely underfunded. Because the mandates specifically identified the revenue bond project costs to be funded by the revenue bond proceeds, it did not allow the Port to reallocate revenue bond proceeds to address the anticipated shortfalls of the construction costs for those which has specific costs associated in the mandates. To help address this dilemma, the Board of Directors passed Resolution 2021-07 on July 29, 2021 authorizing the General Manager to use Port revenues, Port unrestricted funds and/or other revenues and federal grants to supplement the funding of revenue bond projects, all of which shall remain subject to procurement and Public Utilities Commission's statutory requirements.
- After the passage of Resolution 2021-07, the Port held procurement solicitation openings for several of the revenue bond projects resulting in either no offers being submitted or procurement construction bid submittals exceeding between 10 to 156 percent of the legislative funding cap of the respective projects.

In June 2021, the Port received formal notification from U.S. Economic Development Administration of the award of \$2.4 million grant to make disaster-resilient infrastructure improvements needed to ensure continuity of operations. The grant is to be matched with \$603,273 in Port investment, bringing a total investment of \$3,016,363 to fund the fuel pipeline system for F1 Pier and Golf Pier connectivity project. Although Public Law 35-44 allotted revenue bond

proceeds to fund this project, the Port is unable to reprogram such funding to supplement the shortfalls of other projects listed in the revenue bond legislation.

We reviewed other revenue bond mandates for other autonomous agencies and noticed that the Port's revenue bond legislation is the only legislation that explicitly states the proceeds are to "finance certain Authority capital improvements, including, but not limited to..." and each project has an associated funding cap versus other autonomous agencies' revenue bond legislations which simply stated the project(s) and the total amount authorized to borrow.

Though the Board authorized the General Manager to use other funding sources, it seems that the Port's revenue bond legislation disallows the Port from exceeding the cost associated with the project outlined in Public Laws 34-70 and 35-44.

In order for the Port to accomplish its commitment that our modernization program is not further delayed, or jeopardized as a result of the legislative funding caps strictly tied to the 2018 Revenue Bonds, the Board of Directors authorized management to request the Governor and 36th Guam Legislature to introduce proposed legislation to amend Public Law 35-44 relative to projects funded by the revenue bonds.

In light of the above, we are respectfully requesting your support to amend Public Laws 34-70 and 35-44 by removing the legislative funding caps associated with the capital improvement projects to be funded by the revenue bonds and authorize the reprogramming of the Port Authority of Guam's revenue bond proceeds to fund the shortfall.

Thank you again, Mr. Chairman and members of your legislative committee, for the opportunity to provide testimony in support of Bill 298-36 (LS).

Please let us know if you have any questions or concerns specific to this issue or any issue you would like us to address.

Si Yu'os Ma'ase,



RORY J. RESPICIO

General Manager

I MINA'TRENTAI SAIS NA LIHESLATURAN GUÅHAN
2022 (SECOND) Regular Session

Bill No. 298-36 (LS)

Introduced by:

Telena Cruz Nelson
Jose "Pedo" Terlate

AN ACT TO AMEND SECTION 4(a) OF PUBLIC LAWS 34-70 AND 35-44, RELATIVE TO THE FINANCING OR REFINANCING IMPROVEMENTS AND CAPITAL IMPROVEMENTS OF THE JOSE D. LEON GUERRERO COMMERCIAL PORT (PORT), AND OTHER RELATED FACILITIES AND OPERATIONS OF THE PORT, THROUGH REVENUE BOND PROCEEDS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings and Intent. *I Liheslaturan Guåhan* finds that the Jose D. Leon Guerrero Commercial Port's modernization program is designed to meet the island's growth including the expansion of the U.S. military and growing tourism market, with the key project initiatives as justified to the bond market investors, as follows:

- (a) Expansion of wharf space to accommodate larger vessel and increase vessel handling capacity;
- (b) Upgrade terminal operating system to allow for automated invoicing cargo and container tracking, financial management and maintenance management;
- (c) Expansion of the existing facilities to support fishing and cruise line industries; and

1 (d) Replacement of gantry cranes at the end of the useful life to maintain
2 uninterrupted cargo movement.

3 As part of the modernization program, the Port through Public Law 43-70
4 obtained seventy-one million four hundred forty-five thousand dollars
5 (\$71,445,000) in revenue bonds to finance certain capital improvements and to
6 refinance all or a portion of outstanding loans of the Port Authority.

7 *I Liheslaturan Guåhan* finds that on July 20, 2018, Pro Marine Technology
8 submitted its findings in an Underwater Assessment and Inspection Services of F-1,
9 F-3, F-4, F-5, and F-6 and based on their assessment found that the waterfront
10 facilities were in dire need of repair and provided recommendations for such repair.

11 Moreover, *I Liheslaturan Guåhan* finds that to ensure the uninterrupted flow
12 in the deployment of fuel products which could be obtained in F-1 Fuel Pier or Golf
13 Fuel Pier, a connectivity line would need to be installed at F-1 to allow discharged
14 or loaded fuel to be routed to and from other petroleum fuel companies' storage
15 tanks.

16 To enhance the Port's invoicing to ensure 100% cost recovery per the
17 established tariffs, the Terminal Operating and Financial Management systems must
18 be integrated, along with an upgrade of the Ports' current information technology
19 system for accurate financial data on the expenses rendered to vessels and related
20 services versus revenues.

21 The 2010 Master Plan included a recommendation for the current Port
22 Administration Building to be extended with an annex and a bridge connecting the
23 building to the existing building for compliance with the American Disabilities Act
24 (ADA), but such project was changed in the 2013 Master Plan Update which
25 endorsed that a large new building be constructed, and the current administration
26 building be demolished.

1 In 2019, the Port presented to Governor Lourdes A. Leon Guerrero and
2 members of the 35th Guam Legislature that if the Port pursues the 2010 Master Plan
3 recommendation to construct an annex with a bridge connecting to the existing
4 administration building, a portion of the funding originally earmarked for the
5 construction of the new administration building could otherwise be used to address
6 the deficiencies of the Port's revenue-generating waterfront facilities, a connectivity
7 fuel line between Golf Pier and F-1 Pier, and improvements needed for the Port's
8 information technology systems.

9 The 35th Guam Legislature unanimously agreed that an amendment to Public
10 law 34-70 would allow for the reprogramming of such bond proceeds needed to
11 address the deficiencies of the Port's revenue-generating facilities, the connectivity
12 fuel line between Golf Pier and F-1 and improvements needed for the Port's
13 information systems, and all remaining balances, if any, shall be allocated to provide
14 for supplemental funding for the procurement of a new gantry crane.

15 On October 16, 2019, Governor Leon Guerrero signed Public Law 35-44
16 which authorized the reprogramming of the Port Authority revenue bond proceeds
17 and amending the capital improvement projects in Section 4(a) of Public Law 34-
18 70.

19 The Port issued procurement on the architectural and engineering (A&E)
20 designs for the Port revenue bond projects, and in the A&E designs the construction
21 cost associated with the repairs exceeded those outlined in Public Laws 34-70 and
22 35-44. The engineering cost estimates outlined in the revenue bond mandates
23 obtained back in 2014 are now severely underfunded. Because the mandates
24 specifically identified the revenue bond project costs to be funded by the revenue
25 bond, it did not allow the Port to reallocate revenue bond proceeds to address the
26 anticipated shortfalls of the construction costs for which has specific costs associated
27 in the mandates.

1 To address these shortfalls, Port management actively submitted federal
2 grants to fund some of the revenue bond projects, which they were awarded from
3 U.S. Economic Authority two-point-four million (\$2.4 million) for the fuel
4 connectivity line, freeing up a portion of the revenue bond proceeds for that project.
5 The board of Directors also authorized the General Manager to use other funding
6 sources for the payment of the cost of construction or improvement or any part
7 thereof or any available money or funds of the Port Authority made available by a
8 federal grant to be expended. The Port held procurement solicitation openings for
9 several of the revenue bond projects resulting in either no offers being submitted, or
10 procurement construction bid submittal costs exceeded between ten percent (10%)
11 to one hundred fifty-six percent (156%) of the legislative funding cap of the
12 respective project.

13 A review of other revenue bond mandates for other autonomous agencies was
14 made and it is noted the Port's revenue bond legislation is the only legislation which
15 specifically states the proceeds is to "finance certain Authority capital
16 improvements, including, but not limited to..." and each project has an associated
17 funding cap versus other autonomous agencies' revenue bond legislations which
18 simply stated the project(s) and total amount authorized to borrow. Although the
19 Board of Directors authorized management to use other funding sources, it appears
20 the revenue bond legislations may disallow the Port from exceeding the cost
21 associated with the project as outlined in Public Laws 34-70 and 35-44.

22 *I Liheslaturan Guâhan* finds that an amendment to Public Laws 34-70 and 35-
23 44 to remove the legislative funding caps strictly tied to the 2018 Revenue Bond
24 funds is necessary for the Port to accomplish its commitment of ensuring the
25 modernization program is neither further delayed nor jeopardized.

26 It is therefore the intent of *I Liheslaturan Guâhan* to amend Public Laws 34-
27 70 and 35-44 by removing the legislative funding caps associated with the capital

1 improvement projects to be funded by the revenue bonds and authorize the
2 reprogramming of the Port Authority of Guam revenue bond proceeds to fund the
3 shortfalls.

4 **Section 2.** Section 4(a) of Public Laws 34-70 and 35-44 is hereby amended to
5 read:

6 “(a) to finance Authority capital improvements, including, but not
7 limited to:

8 (1) local match for the Transportation Investment Generating
9 Economic Recovery (TIGER) grant program funding for rehabilitation
10 of “H” Wharf and access road ~~in the approximate amount of Thirteen~~
11 ~~Million Seven Hundred Seventy four Thousand Two Hundred Fifty~~
12 ~~five Dollars (\$13,774,255);~~

13 (2) construction of an annex building with the construction of
14 a bridge attached to the current Administration Building and upgrade
15 of infrastructure ~~in the approximate amount of Ten Million Four~~
16 ~~Hundred Forty five Thousand Dollars (\$10,445,000).~~

17 ~~The remaining balance of approximately Seven Million Four~~
18 ~~Hundred Twenty five Thousand Seven Hundred Forty five Dollars~~
19 ~~(\$7,425,745) Resulting from this reset to the Port Modernization Plan~~
20 ~~shall be prioritized by the Port’s Board of Directors in order to shore~~
21 ~~up the Port’s current related revenue-generating facilities and financial~~
22 ~~management systems, specifically for repair of F-1 Fuel Pier; repairs~~
23 ~~of F-3, F-4, F-5, and F-6 of the waterfront facilities; installation of a~~
24 ~~connectivity fuel line connecting Golf Pier and F-1 Fuel Pier; and an~~
25 ~~upgrade to the Port’s information technology system and integration~~
26 ~~of the Terminal Operating System and Financial Management System;~~

1 (3) replacement and relocation of waterline(s) ~~in the~~
2 ~~approximate amount of \$6,000,000;~~

3 (4) repair and expansion of the Equipment Maintenance &
4 Repair Building (EQMR) ~~in the approximate amount of \$3,628,800;~~

5 (5) repair of Warehouse 1 ~~in the approximate amount of~~
6 ~~\$2,000,000;~~

7 (6) repair of Golf Pier ~~in the approximate amount of~~
8 ~~\$2,000,000;~~ and

9 (7) all remaining balances, if any, *shall* be allocated to provide
10 for supplemental funding for the procurement of a new gantry crane.”

11 **Section 3. Effective Date.** This Act *shall* become effective immediately upon
12 enactment.

13 **Section 4. Severability.** If any provision of this Act or its application to any
14 person or circumstance is found to be invalid or contrary to law, such invalidity *shall*
15 *not* affect other provisions or applications of this Act that can be given effect without
16 the invalid provision or application, and to this end the provisions of this Act are
17 severable.

BOARD OF DIRECTORS
Francisco G. Santos, Chairman
Dorothy P. Harris, Vice Chairperson
Dr. Judith P. Guthertz, Board Secretary
Conchita S.N. Taitano, Member



Resolution No. 2022-15

RELATIVE TO AUTHORIZING THE GENERAL MANAGER TO EXPLORE AND PURSUE THE BENEFITS OF BECOMING A MEMBER OF THE INTERNATIONAL ASSOCIATION OF PORTS AND HARBORS (IAPH) AND REPORT FINDINGS TO THE BOARD OF DIRECTORS

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PORT AUTHORITY OF GUAM:

WHEREAS, from an economic, social, and environmental point of view, sustainable port development is a critical issue for Ports worldwide and has a direct impact on international and domestic freight transportation, as well as local and national economic and social development and environmental protection; and

WHEREAS, since Ports emit not only carbon dioxide but also various air pollutants through cargo handling equipment, related facilities, and berthing vessels, there is a need to introduce and diffuse environmental friendly policies for the Port; and

WHEREAS, such policies should focus on fostering progress towards developing quality, reliable, sustainable, and resilient infrastructure, upgrading infrastructure and retrofitting industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmental sound technology and industrial processes; and

WHEREAS, through the direction of the Board of Directors, Port management has been working closely with the Port's Owner Agent Engineer consultants and has identified sustainable port projects to be pursued, such as,

- **Digitalization:** implement digital technologies on data collaboration with our stakeholders, improve process and documentation flow and enhance port call optimization;
- **Infrastructure:** address major infrastructural and service challenges in Port and optimize the use of the existing port capacity;
- **Health Safety & Security:** promote the health and safety culture of employees and Port visitors as a response to the COVID pandemic; innovation in security controls, inspections of cargoes and passengers, working in automated environments and implementation of cybersecurity measures; and
- **Environmental Care:** addressing air pollution, dust, noise, and water pollution, re-use and recycling initiatives; protecting freshwater resources; targeted marine litter initiatives; addressing soil and sediment contamination and protecting habitats and enhancing biodiversity; and


WHEREAS, as part of the Port's sustainable projects, Port management is developing a study on the benefits of installing solar panels on Port buildings, as well as reducing the Port's reliance on the island's power grids by utilizing its generators to assist Guam Power Authority in avoiding rolling power black-outs; and


WHEREAS, the International Association of Ports and Harbors (IAPH), with the membership of over 160 ports and 120 port-related businesses in 87 countries, in May 2017 developed a World Ports Sustainability Program (WPSP) whose primary objective is to enhance and coordinate future sustainability efforts of ports worldwide and foster international cooperation with partners in the supply chain; and

RESOLVED, the Board of Directors authorizes the General Manager to explore and pursue the benefits of becoming a member of IAPH and provide such findings to the Board of Directors; and be it further

RESOLVED, the Chairman certify to, and the Secretary attest to, the adoption hereof and that a copy of this resolution be transmitted to the Guam Legislature.

PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS THIS 14th DAY OF JULY, 2022.

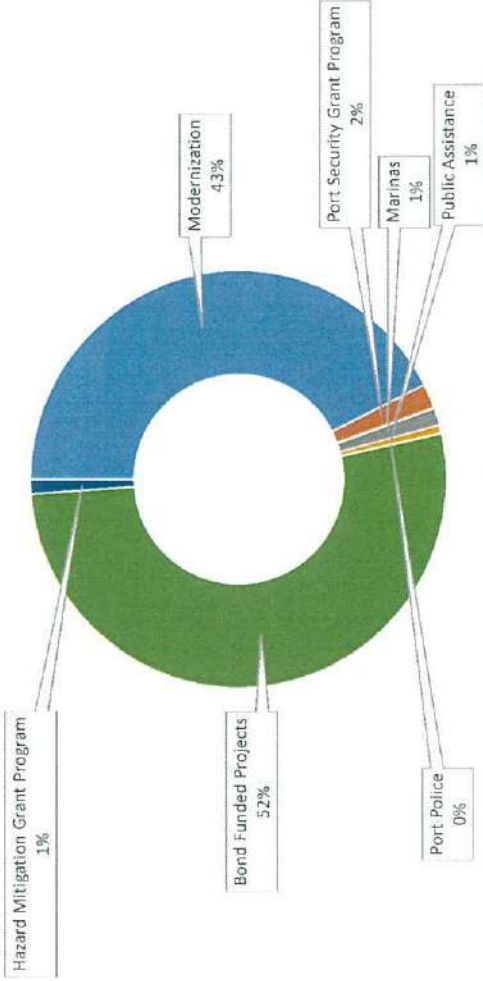

FRANCISCO G. SANTOS
CHAIRMAN, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM


DR. JUDITH P. GUTHERTZ
SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM



FY 2022 Port Modernization Plan
Grant/Bond Strategy - Monthly Update
As of July 12, 2022

PAG Federal and Bond Funding Percentage



Grant Program	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFP/PO Number	Status
Modernization DTMA01G1600007 - Rehabilitation of "H" Wharf	\$36,818,402.00 \$10,000,000.00	\$3,828,406.51 \$0.00	\$32,989,995.49 \$10,000,000.00	PO No. 17043-OF for \$2,249,945.54 awarded to GHD Inc. New Contract Amount: \$2,656,621.37 Construction Phase I	On 07/06/2022, PAG/Sumitomo Mitsui Construction Company held a groundbreaking ceremony at H-Wharf. On 06/16/2022, PAG Board of Directors and Public Utilities Commission approves of contract and PAG Docket 22-05 to Sumitomo Mitsui Construction Company for the Rebid of Construction Rehabilitation of Hotel Wharf and Highway 11 Roadway Reconstruction. IFB-PAG-c18-022-002, AU Report. Next Steps: (i) Submission of Bond by SMC; (ii) Issuance of P.O.
GR882-19-04 - 2020 Master Plan Update GR882-20-06 - OAE Supplemental Support Services	\$1,600,000.00	\$1,247,680.66	\$352,309.14		WSP conducted site visits/meetings on Guam from May 16-20, 2022. The Master Plan effort is a collaboration between Management, Port Division Heads, and the Port's OAE on the following initiatives: 1) Completion of the draft Customs Inspection Facility Feasibility Study, 2) RSM Study - goal is information integration between and amongst carriers, the PUGG, Customs, and the PAG; 3) Tariff Simplification - streamlining and refining PAG rates and services; 4) STS Crane Procurement Support; 5) PAG/GPA collaboration on proposed Liquefied Natural Gas (LNG) capability at the Port; 6) Crane Demolition - removing of Gantry 2 and 3; Mobile Harbor Crane and Rubber Tyred Gantry (RTG) cranes; and 7) Solar Power Feasibility Study - PAG effort to utilize solar energy to reduce PAG dependence on GPA island power. GM signed updated MOA and work request, which is currently being processed for signature by AG and Governor. No cost, one-year grant extension has been submitted to the Office of the Governor and OLDCC for consideration. A draft Master Plan was provided to the PAG and is currently under review.

**FY 2022 Port Modernization Plan
Grant/Bond Strategy - Monthly Update
As of July 12, 2022**

Grant Program	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IEB/RFP/PO Number	Status
GR882-21-08 - PAG Construction Technical Oversight Services	\$1,500,000.00	\$11,148.04	\$1,488,851.96	P.O. No. 17424-OS for \$1,500,000.00	PUC approval obtained on September 30, 2021 meeting. Randall Uruaki, WSP USA, Inc. signed contract agreement on October 20, 2021. Purchase Order signed on November 10, 2021. Task Order #11 services are ongoing. No cost, 1 - year grant extension has been submitted to the Office of the Governor and OLDCC for consideration.
Port Enterprise Fund - Part of Guam Construction Deficiencies and Equipment Purchases	\$2,844,530.00	\$2,569,567.61	\$274,962.39	Project 1 - PO No. 1557-OF for \$139,449.00 awarded to American Builder LLC Project 2 - PO No. 15589-OF for \$82,940.00 awarded to Highway Safety Services LLC Project 3 - PO No. 15449-OF for \$10,311 awarded to AB Mer Construction Project 4 - PO No. 15219-OS for \$1,639,976 awarded to Morrico Equipment LLC Project 5 - PO No. 16866-OF for \$195,844.55 awarded to ProPacific Builder Corp. Change Order No. 1 PO No. 17034-OF for \$25,000.00 Change Order No. 2 PO No. 17157-OF for \$78,000.00 Total Project 5 - \$298,844.55 Project 6 & 7 - The Purchase Orders were separated by funding source. The POs are as follows: PO No. 17509OS for \$703,934.19 - MARAD - \$673,009.45 & PAG Share - \$30,924.74 PO No. 17510OS for \$289,739.81 - PSGP - 150,146.08 & PAG Share - \$99,593.73 PO No. 17511OS for \$307,744.00 - PAG Share Total - \$1,221,418.00	Project 6 - A no cost change order was processed for this project bringing the new completion date to August 31, 2022. This was to account for another PAG project to install new concrete gate booms and the prolonged period to receive a building permit. Microtrenching is scheduled to be complete by July 15, 2022. Once complete, work will continue on establishing connectivity for all cameras to the PCC and for the remaining cameras to be installed. Two invoices have been processed for payment and a third is currently being reviewed. Project 7 - Upgrade Port's KANTECH Access Control and Web-Ready Security Management System - See Project 6.
07-79-07614 - F1 Pier to Golf Pier Fuel Connectivity Project	\$2,413,091.00	\$0.00	\$2,413,091.00		SHPO's guidance on the project indicates the need for a HABSIHER Level I document prior to construction. Strategic Planning Division is coordinating this process with SHPO. EDA held a virtual meeting with PAG staff on January 7, 2022 to introduce new Project Officer. PAG transmitted A/E Design scope of services and other documents to new Project Officer for informal review and comments. EDA Project Officer conducted a site visit on February 18, 2022. PAG currently awaiting receipt of comments/approval from Project Officer regarding A/E Design scope of services. March 8, 2022, bi-weekly project update meeting held with EDA Project Officer and PAG Engineering Division. Engineering discussed Scope of Work for A&E Design, noted additional verbiage for Scope under development. March 17, 2022, Planning sent additional verbiage to EDA Project Officer for review. The EDA Project Officer approved the changes. RFP-PAG-022-003 was posted on April 11, 2022. A pre-proposal conference and site visit was held on April 19, 2022. Five (5) prospective offerors were in attendance. Three proposals were submitted on May 13, 2022. Procurement process ongoing.
D20AP00136 - Phase 1: Port Authority of Guam - Welding Shop	\$240,325.00	\$0.00	\$240,325.00		Management has approved the scope of the HABSIHER. Work is ongoing to identify funding for this initiative. Once this process is complete, the project can begin.
D21AP10142 - Phase 2: Port Authority of Guam - Welding Shop	\$151,850.00	\$0.00	\$151,850.00		See above line item.

**FY 2022 Port Modernization Plan
Grant/Bond Strategy - Monthly Update
As of July 12, 2022**

Grant Program		Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFQ/PO Number	Status
98T27101 - Diesel Emissions Reduction Act (DERA) - Tractor Replacement		\$126,809.00	\$0.00	\$126,809.00		PAG signed MOA on October 15, 2021 and routed to GEPA. On October 25, 2021, PAG provided additional vehicle information requested by US EPA. PAG signed Intra - Government of Guam Work Request on October 26, 2021; GEPA picked up document on October 27, 2021. January 19, 2022, GEPA transmitted certified MOU/Contract, along with processed Intra Government of Guam Work Request. IFB-PAG-006-022 was advertised on March 8, 2022, as an indefinite quantity bid for a period of one (1) year with a delivery period of 270 days upon availability of funds. Bid close date was on April 8, 2022; one bid submission was received. Recommendation by Procurement Division under review by Management.
MARAD RAISE - Wharves Service Life Extension Hardening of Wharves F1-F6		\$17,941,997.00	\$0.00	\$17,941,997.00		PAG conducted an on-site meet-and-greet meeting and round table discussion with USDOT/MARAD, Ms. Kris Gilson - Director of Environmental Compliance on Wednesday, June 29, 2022 at 10:30 A.M. Other local agencies in attendance included Guam EPA, BSP FeedCon/Coastal Management, Guam DoAG. Next Steps: (i) PAG will utilize its Owner Agent Engineer, WSP, to provide consulting services for this NEPA process as well as develop a design for the project; (ii) MARAD and Guam EPA advised the PAG that new marine surveys should be conducted; (iii) The marine surveys would then be used to update a previously completed 2012 Environmental Assessment that covered much of the Port; (iv) Once the design and the surveys are complete, formal consultation letters will be sent to all federal and local regulatory agencies.
Marinas		\$1,209,243.60	\$62,661.40	\$1,146,582.20		On 05/26/2022, Board approves of contract award to Art Constructors, LLC. Letter of Acceptance and Notice of Intent to Award was issued 06/17/2022. Bonding has been secured by the contractor on 07/01/2022. Next Steps: (i) Signing of contract by PAG; (ii) Issuance of P.O.; (iii) CIP/Engineering will schedule a pre-construction meeting with contractor; (iv) Project's period of performance is 180 calendar days or 6-months from issuance of NTP by PAG and USEWS/DoAG.
F17AP00191 - Harbor of Refuge Repairs - 1. Repair Plan of Mooring System and Anchor Block -2. Wastewater Ejector Pump Station and Storage Facility		\$56,484.60	\$14,785.40	\$41,719.20		See above line item.
F16AP00201 - Harbor of Refuge Moorage Repairs		\$200,000.00	\$11,895.00	\$188,105.00		See above line item.
F17AP00486 - Harbor of Refuge Moorage Repairs		\$200,000.00	\$13,194.00	\$186,806.00		See above line item.
F19AP00354 - Harbor of Refuge Moorage Repairs		\$200,000.00	\$10,048.00	\$189,952.00		On 07/11/2022, PAG, AIC International, Inc. and Pro Pacific Builders held a groundbreaking ceremony for the Construction of Dock 8 and Restroom Facilities at Agat Marina. On 06/16/2022, PAG Board approves contract award to AIC International, Inc. Bonding has been secured by contractor on 06/17/2022. Next Steps: (i) Signing of contract by all parties; (ii) Issuance of P.O.; (iii) CIP/Engineering will schedule a pre-construction meeting with contractor; (iv) Project's period of performance is 240 days or 8 months from issuance of NTP by PAG and USEWS/DoAG.
F19AF01199 - Guam Fisheries Development: Construction of Agat Marina's Dock 8		\$512,758.00	\$12,759.00	\$500,000.00		Contractor working with DPRW Building Inspection & Permits Section Application for Permit. Status Quo - Work is ongoing.
F19AF01210 - Repair of Agat Marina's Boat Ramp Bumpers		\$40,000.00	\$0.00	\$40,000.00		
Port Security Grant Program		\$1,664,484.00	\$764,337.11	\$900,146.89		Year 1 - PO No. 16208-05 for \$75,207.00 Pacific Unlimited Inc. Grant close-out process ongoing with submission of Final Invoice and reconciliation of accounts. Because of May 31, Year 2 - PO No. 16988-05 for \$75,207.00 Pacific Unlimited Inc. 2022 grant PO# end date, Jan-May 2022 services are funded (PAG funds) Pacific Unlimited Inc.
E1MW-2017-PU-00177-S01 - Maintenance and Sustainment Contract for Prime Power Generators		\$179,560.00	\$80,720.10	\$98,839.90		Year 3 - PO No. 17686-05 (federal funds); PO No. 17687-05 (PAG funds) Pacific Unlimited Inc.

**FY 2022 Port Modernization Plan
Grant/Bond Strategy - Monthly Update
As of July 12, 2022**

Grant Program	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RFP/PO Number	Status
EMW-2017-PU-00177-S01 - Refurbishment and Hardening of Load Center Buildings Housing Prime Power Generators	\$384,489.00	\$306,648.80	\$77,840.20	PO No. 16150-OF for \$314,450.00 to Murphy Enterprises Inc.	Grant close-out process ongoing with submission of final invoices and reconciliation of accounts.
EMW-2017-PU-00177-S01 - US Coast Guard Multi Agency National Association of State Boating Law Administrators (NASBLA) Training for Port Police	\$56,250.00	\$54,749.00	\$1,501.00		Grant close-out process ongoing with submission of final invoices and reconciliation of accounts.
EMW-2018-PU-00441-S01 - IDEN Technology Redundant Interoperable Communications System Monthly Service	\$94,944.00	\$79,954.28	\$14,989.72		IC Connect sold all its assets to ITE. ITE is now the service provider and support entity for the Port's IDEN Technology and talk radios. Grant award funded 3-year contract (2018-2021). PAG submitted request to use remaining project balance to fund additional 9 months of service (Oct-May 2022)
EMW-2018-PU-00441-S01 - Maintenance and Sustainment Contract for FEMA-acquired ASSE ZBV Backscatter X-Ray Van	\$195,669.00	\$121,856.06	\$73,812.94	PO No. 17628 -OS - American Science & Engineering 70,724.04.	Year 3 services has been executed and Purchase Order issued to AS&E. Request for 9 month extension has been approved. New POP End date is May 31, 2023.
EMW-2018-PU-00441-S01 - Replacement CCTV System Existing Analog Cameras with Digital IP Cameras	\$160,887.00	\$102,686.21	\$58,190.79	IFB-PAG-003-21	See Port Enterprise Fund - Project 6.
EMW-2019-PU-00295-S01 - Acquisition & Installation of Prime Power Generator & Components for Load Center 3	\$226,484.00	\$17,422.66	\$209,061.34	PO No. 17097-OS - Caterpillar, Inc. \$208,607.00 PO No. 17492OS - Bagley Enterprises, Inc. - \$21,811.39 PO No. 17493OS - Triple B Forwarders - \$1,670.00	Generator and components installation has been completed. Testing and commissioning services performed June 8-10, 2022. Pending payment of invoices and drawdown.
EMW-2021-PU-00230-S01 - Acquisition of Vessel Tracking/Radar Intrusion System (TWIC) System	\$201,250.00	\$0.00	\$201,250.00		Final SOW and procurement documents submitted to Procurement Division for issuance of IFB.
EMW-2021-PU-00230-S01 - Acquisition of Transportation Worker Identification Credentialing (TWIC) System	\$165,001.00	\$0.00	\$165,001.00		Notice of Intent to Award issued to the vendor. Final award is pending issuance of a Purchase Order.
Public Assistance 439BDR - Typhoon Mangkhut #63652	\$530,517.90 \$530,517.90	\$87,713.14 \$87,713.14	\$442,804.76 \$442,804.76		Project is ongoing. Request for extension to October 1, 2022 has been approved by the Guam Homeland Security Advisor.
Hazard Mitigation Grant Program Fendering System Hardening Project	\$989,564.00 \$603,686.00	\$0.00 \$0.00	\$989,564.00 \$603,686.00		Final SOW and Procurement documents submitted to Procurement Division on June 9, 2022 for issuance of IFB. Period of Performance end date is November 4, 2023.
Warehouse 1 Hardening Project	\$385,875.00	\$0.00	\$385,875.00		Final SOW and Procurement documents submitted to Procurement Division on June 24, 2022 for issuance of IFB. Period of Performance end date is November 4, 2023.
Port Police PT22-03-03PPD - Operation A'dai He'Ho	\$20,000.00 \$20,000.00	\$8,755.75 \$8,755.75	\$11,244.25 \$11,244.25		Port Police is in the process of creating a new speed enforcement schedule. The quarterly report was delivered to the OHS on July 6, 2022.
Bond Funded Projects New Administration Building	\$45,328,800.00 \$10,445,000.00	\$4,742,194.79 \$0.00	\$40,586,605.21 \$10,445,000.00		Three draft layout options for the Admin Building has been completed by the PAG's O&E and is being reviewed by Management. No decision on which option has been selected as of this report. Status Quo.
Waterline Replacement and Relocation	\$6,000,000.00	\$319,086.18	\$5,680,913.82	RFP No. 2019-03 - A&E Design awarded to NC Macarco	Project is currently pending SHPO review.
EQMR Building Repairs and Upgrades	\$3,628,800.00	\$447,013.13	\$3,181,786.87	RFP No. 2019-03 - A&E Design awarded to NC Macarco	A change order is being processed with the Engineer of Record to descope the project and produce all required design documentation.
Warehouse 1 Repairs and Upgrades	\$2,000,000.00	\$447,013.13	\$1,552,986.87	RFP No. 2019-03 - A&E Design awarded to NC Macarco	A change order is being processed with the Engineer of Record to descope the project and produce all required design documentation.
Golf Pier Repairs and Improvements	\$2,000,000.00	\$372,147.93	\$1,627,852.07	RFP No. 2019-02 - A&E design for \$484,000 awarded to NC Macarco	Reissuance of IFB to be determined by management.
Rehabilitation of "H" Wharf (Port Share)	\$13,774,255.00	\$1,187,446.07	\$12,586,808.93	PO No. 17003-OF for \$2,249,945.54 awarded to GHD Inc. New Contract Amount: \$2,856,621.37 Construction Phase 1 includes the procurement of all steel piling works materials for the Wharf Phase 2 would include the installation of the west and east wall piles and other marine structures, on-shore bollards, bulkhead mooring-deck and bollard, and cell fenders. The respective negotiated cost for Phase 1 and Phase 2 are \$39,485,672.00 and \$6,848,233.00, for a total of \$46,333,895.00	On 07/06/2022, PAG/Sumitomo Mitsui Construction Company held a groundbreaking ceremony at H-Wharf. On 06/16/2022, PAG Board of Directors and Public Utilities Commission approves of contract and PAG Docet 22-05 to Sumitomo Mitsui Construction Company for the Rebid of Construction Rehabilitation of Hotel Wharf and Highway 11 Roadway Reconstruction, IFB-PAG-CIP-022-002. AU Report. Next Steps: (i) Submission of Bond by SMC; (ii) Issuance of P.O.

FY 2022 Port Modernization Plan
 Grant/Bond Strategy - Monthly Update
 As of July 12, 2022

Grant Program	Total Award Amount	Total Draw Down	Total Remaining Balance	PROCUREMENT IFB/RF/PO Number	Status
Other Priority Projects	\$4,980,745.00	\$0.00	\$4,980,745.00		1. Please refer to MARAD RAISE - Wharves Service Life Extension Hardening of Wharves F 1-F6 for more information.
Other Priority Projects - EnterpriseOne Financial Management System	\$2,500,000.00	\$1,969,488.35	\$530,511.65		2. TOS upgrade work pending WSP analysis of Cargo Velocity. Ongoing. Work is ongoing for further improvements to both job costing for CIP and ACH payments.
Grand Total	\$86,561,011.50	\$9,494,088.70	\$77,066,942.80		

PORT AUTHORITY OF GUAM
CONTRACT SUMMARY UPDATE

No.	Consultant/Vendor	Type of Service	Solicitation Method Reference No.	Division	Contract Term	Initial Term	Expiration After Options	Next Renewal/Due Date	Annual Amount (Comments / Notes)
PROFESSIONAL SERVICES									
1	A1 - Guam WEBZ	Web Development, Hosting, Support and Maintenance Svcs	IFB-002-20	IT	3 years w/2 1 yr options	04/01/2020 to 03/31/2023 w/ 2 1yr options	03/31/25	03/31/23	Fees based on rates
2	AM Insurance	Insurance Coverages	GSA/PAG-020-17	Finance	5 years	10/01/2017 to 09/30/2022	09/30/22	09/30/21	Premium based
3	AM Insurance	Workers Compensation Coverages	IFB-PAG-008-19	Finance/Safety	3-years	3/20/20 to 3/19/23	03/19/23	03/19/23	
4	Matson	PMC for Gantry Cranes	RFP-020-005	EQMR	5 years with options to 20 years	11/05/21 to 11/05/26		11/05/26	\$200K per annum
5	Bank of Guam	Banking Services	RFP 020-004	Finance	5 years	5/14/21 to 5/13/26	05/14/26	05/14/26	
6	Mobil Oil Guam	Management and Operations of Golf Pier	RFP-PAG-021-002	Commercial	5 years				Currently under cost negotiations
7	OMEGA Safety	OSHA Training & Certification Services for Maritime Terminal Operations	RFP-017-003	Human Resources	3yr w/ 2- 1yr options NTE 5 years	8/13/2018 to 8/13/2021	08/13/23	08/13/22	
8	Pacific Human Resources, Inc.	Drug Free Workplace Program	RFP-020-003	Human Resources	Initial 3yr term with 2 add'l one year options, not to exceed 5 yrs	06/15/20 to 6/14/2023	06/15/25	06/15/23	
9	Milo Appraisals	Real Estate Appraisal Services	RFP-021-004	Commercial	3yrs w/ 2 option	10/06/21 to 10/05/24	10/05/26	10/05/24	Task Order based
10	TakeCare dba: FHP	Medical Examination Services	RFP-017-002	Human Resources	3 yr. w/ 2 options NTE 5 years	9/21/17 to 9/20/20	09/20/22	09/20/22	
11	Tristar Terminal Guam	M & O of F-1 Fuel Pier Facility	RFP-019-004	Commercial	5 years	04/01/21 to 03/31/26	04/01/21	03/31/26	
12	Deloitte & Touche	Annual Independent Audit Services	RFP-018-003	Fiscal	FY18, FY19, FY20, w/ 1Yr Option	FY18, FY19, FY20, w/ 1Yr Option	12/31/2022	12/31/2021	Final Contract year
13	WSP USA Inc.	OAE - Owner Agent Engineer	RFP-021-003	Planning	2 yr w/ 3 options NTE 5 yrs	10/22/21 to 10/21/23	10/22/26	10/21/23	\$1.5M
14	N.C. Macario & Associates	A/E Design and Consulting Services Golf Pier	RFP 019-002	Engineering	3 years w/2 1 yr options	11/20/19 to 11/19/22	11/19/2024	11/20/2022	\$484K
15	N.C. Macario & Associates	A/E Design and Consulting Services EQMR, Warehouse No.1, Waterline Relocation	RFP 019-003	Engineering	3 years w/2 1 yr options	02/05/20 to 02/04/23	2/5/2025	2/5/2023	\$1,406,427.48

PORT AUTHORITY OF GUAM
CONTRACT SUMMARY UPDATE

No.	Consultant/Vendor	Type of Service	Solicitation Method Reference No.	Division	Contract Term	Initial Term	Expiration After Options	Next Renewal Due Date	Annual Amount (Comments / Notes)
16	GHD	Construction Management Services	RFP 020-002	Engineering	Initial 2 years with 3 add'l One year options not to exceed 5 yrs	3/15/21 to 3/14/23	3/15/2025	3/15/2023	Contract signed 3/15/2021
CONSTRUCTION CONTRACTS									
No.	Consultant/Vendor	Type of Service	Solicitation Method Reference No.	Division	Contract Term	Initial Term	Expiration After Options	Next Renewal Due Date	Annual Amount (Comments / Notes)
1	Sumitomo Mitsui Construction Company	Rebid of the Construction Rehabilitation of H-Wharf and Highway 11 Roadway Reconstruction	IFB-022-002	CIP/Planning	730 Calendar days from NTP	Pending Contract signing, PO and NTP			\$47M approx.
2	Guam Shipyard	Design Demolition of 5 inoperable Port Cranes and One Barge at F-6	MS IFB 021-002	CIP/EQMR	100% Performance, Labor and material Bonding received, PO and NTP issued 9/10/21	410 calendar days			\$2,573,155.00
3	Guam Shipyard	Supply and install of Fendering system at F-3	IFB 021-001	CIP	243 calendar days from NTP				\$297K NTP was issued
4	Cal Pac	Installation of CCTV Surveillance sys and ACS control replacement	IFB 003-21	Planning / CIP		210 days from NTP			\$1.2 million
5	Propacific Builders Corp.	Replacement of 125 each Reefer Receptacles	IFB -21-007	CIP	182 days from NTP	182 calendar days			\$600,000.00
6	Pacific Federal Management Inc.	Design Build and Replacement Of 3 Metal Gatebooths	IFB-0021-11	CIP		275 days from NTP			\$157,557.00
7	BME and Sons	Waterline Replacement Project	IFB -021-005	CIP	365 calendar days from NTP	365 calendar days			\$4.8M
8	SPPC	Ultra Low Sulfur Diesel Fuel Bid	IFB-022-002	Trans/Ops	3 years with 2 options	Awarded			\$450K approx.
9	ART Construction	Renovation and Repairs of the Harbor of Refuge Phases 2 thru 5	IFB 022-001	CIP/Planning	180 from NTP	Pending Board Approval			\$870,000.00

Port Authority of Guam
Active Project Status
Engineering Division

As of July 12, 2022

Fact Sheet No. 116

Project:	A/E Services for Golf Pier Repair
Project No.:	RFP-PAG-019-002
Project Amount:	\$484,017.13
Amount Paid to date	\$372,237.93 remaining balance of \$111,779.20 is to be paid as post design services.
Funding Source:	PAG Bonded Project
Designer:	N.C. Macario and Associates
Construction Manager:	PAG Engineering Division
Notice to Proceed to Designer	January 6, 2020
Design Completion:	Performed within 6 months (July 5, 2020)
Work Status:	Related documents such as Drawings, Specifications, Scope, Bid Schedule, Requisition Process, Determination of Need Letter were completed and were submitted to the Procurement as IFB Documentation. On June 10, 2022 an alternate scope of work was transmitted by the Engineering Division as requested by the Procurement Division that involves a design-build IFB at an estimated cost of nearly \$10,000,000 dollars.

Project	Golf Pier Repair and Improvements (Construction Phase)
Project No.:	IFB –PAG-CIP-021-006
Project Amount:	TBD
Amount Paid to date:	None
Funding Source:	PAG Bonded Project
Contractor:	TBD.
Designer:	N.C. Macario and Associates
Construction Manager:	PAG Engineering Division
Notice to Proceed:	TBD
Project Completion:	TDB.
Work Status:	Scheduled Bid openings so far have not produced any bidders (no Contractors participation). At this juncture, the Engineering Division suggests a two-step Design-Build Procurement approach involving several contractors. PAG Management has currently suspended the existing IFB until further notice.

Project:	A/E Services EQMR, WH I, Bldgs. & Relocation of PAG Water Line (Design Phase)
Project No.:	RFP-PAG-019-003
Project Design Fees:	\$1,406,427.48
Amount Paid to date:	\$1,187,186.76, Remaining Balance of EQMR and Warehouse #1 is (\$91,537.19) The Waterline Replacement Project balance to NC Macario is (\$81,777.86) are to be paid as post design services for all three design projects.
Funding Source:	PAG Bonded Projects
Designer:	NC Macario and Associates
Construction Manager:	PAG Engineering Division
Notice to Proceed to Designer:	February 17, 2020
Project Completion:	8 months (October 16,2020 was the initial deadline. However, due to COVID, POP was extended to December 4, 2020) Project design was completed by December 4, 2020.

Work Status: On May 20, 2022, PAG Engineering and N.C. Macario and Assoc. conducted a meeting in regards to reduction of scope of works for Warehouse #1 and EQMR Building. On June 10, 2022, N.C. Macario and Assoc. submitted a cost proposal for the Reduction of the SOW for Wh.1 and EQMR Building Upgrades reflecting life and safety concerns only that is pending Issuance of a purchase order by the Procurement Division.

Project Warehouse I Building Upgrades (Construction Phase)
Project No.: IFB-PAG-CIP-021-009
Project Amount: TBD
Amount Paid to date: None
Funding Source: PAG Bonded Project
Contractor: TBD.
Designer: N.C. Macario and Associates
Construction Manager: PAG Engineering Division
Notice to Proceed: TBD
Project Completion: TDB.
Work Status: On January 18, 2022, PAG Management issued a rejection of Bids to all contractors participated in the Invitation for Bid no. IFB-PAG-CIP-021-009 until further notice.

Project EQMR Building Upgrades (Construction Phase)
Project No.: IFB-PAG-CIP-021-010
Project Amount: \$3,980,000.00
Amount Paid to date: None
Funding Source: PAG Bonded Project
Contractor: JJ.Global Services
Designer: N.C. Macario and Associates
Construction Manager: PAG Engineering Division
Notice to Proceed: TBD
Project Completion: TBD
Work Status: JJ Global Services submitted their performance bond to PAG Procurement, Contractor is currently reviewing construction contract prior to execution and issuance of Purchase Order by PAG Procurement Division. A PAG internal meeting with participation of the Procurement, Legal, Finance and Engineering Divisions is arranged on June 15, 2022 to discuss NC Macario's (designer of the record) proposal to design a reduced scope involving life and safety concerns only. The decision to change the scope for EQMR was discussed with the JJ Global principals in an spirit of cooperation and partnership on June 21, 2022. Once the Procurement Division Issues the Purchase Order, following an issuance of NTP by the Engineering, the designer of the record would be able to revise the plans and specifications within 6 weeks.

Project PAG Waterline Replacements (Construction Phase)
Project No.: IFB-PAG-CIP-021-005
Project Amount: \$4,856,568.91
Amount Paid to date: None
Funding Source: PAG Bonded Project
Contractor: BME and Son's
Designer: N.C. Macario and Associates
Construction Manager: PAG Engineering Division

Notice to Proceed: March 22, 2022
Project Completion: 365 calendar days after issuance of DPW Building Permit
Work Status: Contractor BME & Sons is in the process of obtaining the building permit. PAG Planning and Engineering Division is currently in communication with Department of Parks and Recreation regarding Archeological requirements for the project in order to finalize the building permit. PAG Management has communicated with the DPR Director to allow the project commence under the condition that if any items are discovered during this waterline replacement project, the CM (PAG Engineering) will cease all construction activities and consult with the SHPO.

Project: **New Administration Building**
Project No.: TBD
Project Amount: TBD
Amount Paid to date: None
Funding Source: PAG Bonded Project-Pending
Contractor: TBD
Construction Manager: TBD
Notice to Proceed: TBD
Project Completion: TBD
Work Status: Pending funding source.

Project: **Supply and Installation of New 24 Ea. Cylindrical Fendering System at F-3 and 10 Ea. New Rubber Leg Arch Fender at Wharf F-4 thru F-6**
Project No.: IFB. -PAG-CIP – 021-001
Project Amount: \$298,259.00
Amount Paid to date: None
Funding Source: FEMA and PAG
Contractor: Guam ShipYard (Guam Industrial Services Inc.)
Construction Manager: PAG
Notice to Proceed: June 10, 2021
Project Completion: June ,2022
Work Status: As of February 8, 2022, according to the contractor the required fendering materials have not yet arrived on the island. Timely completion of this project using originally earmarked funds is becoming more challenging as the FEMA Grant portion has to be extended. The latest extended grant funding is anticipated to be in September 2022. The Contractor has requested for an extension due to the supply chain issues cited. Any final deadline is fast approaching during the calendar year 2022.

Projects: **Harbor of Refuge Pump Station and Installation of Wastewater Ejector Pump and Harbor of Refuge Installation of Mooring Blocks**
Project No.: IFB-PAG-CIP-022-001
Project Amount: \$870,000.00
Amount Paid to date: N/A
Funding Source: Dept. of Agriculture Fish and Wildlife Boating Infrastructure Grant
Contractor: TBD
Construction Manager: PAG Engineering Division
Notice to Proceed: TBD
Project Completion: TBD

Work Status: On May 26, 2022. A negotiation was conducted by the PAG Procurement, Engineering, Planning, Commercial, Port Legal Division and Art Construction LLC (the sole bidder). Art Construction has been recently awarded the contract.

Project: Rehabilitation of H-Wharf and Access Road (Construction Phase IFB)
Project No.: Rebid IFB-PAG-022-002
Project Amount: \$23,000,000.00
Amount Paid to date: N/A
Funding Source: Tiger Grant and PAG Revenue Bond
Contractor: TBD
Construction Manager (CM): GHD Engineering
Notice to Proceed: TBD
Project Completion: TBD
Work Status: Three bid openings were conducted by the Procurement Division, two of which produced no bid. However, the third bid opened on January 28, 2022. Produced one bid by Sumitomo Construction in the amount \$59,683,065. Bid submittal is currently under review by PAG Procurement and Legal Divisions. The present design in our humble opinion is not conducive to bring the project cost near the existing budget unless the structural scope is revised to reflect repair of some sheet piles and not complete replacement of all sheet piles. It is the Engineering understanding that the project will move forward in phases.

Project: Installation of Canopy Fronting Building Maintenance Bay of EQMR Building
Project No.: IFB No. PAG-CIP-021-008
Project Amount: \$92,000.00
Amount Paid to date: \$92,000.00 on process to finance
Funding Source: PAG Budget 2021
Contractor: Pro Pacific Builders
Construction Manager: PAG Engineering Division
Notice to Proceed: August 31, 2021
Project Completion: September 15, 2022
Work Status: Contractor (PPBC) completed the project on May 31, 2022. Contractor submitted all close-out documents (certificate of completion, Warranty of 1 year, Release of Claims and A-built drawings). The project has been completed successfully.

Project: Replacement of 125 Each Reefer Outlets Receptacles
Project No.: IFB No. PAG-CIP-021-007
Project Amount: \$600,000.00
Amount Paid to date: N/A
Funding Source: PAG Budget 2021 and FY-2022 Budget
Contractor: PRO PACIFIC Builders Corporation (PPBC)
Construction Manager: PAG Engineering Division
Notice to Proceed: TBD
Project Completion: TBD
Work Status: As of this date, Pro-Pacific Builders Corporation due to supply chain issues awaits the arrival of the approved reefer outlets, wires and the Panel Boards with circuit breakers by September 2022 in order to move the project forward. It is anticipated that an extension to the performance period (POP) will be necessary.

Project:	Remove/Replace 3 Each Metal Gate Booths with Reinforced Concrete Structures
Project No.:	IFB-PAG-CIP-021-011
Project Amount:	\$159,557.00
Amount Paid to date:	00.00
Funding Source:	PAG CIP Internally Funded Projects
Contractor:	Pacific Federal Management
Construction Manager:	PAG Engineering Division
Notice to Proceed:	December 6, 2021
Project Completion:	243 calendar days is the POP from the NTP date.
Work Status:	On June 15, 2022 a coordination meeting was held with the Pacific Federal Management to discuss permitting, mobilization and the required documents prior to construction. The 3 pre-cast booths have been delivered to the PAG laydown area. And the contractor is currently mobilizing to replace the Booth No. 3 first.

Project:	Installation of the 569 KVA Generator, ATS and Fuel Storage Tank at LC-3
Project No.:	RFQ-PAG-022-001-CIP
Project Amount:	\$62,939.58
Amount Paid to date:	N/A
Funding Source:	2019 FEMA Port Security Grant Program
Contractor:	Top Builders
Construction Manager:	PAG Engineering Division
Notice to Proceed:	TBD
Project Completion:	Project POP is 63 calendar days due to Change Oder No.1 and No.2
Work Status:	On June 8 thru 10, 2022 Hawthorne technical representative conducted an inspection, test run and commissioning of the new Genset, ATS and the Fuel Storage Tank. On June 13, 2022 Hawthorne conducted a final test and commissioning run with actual load handled by the new Genset, ATS and fuel tank. The project has been successfully completed.

Project:	Design-Build Repair the Northside Catwalk by the Agat Marina Boat Ramp
Project No.:	IFB-PAG-CIP-022-003
Project Amount:	\$80,000
Amount Paid to date:	N/A
Funding Source:	PAG Budget 2022
Contractor:	ProPacific Builders
Construction Manager:	Port Engineering Division
Notice to Proceed:	TBD
Project Completion:	180 Calendar Days
Work Status:	Pro Pacific Builders completed the final design and is in the process of obtaining the building permits. Currently the permit application is being reviewed by the GEPA.

Project:	Design, Demolition, Removal & Proper Disposal of 5 Inoperable Cranes and Optional Removal/Disposal of one Barge YFN 816
Project No.:	IFB. -PAG-CIP – 021-002
Project Amount:	\$2,573,155.00
Funding Source:	PAG
Contractor:	Guam Ship-Yard "GSY" (Guam Industrial Services Inc.)
Construction Manager:	PAG
Notice to Proceed:	February, 2022

Project Completion: October, 2023
Work Status: The demolition of the STS Gantry Cranes is currently estimated to commence in September 2022. The removal of Barges YFN 816 and the Guahan remain pending. No disposal of the removed RTGs or MHC has taken place.

Project: Devanning Concrete Ramp Repair (Adjacent to the Old Weighing Scale)
Project No.: IFB
Project Amount: \$69,979.21
Amount Paid to date: N/A
Funding Source: PAG Budget 2022
Contractor: IAN Corporation
Construction Manager: Port Engineering Division
Notice to Proceed: April 11,2022
Project Completion: 74 Calendar Days June 24,2022
Work Status: IAN Corporation submitted a request for an extension for 14 days and was approved on June 10, 2022. The project has been successfully completed.

Project: Harbor Master Roof and Miscellaneous Repair
Project No.: RFQ
Project Amount: \$63,500
Amount Paid to date: N/A
Funding Source: PAG Budget 2022
Contractor: Top Builders
Construction Manager: Port Engineering Division
Notice to Proceed: March 21, 2022
Project Completion: 122 Calendar Days
Work Status: The project is practically complete pending installation of an aluminum pole and supporting base plate. This item, due to the supply chain issues has not yet been shipped to Guam. Therefore, and extension to the POP will be required once the ETA of the above item is determined.

Project: Hagatna Marina Installation of Two (2) Gates in Dock A, B and Dry Dock Concrete Repair
Project No.: RFQ
Project Amount: \$45,000
Amount Paid to date: \$45,000.00 pending final payment from the Port
Funding Source: PAG Budget 2022
Contractor: ProPacific Builders Corporation
Construction Manager: Port Engineering Division
Notice to Proceed: March 21, 2022
Project Completion: 60 Calendar Days
Work Status: Project has been successfully completed.

Project:	Painting of Exterior, Interior and Roof Coating of the CFS Building
Project No.:	IFB
Project Amount:	TBA
Amount Paid to date:	TBA
Funding Source:	PAG Budget FY 2022
Contractor:	TBD
Construction Manager:	Port Engineering Division
Notice to Proceed:	TBD
Project Completion:	180 Calendar Days
Work Status:	Procurement Division advertised via an IFB on July 12, 2022.

Project:	Installation of Dock "B" Agat Marina
Project No.:	TBD
Project Amount:	\$1,494,750.00
Amount Paid to date:	N/A
Funding Source:	Dept. of Interior, Dept. of Agri. Fish and Wildlife, DOA/WR and PAG 2021 Budget Share
Contractor:	AIC International Inc. (AIC)
Construction Manager:	PAG Engineering Division
Notice to Proceed:	TBD
Project Completion:	TBD
Work Status:	Procurement conducted a bid opening on May 19, 2022. Two contractors submitted their bids. AIC International Inc. was the lowest bidder in the amount of \$1,494,750.00 and followed by ARI Contractors LLC in the amount of \$2,495,267. Procurement Division has issued the contract to the AIC.

Project:	Design-Build Agat Marina Bathrooms
Project No.:	IFB-PAG-CIP-022-006
Project Amount:	TBD
Amount Paid to date:	N/A
Funding Source:	PAG Budget 2022
Contractor:	Pro-Pacific Construction Company (PPBC)
Construction Manager:	Port Engineering Division
Notice to Proceed:	July 18, 2022
Project Completion:	360 Calendar Days (July 18, 2023)
Work Status:	On March 29, 2022, PAG Procurement and Engineering Division conducted a bid opening of the project. The lowest bidder determined to be the ProPacific Builders in the amount of \$345,000.00. PAG Engineering requested a supplemental budget in the amount of \$95,000.00 and was approved on May 5, 2022. PAG Procurement has awarded the contract to PPBC.

Project:	Agana Marina Clean Exist. OWS & Retrofit Double Barrel Outfalls with Check Valves
Project No.:	RFQ
Project Amount:	TBD
Amount Paid to date:	N/A
Funding Source:	PAG Budget 2022
Contractor:	TBD
Construction Manager:	Port Engineering Division
Notice to Proceed:	TBD

Project Completion: 120 Calendar Days
Work Status: PAG Engineering has submitted the bid package to Procurement Division for a Request for Quotation.

Project: Service and Repair of the Impressed Current Cathodic Protection at Wharf F-5
Project No.: RFQ
Project Amount: \$42,842.46
Amount Paid to date: N/A
Funding Source: PAG Budget 2022
Contractor: Top Builders
Construction Manager: Port CIP/Engineering Division
Notice to Proceed: June 29, 2022
Project Completion: 30 Calendar Days
Work Status: PAG Procurement issued the Purchase Order on June 10, 2022 to the Top Builders. The project is currently at 80% completion.

Port Authority of Guam
Operations Division Report
June 2022

I. **OVERVIEW**

Vessel Calls	18
Cans Handled	6,827
Special Service(s)	120

a. **Productivity**

Vessel Op	Avg NMPH	TOP GANG	M/Hr
Matson			
Domestics	23.9	4	28.3
Feeder	0.0	0	0.0
MSA			
Barges	19.3	2	23.5
Kyowa, Candor	17.8	1	20.2
Ambyth			
Mariana/Triton	14.6	2	30.0
MELL			
Kotas	22.3	4	24.8
APL CMA CGM			
Herodote/Dakar	20.5	2	28.9

b. **Equipment Status**

As of : 06/30/2022	ON			
	HAND	UP	RM	Repair
GANTRYS	3	2	1	
TOP LIFTERS	9	4	5	
20T FORKLIFT	2	2	0	
10T FORKLIFT	4	1	3	
5T FORKLIFT	8	8	0	
TRACTORS	23	18	5	

II. **YEAR TO DATE**

a. Vessels_YTD 176

b. Can_Cnt YTD

June	FY21		FY22		Variance	
	I	E	I	E	I	E
Local	25969	25350	25271	25099	-3%	-1%
TS	4561	4601	4598	4795	1%	4%
TSMT	2067	2031	2522	2463	22%	21%
TTL	32597	31982	32391	32357	-1%	1%

FY-22 WORK INJURY REPORT
 (01/01/22 to 12/31/22)

<u>Divisions</u>	<u>*Lost-time</u>	<u>**Recordable</u>	<u>*** Refused Treatment</u>
Stevedoring	1	0	0
Transportation	1	0	1
Terminal	0	0	1
EQMR	0	0	0
Port Police	0	0	0
Admin	3	0	1
Total:	0	0	0

Work Injury Summary for this reporting period: 7/12/2022

Total Injuries for FY-22 to date: -8-Injury

5-- Lost-time

0- Recordable

3- Refused Medical Attention

Last disabling work injury was on: 06/13/22

Number of days since last disabling work injury: 29-day

Note: PAG best record was 222 days or 7 months w/o a disabling work injury

*Lost-time = If an employee was injured on the job and medical doctor sent him/her home, his/her injury is considered a lost-time.

**Recordable = If an employee was injured on the job and medical doctor treated him/her and released him/her back to work on the same day (Recordable because of medical charges).

***Refused Medical Attention: Filed WC Forms 201 & 202 for record purposes only.