



**PORT OF GUAM**  
ATURIDAT I PUETTON GUAHAN  
**Jose D. Leon Guerrero Commercial Port**  
1026 Cabras Highway, Suite 201, Piti, Guam 96925  
Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445  
Website: [www.portguam.com](http://www.portguam.com)



**Lourdes A. Leon Guerrero**  
Governor of Guam  
**Joshua F. Tenorio**  
Lieutenant Governor

**Performance and Development Evaluation**  
**Public Law 29-61**  
**Review Period: 01/08/2019 thru 01/07/2020**

The Board of Directors of the Port Authority of Guam makes public that the General Manager of the Port Authority of Guam, Mr. Rory J. Respicio, has earned an exceptional performance evaluation rating relative to the performance factors adopted by the Board. The evaluation was based on the following areas:

Leadership  
Commitment to the Port's Mission, Vision and Values  
Management Practices  
Relational Skills  
Commitment to Diversity  
Resource Management  
Communication Skills  
Accountability  
Responsiveness and Customer Service  
Decision Making and Problem Solving  
Work Environment and Safety

As a result of this evaluation, the Board of Directors has confidence in Mr. Respicio's skills and capabilities and will retain him as General Manager of the Port Authority of Guam.

Adopted this 28<sup>th</sup> day of January 2020.



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## **GENERAL MANAGER PERFORMANCE AND DEVELOPMENT EVALUATION FORM**

Name of General Manager: <b>Rory J. Respicio</b>	Name of Reviewer/Title: <b>Francisco G. Santos, Chairman, Board of Directors</b>
Period Covered: From: <b>January 8, 2019</b> To: <b>January 7, 2020</b>	Date of Review: <b>January 14, 2020</b>

### **GENERAL INSTRUCTIONS:**

1. This form is to be used for initial and bi-annual performance evaluation for the General Manager. The performance evaluations are to occur six (6) months into the General Manager's employment with the Port Authority of Guam and every twelve (12) months thereafter.
2. The ratings to be assigned by the Rater for each individual factor are indicated in Part I; for each individual Performance Objective in Part II; and for the Overall Rating in Part III.
3. The Performance Objectives and factors may be weighted at the Rater's discretion.
4. The Reviewer is the Board of Directors.

### **PART I: CORE PERFORMANCE FACTORS**

1. The Board of Directors evaluates the General Manager's proficiency in the following performance factors using a single rating on the following scale:

A = Exceptional Performance  
B = Superior Performance  
C = Average Performance  
D = Acceptable Performance  
E = Needs Improvement

Performance Factors	Rater's Rating
<p><b>1. Leadership</b></p> <p>Displays courage, passion and caring in work. Sets a professional example. Motivates other to work toward common goals. Uses authority responsibly. Addresses problems proactively. Gains support and seeks buy-in-through participation of others. Demonstrates interest in professional growth of others. Shows good judgment and accepts ownership for decisions in areas of responsibility.</p> <p><b>Supportive Information:</b></p> <p><i>Refer to attached memorandum</i></p>	<p style="text-align: center;"><b>A</b></p>
<p><b>2. Commitment to the Port's Mission, Vision and Values</b></p> <p>Articulates or shows appreciation for the importance of shared vision. Demonstrates civility in relations with others. Requires supervised employees to show civility in their relations toward others. Participates regularly in activities beyond immediate areas of responsibility which support the mission of the Port. Demonstrates consideration of the Port's values when making decisions. *(Diversity and civility are examples of University values to be considered.)</p> <p><b>Supportive Information:</b></p> <p><i>Refer to attached memorandum</i></p>	<p style="text-align: center;"><b>A</b></p>
<p><b>3. Management Practices</b></p> <p>Demonstrates commitment to good customer services. Demonstrates competency in labor-management relations activities necessary to effectively manage the areas of responsibility. Questions existing practices for continued relevancy. Effectively initiates and promotes necessary change in the areas of responsibility. Sets and enforces performance standards effectively. Recognizes and rewards good performance. Plans effectively and shows good project management skills. Shows awareness of "good practices" for areas of responsibility. Encourages employees to improve performance and grow by actively supporting and encouraging employees to participate in training and development activities.</p> <p><b>Supportive Information:</b></p> <p><i>Refer to attached memorandum</i></p>	<p style="text-align: center;"><b>A</b></p>



Performance Factors	Rater's Rating
<p><b>4. Relational Skills</b></p> <p>Works effectively with others. Works collaboratively and negotiates effectively. Maintains confidentiality. Accepts constructive criticism without offense. Demonstrates sensitivity to the rights and opinions of others, even in disagreement. Presents a positive image of the Port to external publics. Respects cultural differences and embraces activities which support a diverse community.</p> <p><b>Supportive Information:</b> <i>Refer to attached memorandum</i></p>	<p><b>A</b></p>
<p><b>5. Commitment to Diversity</b></p> <p>Respects cultural differences and embraces activities which support a diverse community. Utilizes recruitment strategies designed to attract diverse applicant pools. Actively engages in diversity initiatives, such as, mentoring, training and employee networks. Displays a commitment to diversity.</p> <p><b>Supportive Information:</b> <i>Refer to attached memorandum</i></p>	<p><b>A</b></p>
<p><b>6. Resource Management</b></p> <p>Recruits, selects and retains capable, productive employees. Effectively deploys staff, equipment and technology to accomplish work. Shows good stewardship of financial resources. Demonstrates knowledge of budget and use of financial reporting systems. Displays creativity/innovative in managing resources.</p> <p><b>Supportive information:</b> <i>Refer to attached memorandum</i></p>	<p><b>A</b></p>
<p><b>7. Communication Skills</b></p> <p>Shares appropriate information with internal and external audiences in a timely and responsible manner. Manages meetings effectively. Possesses effective listening skills. Articulates clearly and writes effectively. Displays effective presentation skills.</p> <p><b>Supportive information:</b> <i>Refer to attached memorandum</i></p>	<p><b>A</b></p>



Performance Factors	Rater's Rating
<p><b>8. Accountability</b></p> <p>Takes responsibility for fulfilling job duties. Meets attendance and punctuality guidelines. Demonstrates accuracy and thoroughness. Completes work on time. Follows instructions and directions.</p> <p><b>Supportive Information:</b> <i>Refer to attached memorandum</i></p>	<p><b>A</b></p>
<p><b>9. Responsiveness/Customer Service</b></p> <p>Consistently demonstrates respect, responsiveness and professionalism. Provides each customer with the same high quality services. Fosters and models a commitment to customer service. Builds customer and confidence and increases customer satisfaction. Makes customers and their needs a primary focus. Developing and sustaining productive customer relationship.</p> <p><b>Supportive Information:</b> <i>Refer to attached memorandum</i></p>	<p><b>A</b></p>
<p><b>10. Decision Making/Problem Solving</b></p> <p>Identifies and understands issues, problems and opportunities. Make timely and rational decisions based on analysis of relevant information/data Accepts responsibility for decisions and takes proper action when necessary. Uses effectively approaches for choosing a course of action or developing appropriate actions. Takes action that is consistent with available facts, constraints, and probable consequences.</p> <p><b>Supportive information:</b> <i>Refer to attached memorandum</i></p>	<p><b>A</b></p>
<p><b>11. Work Environment/Safety</b></p> <p>Promotes and supports a respectful workplace; comply with laws, policies and procedures. Models ethical behavior and decision making and ensures compliance.</p> <p><b>Supportive information:</b> <i>Refer to attached memorandum</i></p>	<p><b>A</b></p>

**PART II: JOB SPECIFIC PERFORMANCE OBJECTIVES**

Instructions: Part II creates the performance deliverable which will be measured. The General Manager and Board of Directors should identify below between 5 and 8 significant deliverable in the form of major initiatives or projects. They may include annual program objectives or project-related work. The intent is that there should be some collaboration between the General Manager and Board of Directors when assigning the deliverables and they should be prioritized if at all possible, with the most important in block 1, next most important in block 2, etc. If more than 8 deliverables require listing, those in excess of 8 may be listed in the back of the last page. (NOTE: It is typical for some priorities to change over the course of the year, and it also foreseeable that some objectives set at the beginning of the cycle may prove unachievable for reasons outside the General Manager’s control.)



Job Specific Performance Objectives	Rater’s Rating
<p><b>1. Objective:</b></p> <p><i>Refer to attached memorandum for performance objectives and expected results.</i></p>	
<p><b>Expected Results:</b></p>	
<p><b>Actual Results:</b></p>	
<p><b>2. Objective:</b></p>	
<p><b>Expected Results:</b></p>	
<p><b>Actual Results:</b></p>	
<p><b>3. Objective:</b></p>	
<p><b>Expected Results:</b></p>	
<p><b>Actual Results:</b></p>	

<b>Job Specific Performance Objectives</b>	<b>Rater's Rating</b>
<b>4. Objective:</b>	
<b>Expected Results:</b>	
<b>Actual Results:</b>	
<b>5. Objective:</b>	
<b>Expected Results:</b>	
<b>Actual Results:</b>	
<b>6. Objective:</b>	
<b>Expected Results:</b>	
<b>Actual Results:</b>	
<b>7. Objective:</b>	
<b>Expected Results:</b>	
<b>Actual Results:</b>	



Job Specific Performance Objectives	Rater's Rating
<b>8. Objective:</b>	
<b>Expected Results:</b>	
<b>Actual Results:</b>	

The General Manager and the Board of Directors have met, discussed and agreed to the above initiatives as measurable deliverables for the performance cycle.

<b>Employee' Signature:</b> 	<b>Date:</b> 1/14/2020
<b>Board Chairman's Signature:</b> 	<b>Date:</b> 1-14-20

**PART III: SUMMARY OF OVERALL PERFORMANCE:**

The space below is provided for a narrative summary of the General Manager's performance over the immediate cycle to be completed by the Board of Directors (Rater).

*Refer to attached memorandum*

**PART IV: OVERALL PERFORMANCE EVALUATION RATING: (Please checkmark √)**

Exceptional Performance

Superior Performance

Average Performance

Acceptable Performance

Needs Improvement

**PART V: PERFORMANCE DEVELOPMENT PLAN:**

In the blocks below, the Board of Directors should make specific recommendations designed to identify strategies to enhance the General Manager's current competencies (first block) or correct performance issues (second block).

Professional Growth Strategies:

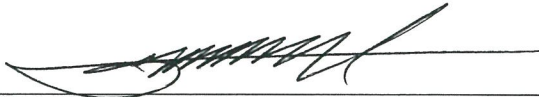

*Refer to attached memorandum*

Remedial Strategies:

*Refer to attached memorandum*

**PART VI: SIGNATURES:**

The General Manager and Board of Directors are required to sign the instrument after completing it and concluding the performance interview. The General Manager is only attesting to having been afforded the opportunity to review the evaluation and discuss the evaluations with the Board of Directors. The General Manager's signature does not necessarily indicate that he/she agrees with the Board of Directors' measurement of his/her performance. Employee's comments are optional.

<b>Board Chairman's Signature:</b> 	<b>Date:</b> 1-14-20
<b>Employee' Signature:</b> 	<b>Date:</b> 1/14/2020

<b>Employee comments:</b>	<b>Date:</b>
I would like to discuss with the Board of Directors: [ ] Yes [ ] No	
<b>Board Chairman's Signature:</b>	





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January 14, 2020

**MEMORANDUM**

TO: General Manager Rory J. Respicio

FROM:   
Francisco G. Santos  
Chairman, Board of Directors

SUBJECT: Performance Evaluation – January 8, 2019 to January 7, 2020

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*Hafa Adai!* In accordance with Title 5, Guam Code Annotated, Chapter 43, Board and Commissions, specifically, Article 2, Performance Evaluation of Agency Heads, Section 43202, performance reviews of the General Manager are to be conducted six (6) months after appointment and every 12 months thereafter. In addition, Policy Memorandum No. 09-03, Subject: Policy on Performance Evaluation for General Manager, states that at the beginning of employment, performance goals will be agreed upon.

Although the performance goals were not provided at the time of your initial appointment as General Manager, the Board based your six (6) months performance evaluation on priorities the administration had set forth in their transition report, as well as, items not indicated in the transition report but was addressed and reported upon at the Board meetings.

During the first year of your employment, you and your team were able to address the following:

1. **Port Insurance:** Averted the potential cancellation action by the insurance carriers to cancel the Port's insurance coverage if payment of premiums were not made. Board approval was obtained to pay the premium balance which satisfied the requirements of the continuing insurance coverage by the carriers. Because the insurance contract is for a five-year period at an accrual amount and to ensure that the Port complies with Public Utilities Commission's (PUC) contract protocol, Port requested PUC guidance as to whether the FY 2019 insurance premium increase would require the approval of PUC. PUC

explained that the increase of premiums may exceed the aggregate amount the contract was originally approved for and requested the Port to provide notice of the total premium cost for FY 2021 for its review.

**2. Real Estate Issues:**

- a. Guam Customs & Quarantine Agency: Customs and Port officials were able to agree upon an ideal location, consisting of 4 acres of land, on Cabras Island for the construction of a new customs inspection, holding and securing area as mandated by Public Law 34-112. The location has surveyed by Department of Land Management and cleared by Department of Public Works to allow a feasibility study to be conducted on site. The feasibility study is funded by a grant from Office of Economic Adjustment, U.S. Department of Defense, to the Port.
- b. Golf Pier Management Agreement and Area A: Mobil and the Port amended its management agreement to carving out Area A, which has not been used to store fuel products since 2010 because of a federal consent decree. Management is reviewing incentives to develop the fuel capacity at Area A and propose a tiered fee tied to volume for transshipment of fuel for petroleum companies to present to the Board for their review.

**3. Legal Services:** Because of the amount of costs incurred by the Port for legal services, management was authorized to look at alternatives to determine if it would be beneficial to the Port to employ a staff attorney to be involved in the day-to-day port transactions. For complex maritime issues, Port management was to look at possibility of issuing a Request for Proposal to retain a lawyer or firm who has expertise in the maritime industry.

- a. Staff Attorney: Within the first six months, you were able to complete the transparency and disclosure process for the creation of an in-house attorney. Attorney Joseph B. McDonald was employed on July 2019 and began immediately to review the ongoing litigations. The employment of this attorney has provided substantial savings to the Port.



- b. RFP – Specialized Legal Services: A draft RFP for complex maritime legal services has been submitted to the Port Staff Attorney for review. Once review has been completed, RFP will be issued.

#### 4. Ongoing Litigation for Civil and Employee Appeals:

- a. Civil: Litigation for BME & Sons, Inc. was resolved and payment due to the contractor was issued. Supreme Court issued their decision on Guam YTK on July 18, 2019—which the Port prevailed. For Guam Industrial Services also known as Guam Shipyard, on December 3, 2019, the Board approved a draft Memorandum of Understanding between the Port and Guam Industrial Services to demolish, dismantle and dispose the partially sunk barge at F6 and two gantry cranes. The draft MOU was to provide a mechanism for the total debt owed by Guam Industrial Services and would require the review of the Attorney General to determine if the draft MOU would need the approval of the Guam Legislature and Governor of Guam.
- b. Employee Appeals: Out of 13 employee adverse action appeals, four (4) appeals are before Civil Service Commission. Nine (9) employee adverse action appeals have been resolved through settlement, or currently under settlement discussions or decisions issued by Civil Service Commission.

5. **Procurement Delegation**: Since 2006, the Port has not been granted its procurement delegation by the Chief Procurement Officer of General Services Agency (GSA). Early this year, after Port management met with the Chief Procurement Officer, authorization to the Port was issued to handle purchases up to \$10,000. If GSA is satisfied on how the Port handles its procurement, consideration may occur to increase the limitation.

On August 1, 2019, GSA granted the Port six (6) months conditional delegation of procurement authority. Since this delegation, the Port has been working closely with the Chief Procurement Officer involving procurement of materials and supplies, including acquisition of equipment.

On October 2019, a request from the Port seeking the detail appointment of the Chief Procurement Officer to the Port was approved by the Director of



Administration. The Chief Procurement Officer will be working on the performance maintenance contract and revenue bond program ensuring the procurement process of these critical projects of the Port modernization program is good and Port is ready to receive its full delegation of procurement authority by the end of the conditional period.

6. **Hotel Wharf:** In March 2019, the Port was informed the \$10 million TIGER grant September 2019 deadline to obligate the monies have been changed to July 2019 and an environmental plan of action, which MARAD has requested the Port to produce three (3) years prior. It was emphasized that the documents must be submitted by April 2019 or risk losing the \$10 million TIGER grant.

In April 2019, Port submitted the Environmental Assessment and FONSI for Hotel Wharf which was approved by MARAD. In September 2019, MARAD granted notice to proceed on the \$10 million TIGER grant for Hotel Wharf rehabilitation program. Port consultants are currently preparing the coral relocation work, the RFP for construction management is with Port Legal Counsel for review and waiting for EPA to issue the water quality permit to the Port. Groundbreaking is expected to occur early part of this year.

7. **Revenue Bond Legislation and Projects:** In 2017, a structural assessment report on the Port's waterfront facilities recommended much needed repairs to F1 and wharves be addressed. Additionally, the administration was informed that a connectivity line between Golf Pier and F1 would need to be installed to ensure the fuel import/export is not disrupted while the fuel piers' repair work is done. We were also informed that improvements to the Port's informational technology systems—Terminal Operating and Financial Management systems—were needed in order for the Port to realize the actual expenditures and revenues received for a vessel operation. Both projects were not funded.

Public Law 34-70 which authorized the Port to issue revenue bonds to provide funding for capital improvements projects and refinance all or portions of outstanding loans, was specific in nature and did not allow latitude in reprogramming such revenues to fund critical projects that would have an adverse impact on the Port's cash flow.

After reviewing what projects in the legislation could be downsized, it was noted the 2010 Master Plan had recommended an annex building be

constructed connecting it to the existing administration building. The Master Plan indicated the existing building is structurally safe and its infrastructure would need to be upgraded.

Management discussed with Bond Counsel and GEDA regarding projects not included in the revenue bond and they were amendable to amendments to the current legislation. It was noted they were receptive to the fact the Port was looking after its revenue generating facilities.

Rather than constructing a new administration building at a cost of \$17 million, the Board approved management's recommendation to instead construct an annex building and pursue an amendment to Public Law 34-70 to reprogram funds earmarked for construction of the new building and use such proceeds to fund other critical projects.

On October 16, 2019, the Governor signed into law Bill 149-35 which amended Public Law 34-0 relative to the financing or refinancing improvements and capital improvements of the Jose D. Leon Guerrero Commercial Port and other related facilities and operations of the Port through revenue bond proceeds. Public Law 35-44 authorized increased funding for the Port's share of the TIGER grant; construction of an annex building; repair of the Port's waterfront facilities—F1, F3, F4, F5 and F6; installation of a connectivity fuel line connecting Golf Pier and F1; and upgrade the Port's information technology system and integrate the terminal operating and financial management systems.

On November 20, 2019, the A&E design and consulting services contracts for the first capital improvement projects funded by the revenue bond proceeds were signed for: (1) structural repairs to Golf Pier; (2) repair and expansion of Equipment Maintenance and Repair Building; (3) repair of Warehouse 1; and (4) replacement and relocation of waterlines.

8. **Union Contract:** The first union contract was approved by the prior Board in 2012. The contract was stalled due to lack of signatures by the Governor and Attorney General. In February 2019, the Port and union representatives returned to the negotiation table to augment the current contract provisions to improve the employee's work life at the Port. The guiding principles centered around the agreement was consistent with the rule of law, fairness,



transparency and a structure which promotes a healthy employee/management relationship for not only all employees but also the Port as a whole.

This union contract was approved by the Board on July 30, 2019 and transmitted to the Attorney General for legal review. The Attorney General reviewed the contract and expressed three areas of concern: (1) effective dates of agreement; (2) arbitration clause; and (3) exclusive recognition. After the concerns were satisfied, the Board approved the amended contract on November 19, 2019. The contract was re-submitted to the Attorney General for signature and will be forwarded to the Governor for her approval.

In June 2019, you and your team implemented the new schedule of 8 hours for employees in day and night shifts which was agreed upon in the union contract. The comparison between the old and new schedule showed that overtime had dropped by 14.6% despite what critics who opposed to the new schedule voiced that the new schedule would increase overtime expenditures.

9. **Port Master Plan Update:** Port master plan was updated in 2013 to take into consideration the re-set of the military build-up and allowing the Port to focus on a balanced modernization program which would address modernization improvements, sustainability projects and financial self-sufficiency. It was anticipated the military build-up would be pushed back between 2020 and 2026. However, the National Defense Authorization Act (NDAA) for 2015 lifted the four-year freeze on the spending of the Marine relocation. The 2017 and 2018 NDAA's authorized a total of \$600 million plus for new military construction projects. Based on expected aggregate population increase statistics, Guam is expected to see increases in U.S. Department of Defense military personnel and dependents to the island between 2018 with the highest peak in 2023.

The Port applied and was approved for a grant in the amount \$800,000 with Office of Economic Adjustment. One of the projects funded by the grant is the 2020 Port Master Plan Update. Consultants have started compiling data and the document should be completed by this year.



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10. **Gantry Crane Purchase:** Guam Public Utilities Commission's report of Docket 17-01 notated that Gantry 3 was being proposed for replacement approximately 13 years ahead of the estimates provided to them in 2012. The report further stated that based on a recent condition assessment, Gentries 4, 5 and 6 were in urgent need of maintenance to ensure they continue to operate at a designed service level and not degrade further until replaced. The FY2019 Budget did not include an acquisition of a new gantry crane in their approved Budget Capital Improvement Projects. In the transition report, it was recommended that the Port begin the process to determine the type of rail mounted gantry crane it should purchase.

On September 13, 2019, the Port submitted a grant application for the Port Infrastructure Development Program for the acquisition of two (2) Ship-to-Shore Gantry Cranes in the amount of \$30 million. As an alternative, the Port is in discussions with USDA on the possibility of a potential loan to procure one (1) gantry crane. As of this date, MARAD is reviewing the Port's grant application.

11. **Port Finances, Staffing and Manpower Requirements:**

- a. Finance Division Organizational Structure: On March 29, 2019, the Board rescinded the May 30, 2018 action of the prior Board reverting the Finance Division to its original organizational structure and reflecting the Financial Affairs Controller as the head of the division.
- b. Income Statement and Fiscal Year 2018 Budget: Management presented to the Board a comparative income statement for Fiscal Years 2010 to 2019. The Port's income statements were as follows:

- (1) FY 2010 - \$7,062,000
- (2) FY 2011 - \$2,501,000
- (3) FY 2012 - \$2,052,000
- (4) FY 2013 - \$93,000
- (5) FY 2014 - \$4,555,000
- (6) FY 2015 - \$61,958,000
- (7) FY 2016 - \$5,733,000
- (8) FY 2017 - (\$1,524,000)
- (9) FY 2018 - (\$103,000)
- (10) FY 2019 - \$5,162,000\*\*

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*\*Although FY 2015, the income statement showed an increase of \$61,958,000, this was due to the turnover of the Port Modernization Program assets by MARAD upon completion of the projects to the Port.*

*\*\*FY2019 are projected/unaudited*

In 2019, through austerity measures you and your team had placed, the Port realized a positive net income of \$5 million irrespective of the fact that the initial FY2018 Budget did not include:

1. the cost of the 2018 compensation plan was not calculated;
2. expenditures incurred during the preparation and post Typhoons Yutu and Wutip; and
3. OSHA certification inspection.

Despite the unfunded expenses, the Port continued to operate within the total approved budget expenses and met the requirements of its bond indenture.

- c. Crane Surcharge Reserve Account: On December 11, 2012 PUC approved the Port's petition for a crane surcharge fee and recommended the revenues be separated into two accounts—crane operating account and crane reserve account. When reviewing the potential funding for a new crane, it was discovered that the Port was maintaining only one savings account for all crane surcharge revenues. On July 30, 2019, the Board approved establishing a crane surcharge reserve account, which will allow the Port to obtain an estimated increase in earnings of about \$60,000.
- d. Facility Maintenance Fee Investment Account: On January 29, 2010, PUC approved the Port's petition for a Facility Maintenance fee. It was recommended to the Board, which they approved on August 27, 2019, to open an account which revenues deposited will accrued a higher interest income—similar to the crane surcharge reserve account.

- e. Port Enterprise Fund Close-Out Report: The audit reports for FY 2015 to 2019 notated the Port Modernization Plan has been completed and final turn over documents have not been submitted by MARAD. Discussions have been held with MARAD regarding the residual funds of \$2 million in the fund. MARAD has procured two top loaders which arrived on island on (date). The purchase amount is about \$1.1 million— leaving a remaining of \$900,000. The Port has asked MARAD to reprogram the remaining funds to support other port projects.

## 12. Port Policies and Regulations:

- a. Travel Regulations: The Board approved the revised Board Policy Memorandum 2019-01, Subject: Travel Regulations, to ensure that the policy is similar to that of other government autonomous agencies.
- b. Holiday Work Schedule: Through the recommendation of management, the Board added the Labor Day onto the approved list of holidays observing “No Vessel Operations” to recognize the value of employees and their contributions they made to the strength, prosperity and well-being to the island on this federal holiday.
- c. Port’s Personnel Rules and Regulations and Board Policy on Salary Increments Sub-steps: On August 27, 2019, the Board reversed their action of September 26, 2018 which reduced the increment sub-steps from 6 to 3 because such reduction would require legislative statutory amendments with the Personnel Rules and Regulations, which was not done. Additionally, the Board reinstated its Policy on the Salary Increment Sub-step for those employees who obtained certifications, licenses or education achievements during the performance period related to their current position. Such policy was arbitrarily stopped by prior management without any explanation.
- d. Drug Free Workplace Program: Port’s consultants, Pacific Human Resources Services, are currently amending the program to reflect the current mandates of medicinal and recreational marijuana use.

- 13. Micronesia Cruise Ship Development: In July 2019, the Governor established through executive order a working group for the cruise ship



industry, which the Port is appointed as a member. Their goal is for Guam to gain a larger share of the growing cruise industry, including homeporting a small cruise ship which would create more local jobs to support it. The group is to develop a strategy for a regional small-ship cruise industry and an important element of the plan is the Port's Hotel Wharf. It is expected that this facility is to be developed as the primary receiving area for visiting cruise ships.

**14. Federal Grants:** You and your team were able to obtain the following grants during the evaluation period:

- a. Department of Agriculture: The Port received \$500,0000 grant to support the repair work of Harbor of Refuge and \$512,758 grant for the construction of Agat Marina Dock B.
- b. U.S. Department of Defense Office of Economic Adjustment (OEA): The Port received grant award notification for \$800,000 2019 OEA to fund the following projects: (1) 2020 Port Master Plan Update; (2) deep draft and fill improvements project feasibility study; (3) Customs Inspection feasibility study; (4) conceptual design and revised scope of work for the new administration building annex and renovation of existing administration building.
- c. Port Security: The Port was awarded \$160,867 for the replacement of CCTV system existing analog cameras with digital IP cameras. Also, a grant of \$15,000 was provided to Port Police for Operation A'dai He Hao (Watch Out).

**15. Interpersonal Relationships with Users, Government agencies/departments and employees:**

- a. MOU-Agat Marina Rescue Base 2: On June 26, 2019, the Board approved a MOU with Guam Fire Department (GFD) to allow them to continue using portion of the Agat Small Boat Marina Administration Annex to house and support the operation of the Rescue Base Station 1. The MOU was to formalize the relationship with GFD and allow the department to justify the need to repair and upkeep of the facility within their budget allocations.



- b. MOU – Guam Power Authority (GPA): The road to GPA’s bulk storage tank is a shared access for GPA and Port tenants and users traversing to Harbor of Safe Refuge. The coral road throughout the years have deteriorated and affected the motorists accessing GPA and Port properties. To address this, GPA issued a bid to repair the road. On April 30, 2019, the Port agreed to pay its share of the repair work. The end result of this MOU established a partnership with GPA and ensuring the motorists utilizing the road would have easy access to both properties.
- c. MOU – U.S. Coast Guard: An MOU with U.S. Coast Guard was signed with the Port regarding ports, waterways and coastal security. The purpose of the agreement is to set the framework and procedures by which both the Port and U.S. Coast Guard will work together to enhance the safety and security of the waters of concurrent jurisdiction.
- d. Federal Partnerships: In September 2019, the Board and management met with following federal partners to re-establish a relationship held with them and determine what funding opportunities available to the Port—the outcome of the meetings were positive:
  - (1) U.S. Department of Agriculture (USDA): Discuss potential loan to purchase one (1) gantry crane.
  - (2) U.S. Department of Economic Development Administration (EDA): Port held meetings with EDA representatives to leverage public works program, \$200 million disaster recovery and annual \$100 million funding opportunities. A grant application has been completed for \$2 million for F1 pier and Golf Pier fuel pipeline connectivity.
  - (3) U.S. Army Corps of Engineers: Discussions were held with representatives of U.S. Army Corps of Engineers regarding potential mitigation and capital improvement funding for Agat marina and shoreline deterioration.
  - (4) U.S. Department of Interior Office of Insular Affairs: Explored what technical assistance program, maintenance assistance

programs and other funding opportunities are available to the Port.

(5) Federal Emergency Management Assistance (FEMA): Provided an update to FEMA officials on ongoing and newly awarded projects.

e. Port Users Group (PUGG): Meetings with the Port User Group (PUGG) were held to improve communication and return ownership of the meeting to them. The results of these meetings have improved productivity levels for vessel operations and has enhanced the relationship between the Port and PUGG.

One of the participative discussions held with PUGG was the initiative to digitize the cargo tracking which would provide for greater efficiencies for fee capture and revenue retention for the Port, as well as, developing a robust user-friendly shared interface that is instantaneously accessible to the Port, Customs & Quarantine Agency and PUGG. Such project would address the safety and security policies of the Port. To pursue this initiative, Port is seeking possible grant opportunities that are available to fund this project.

It was also noted during the period, the Port on one of the vessel operations deployed all three (3) gantry cranes, which has not been done for many years. This particular operation garnered over 30 moves per hour and the departure of the vessel was ahead of the estimated time of departure.

f. Employees: Individual and division meetings were held with employees on the goals and objectives set by management. Employees have said that positive changes are happening and expressed appreciation of regaining their voices.

Out of all of the accomplishments done by you and your team, the most important achievement was establishing a mutual trust and understanding with Port customers, federal and local stakeholders and employees. This past year, we have been told by our customers and employees that



communication has improved, productivity has increased and participative discussions on decisions affecting the Port and its users are being held on a regular basis. The environment at the Port has been described as employees are now smiling and hallways in the buildings are brighter because there is hope.

The achievements showed the dedication and commitment you and the team have in making sure the Port succeeds. During the past year, you were challenged with pressing issues that could have major repercussion impact on the Port, yet you and your team through your leadership skills meticulously provided solutions which were beneficial not only for the Port but the people of Guam and our brothers and sisters of the Micronesian region.

As a result, the overall evaluation for the year is **Exceptional Performance**.

As required in Policy Memorandum 09-03, the following areas of responsibilities, objectives and measures for the upcoming rating period is being provided:

1. **2020 Port Master Plan Update:** The intent of the 2020 Master Plan is to accurately and effectively articulate the Port's continued near and long-term approach (vision to modernization while it becomes more self-sufficient, achieve fiscally sustainable operations and promote increased awareness and consensus among all the affected stakeholders. The 2020 Master Plan is intended to provide a comprehensive review of the Port's current condition, identify the elements of continuous improvement and sustainability, and articulate an implementation strategy that remains coordinated with the anticipated forces of change within the foreseeable planning horizon.

Present updated master plan to the Board by the end of the calendar year. The plan is to provide a roadmap to guide the Port for the next 20 years to reflect new military build-up developments.

2. **Revenue Bond and Port Modernization Projects:** Continue to monitor progress of projects that have been awarded and prepare and issue procurement packages for other revenue bond and Port modernization projects.

3. **Gantry Crane Purchase:** Continue to follow-up with MARAD on the grant application for the ship-to-shore gantry cranes and seek funding opportunities for the purchase of the equipment.
  
4. **Real Estates Issues:**
  - a. Fuel Facility: Provide Board with proposed incentives, e.g., tiered fee tied to transshipment volumes, to entice current and prospective petroleum providers to continue to store transshipment fuel on island for review and consideration. Issue Request for Interest (RFI) to generate interest to lease Area A and use area to either rehabilitate the existing tanks or build new storage tanks. A.
  
  - b. Recycling Enterprise Zone: Work with Department of Land Management on the survey of properties surrounding Route 18 to identify the number of acres which may be available for the recycling facility. Once this is completed, present the RFI to the Board for review and consideration to entice potential eligible companies who would like to establish such facility.
  
  - c. Other Leases:
    - (1) Aqua World: Work with Port Staff Attorney on presenting recommendations to the Board on whether to continue its lease arrangement with Aqua World or pursue the desire to terminate the leasehold.
  
    - (2) Pending Lease & Current Lease with Option Years: Work with Port Staff Attorney on reviewing the Supreme Court decisions on Guam YTK and the impact it may have on GEDA Master leases that were conveyed in the Port in 1988 and present findings to the Board.
  
  - d. Audit Reports: Continue to resolve new and repeat findings cited in the FY 2015 to 2018 audit reports. Continue to work with MARAD on providing a close-out report for the Port Enterprise Fund.



5. **Removal of Port's Inoperable Assets:** The Board on December 3, 2019 approved the draft Memorandum of Understanding (MOU) between Guam Industrial Services, Inc. (GISI), also known as Guam Shipyard, and the Port to perform the following services:

- (1) demolish, dismantle, and dispose of the Port's two decommissioned ship-to-shore (STS) container cranes (aka gantry cranes); and
- (2) lift, cut, and dispose of the Port's partially sunk barge located in the waters adjacent to the F-6 pier.

A letter was sent by you to Attorney General Leevin T. Camacho requesting for an Attorney General Opinion "opining if this draft MOU meets the legal sufficiency, if the Port's Board should approve such."

6. **Delegation of Procurement Authority:** On February 1, 2020, GSA's conditional delegation of procurement authority expires. It is critical for the management to secure a permanent delegation of Procurement Authority for GSA's Chief Procurement Officer ending a 14-year journey to restoring the Port's Procurement Authority.

7. **Staffing and Manpower Requirements:** The benefits of temporary staffing are that reduces the organization's costs in personnel salaries and wages, thus allowing the Port to maintain its workforce needs, ensuring work productivity levels and workplace safety are not comprised. Ensure, together with your team, that during Fiscal Year 2020, a procurement solicitation will be issued to meet the Port's temporary staffing challenges in light of the significant increase of container and breakbulk cargo resulting from the military construction.

8. **Guam Customs Inspection Feasibility Study:** Through an OEA grant, the Port will conduct a market study, as well as, an economic analysis to provide Customs & Quarantine Agency (CQA) management with knowledge of the financial resources required to finance the project and expectations by the Government, stakeholders and the people of Guam form the investment utilized to execute Public Law 34-112 to complete the construction of a Customs Inspection facility. The study will also provide recommendations on the best approach for the usage of technology and invocation into the scope of

constructing the inspection facility and integrating a fixed container and vessel screening system that will increase CQA's screening capacity to over 50 percent. Continue to ensure together with your team that progress will be made with this effort.

9. **RFP for Specialized legal services:** Issue an RFP within FY2020 for the hiring of a complex maritime legal services has been submitted to the Port Staff Attorney for review.
  
10. **Training, certification, and re-certification of employees.** Together with your team:
  - (1) develop orientation training workshops for employees so they can be aware of EEO program, disciplinary actions, customer service, grievance and drug-free workplace programs;
  - (2) re-establish the apprenticeship program so employees may be able to obtain the necessary academic knowledge and specific on-the-job training of the position's trades;
  - (3) develop a mentoring program and identify employees who have specific skills and knowledges with individuals who need or want the same skills and advantages to move up in work, skill level or performance;
  - (4) continue to work with Human Resources staff and Operations and Maintenance divisions heads on the training certifications of employees required by the federal government.
  
11. **Five-Year Equipment Replacement Plan:** Present to the Board a five year forecast of equipment replacement needs. This plan is intended to serve as a planning tool, and should be structured to present a meaningful, long- range perspective of the Port's equipment needs over the next 20 years.
  
12. **Capital Improvement Projects:** Continue to work with respective division heads and Port staff attorney in issuing the procurement packages for capital improvement projects funded in the budget and revenue bond proceeds. Monitor the projects to ensure that the estimated completion dates provided by the contractors are met.

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**13. Port's Classification and Compensation Plan:** Upon award of contract, work with Human Resources staff and Port consultant:

- (1) develop key performance indicators for all positions, a new performance evaluation form and procedures; and
- (2) establish a process for employees to inquiry on their pay grade allocation into 2018 market percentile.

This memorandum will be attached to your performance evaluation to justify the overall evaluation of Exceptional Performance and provide specific performance objectives for the next rating period.

We thank you and your team for a job well done.