



PORT OF GUAM

ATURIDAT I PUETTON GUAHAN

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Eddie Baza Calvo
Governor of Guam

Ray Tenorio
Lieutenant Governor

SPECIAL MEETING OF THE BOARD OF DIRECTORS

Jose D. Leon Guerrero Port Authority of Guam

Wednesday, May 13, 2015

11:45am

AGENDA

I. CALL TO ORDER

II. OLD BUSINESS

- a. RFP No. PAG-013-004 Implementation & Integration Services TOS, Task Order No. 2
- b. Agat Restaurant Facility
- c. USDA \$2M Loan

III. NEW BUSINESS

1. RFP No. PAG-015-001 Underwater Assessment and Inspection Services
2. RFP No. PAG-015-004 Legal Services
3. Budget Transfer:
 - a. Cargo Handling Equipment
4. Board Resolution No. 2015-02 Terminal Operating System – Task Order No. 2
5. Board Resolution No. 2015-03 USDA \$2M Loan
6. Board Resolution No. 2015-04 Legal Services

IV. ADJOURNMENT

**Port Authority of Guam
Board of Directors Special Meeting
May 13, 2015**

**Executive Summary
Request For Proposal, RFP No. 013-004
Implementation and Integration Services for Terminal Operating System
Task Order No. 2**

PURPOSE: Request the Board of Directors to approve the proposed terms and conditions of Task Order No. 2 in referenced to the agreement with G4S Security Systems (Guam) Inc. (G4S) for the above referenced RFP.

BACKGROUND

The functional and technical requirement of this project was designed by Parsons Brinkerhoff. The contract requirements included tasking of work in phases through a Task Order. The initial task order (no. 1) was designed perform a detailed business analysis and submit the recommendations to PAG for consideration. The business analysis should include the proposed terminal operating system or series of components to be included in the TOS to be furnished, the proposed financial approach and phases of implementation. The implementation phase and other phases of this project are subject to issuance of subsequent task orders, subject to Port's approval of the proposed approach.

The procurement for this project initiated in July 2013 and on February 17, 2014 the Board of Directors approved the contract award to G4S with the Task Order No. 1 for \$106,637.00. The Task Order No. 1 has been completed and the required deliverables was received to include the proposed system. After numerous discussions, meetings and presentations of the proposed system, the Port requested G4S to provide a proposal for Task Order No. 2 which covers the implementation, integration phases and financial cost of the project.

In May 16, 2014, G4S submitted its initial proposal for Task Order No. 2 for the total amount of \$6,798,895.30 presenting NAVIS SPARCS N4 License as a terminal operating system. The cost proposal highlights the following:

- \$5,262,294.61 - Navis TOS license based on 260,000 annual TEU; includes program installation, training, customization, configuring, commissioning & testing,
- \$ 442,910.69 - five (5) year license maintenance, service & technical support
- \$1,093,690.00 - labor, materials & equipment (network, servers, etc.)

The established committee including Port's consultant reviewed the proposal in detail. After series of meetings, discussions and correspondences between PAG and G4S, a Cost Negotiation meeting was held on August 21, 2014. During this meeting, PAG requested a revised proposal using 180,000 TEU as basis for TOS license fee. A revised proposal was received on September 8, 2014 and subsequent revision was submitted on September 22, 2014 which highlights the following:

- \$1,944,648.11 -Navis TOS license based on 180,000 annual TEU (all work inclusive)
 - \$ 621,561.60 - five (5) year license maintenance, service & technical support
 - \$1,568,902.65 - labor, materials & equipment (network, servers, etc.)
- \$4,135,112.36 Total Investment**

The Negotiations Committee continuously exchange discussions and negotiate the terms of Task Order No. 2 with G4S which finally concluded and later found that the above cost to be acceptable. Meanwhile, the PAG Financial Committee in collaboration with the PAG consultants formulated financial strategies to fund the entire project. Through coordination with PAG's consultant who has been working diligently with the 5-Year Tariff Rate proposal, the Financial Committee was successful in identifying sources to fund the entire project through various funding source.

On April 20, 2015, the Negotiations Committee met with G4S to discuss the final details and the terms & conditions of the proposal. As a result of this meeting, both parties have agreed on the total cost of \$4,135,112.36 with minor changes and a requirement for G4S to re-validate the cost to current date. The Negotiations Committee has determined that the negotiated costs are fair and reasonable.

FINANCIAL REVIEW

Task Order No. 2 in the amount of \$4,135,112.36 will be funded as follows:

- \$500,000 will be funded under the CIP Account budgeted for FY 2015
- \$1,000,000 will be funded from the \$10M Loan (SLE) from Bank of Guam
- \$2,635,112 will be budgeted and funded from CIP for FY 2016 & 2017

LEGAL REVIEW

In compliance with P.L. 30-72, our Legal Counsel acting as the designated Special Assistant Attorney General has been in coordination with Procurement Office with the oversight and review of the entire procurement process resulting to contracts over \$500K.

Upon Board of Directors' approval of this award, this matter will be presented to PUC for review and approval in accordance to the Contract Protocol established by the Public Utilities Commission. Upon PUC's approval, the Task Order No. 2 along with Contract Modification will be forwarded to Legal Counsel for review and approve as to form. Execution of the Task Order & Contract Modification and issuance of the Notice of Award will follow thereafter.

RECOMMENDATION

Management requests the Board's approval to Task Order No. 2 in the amount of \$4,135,112.36 to G4S Security Systems (Guam), Inc. for the Implementation and Integration Services for the TOS project. The firm has been deemed to have met all the requirements set forth in the RFP and is consistent with the Guam Procurement Regulations.

Additionally, as required under the Contract Protocol Order issued by PUC, your approval is requested to approve the attached Board Resolution.

**Port Authority of Guam
Board of Directors Special Board Meeting
May 13, 2015**

**Executive Summary
Request For Proposal, RFP No. 015-001
Underwater Assessment & Inspection Services**

PURPOSE: Request the Board of Directors to approve the contract award to Pro Marine Technology, pursuant to RFP No. 015-001 Underwater Assessment & Inspection Services.

BACKGROUND:

On January 15, 2015, a Request For Proposal (RFP) was issued to solicit professional marine assessment & inspection services. The deadline to submit the proposals was on February 12, 2015. Although two (2) firms have expressed their interest, only one (1) firm officially submitted their proposal in response to the RFP. After careful evaluation of the proposal by the Evaluation Committee, the results were finalized and the Committee has determined the sole offeror, Pro Marine Technology as the most qualified, responsive and responsible offeror.

As part of the RFP process, cost negotiation meeting between the established Cost Negotiation Committee and Mrs. Chie Collard took place on April 13, 2015. After lengthy discussions, terms and conditions were mutually agreed:

- Time & Materials: Rates Schedule as follows:
 - Underwater Survey – Visual Inspection with written report.
 - Day Rate \$3,033.00
 - Half Day Rate \$1,516.50
 - Underwater Survey – Photographic Inspection with a CD and a written report.
 - Day Rate \$3,195.00
 - Half Day Rate \$1,597.50
 - Underwater Survey – Video Inspection with DVD and a written report.
 - Day Rate \$3,335.00
 - Half Day Rate \$1,677.50
 - Additive - Boat with operator and fuel. When Scope of Service allows.
 - Day Rate \$900.00

The term of the contract is for a period of two (2) years with three (3) options to extend the term for one (1) year each, but shall not exceed total contract period of five (5) years. Services are to be provided on a Task Order Basis.

LEGAL REVIEW: A draft contract will be forwarded to the legal counsel for review and approval as to form. Upon completion of this review, the contract form will be executed by both parties and Notice to Proceed will be issued to Pro Marine Technology.

FINANCIAL REVIEW: Funding for the Underwater Assessment & Inspection Services is through the approved O & M Budget for Fiscal Year 2015.

RECOMMENDATION: Management requests the Board of Directors' motion to approve the award and the mutually agreed terms and conditions of the Underwater Assessment & Inspection Services Agreement to Pro Marine Technology. The firm has been deemed to have met all the requirements set forth in the RFP and is consistent with the Guam Procurement Regulations.

**Port Authority of Guam
Board of Directors Special Board Meeting
May 13, 2015**

**Executive Summary
Request For Proposal, RFP No. 015-004
Legal Services**

PURPOSE: Request the Board of Directors to approve the contract award of the Legal Services, to Phillips & Bordallo, P.C., pursuant to RFP No. 015-004.

BACKGROUND:

In April 8, 2015, a Request For Proposal (RFP) was issued to solicit professional legal services. The deadline to submit the proposals was on April 17, 2015. Although two (2) firms have expressed their interest, only one (1) firm officially submitted their proposal in response to the RFP. After careful evaluation of the proposal by the Evaluation Committee, the results were finalized and the Committee has determined the sole offeror, Phillips & Bordallo, P.C. (P&B), as the most qualified, responsive and responsible offeror.

As part of the RFP process, cost negotiation meeting between the established Cost Negotiation Committee and Mr. Michael Phillips took place on April 24, 2015. After lengthy discussions, the following terms and conditions were mutually agreed:

- Time and Materials: Personnel Rates as follows:
 - Shareholders \$200.00 per hour
 - Associates \$175.00 per hour
 - Paralegals, Law clerks, Spec Asst. \$100.00 per hour
 - Reimbursement of Cost (Out-of-pocket expense) - copying and reproduction fees at twenty cents (.20) per copy, long-distance/fax fees, postage, delivery service fees, court fees, witness fees, airfare, meals, hotel accommodations, research fees, deposition and transcript expenses, process and filing fees, investigator's/expert's fees, etc... but not to exceed \$250.00 without Port's prior consent.

- Contract Term: Initial term should be for one (1) year with three (3) options to extend the term for one (1) year period. Total contract term shall not exceed four (4) years. Above rates are to remain the same throughout the contract term, including extended terms. Rates are subject to minimum intervals of quarters (.25).

- Not to Exceed Amount: Pursuant to §3119 (h) of the Guam Procurement Rules and Regulations, such type of contract shall contain a stated ceiling or an estimate that shall not be exceeded without prior approval. As discussed and mutually agreed upon by the parties, attorney monthly billing shall not exceed the sum of \$70,000 per month without prior approval or subsequent ratification by the Board.

LEGAL REVIEW:

Pursuant to P.L. 30-72, Assistant Attorney General Laura Mooney from the Office of the Attorney General has served as legal advisor and oversight during all phases of this procurement process. Concurrences for all phases of the procurement process have been obtained from the Assistant Attorney General.

Pursuant to P.L. 30-52, which placed PAG under the regulatory oversight of the Public Utilities Commission (PUC) and, all contracts in excess of \$1M shall be approved by PUC. Upon Board of Directors' approval of the contract award, this matter will be presented to PUC for review and approval in accordance to the Contract Protocol established by the Public Utilities Commission. The final execution of the contract will be provided to Assistant Attorney General, as well as, for the approval as to form of the agreement.

FINANCIAL REVIEW:

In comparison to other legal firms, the average hourly rate for principal counsel ranges from \$250 to \$300 per hour; whereas Mr. Phillips' negotiated rate is evidently lower than the standard average. Thus, the Committee found the negotiated rates to be fair and reasonable. Funding for the legal services is through the approved Operations and Maintenance Budget for Fiscal Year 2015.

RECOMMENDATION:

Management requests the Board of Directors' motion to approve the award and the mutually agreed terms and conditions of the Legal Services Agreement to Phillips & Bordallo, P.C.. The firm has been deemed to have met all the requirements set forth in the RFP and is consistent with the Guam Procurement Regulations.

Additionally, as required under the Contract Protocol Order issued by PUC, your approval is requested to approve the attached Board Resolution.



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Eddie Baza Calvo
Governor of Guam
Ray Tenorio
Lieutenant Governor

May 11, 2015

MEMORANDUM

TO: Board of Directors
FROM: General Manager
SUBJECT: Budget Transfer Request – Cargo Handling Equipment

As you are aware, the Port Authority of Guam is in critical need of cargo handling equipment. For this purpose, Board authorization is being requested to transfer the sum of \$300,000.00 from the Capital Improvement Project on other Smaller Projects account and reprogram the sum of \$200,000.00 from committed debt service payment of the Service Life Extension which is available due to the delay in drawdown of loan. This totals a budget of \$500,000.00 which would enable purchase of five tractors.

I am available should you have any questions.


JOANNE M.S. BROWN

Resolution No. 2015-02

**RELATIVE TO THE APPROVAL OF THE IMPLEMENTATION
AND INTEGRATION SERVICES FOR TERMINAL OPERATING SYSTEM**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE JOSE D. LEON GUERRERO
COMMERCIAL PORT:**

WHEREAS, in July 2013, the Port Authority of Guam (PAG) issued a Request for Proposal (RFP) No. 013-004 to solicit professional services for the implementation and integration services for the Terminal Operating System (TOS); and

WHEREAS, the proposals officially submitted were evaluated by the Port's Evaluation Committee and resulted in the selection of G4S Security Systems (Guam) Inc. that has been deemed to have met all the requirements set forth in the RFP and is consistent with the Guam Procurement Regulations; and

WHEREAS, on February 17, 2014, the Port Authority Board of Directors approved the contract award to G4S Security Systems (Guam), Inc. for the implementation and integration services for the TOS project with the initial task order amount of \$106,637.00; and

WHEREAS, Task Order No. 1 has since been completed and the required deliverables received; and

WHEREAS, in moving this project forward, the Port's Negotiation Committee held numerous discussions with G4S and deliberated on Task Order No. 2 proposal which covers the implementation, integration phases and financial cost of the project; and

WHEREAS, on April 20, 2015, the Port's Negotiation Committee and G4S Security Systems (Guam) Inc. agreed to the final details, terms and conditions of the proposal which resulted in a total cost of \$4,135,112.36 that is determined to be fair and reasonable; and

WHEREAS, the Port Authority Board of Directors at its special meeting of May 13, 2015 approved Task Order No. 2 in the amount of \$4,135,112.36 to G4S Security Systems (Guam) for the Implementation and Integration Services for the Terminal Operating System project; now therefore be it

RESOLVED, the Port Authority Board of Directors authorizes management to petition the Public Utilities Commission (PUC) to review and approve Task Order No. 2 of the Implementation and Integration Services for the Terminal Operating System in accordance with the Contract Review Protocol for the Port Authority of Guam; and be it further

RESOLVED, the Chairman certify to, and the Secretary attest to, the adoption hereof and that copies of the same be thereafter transmitted to the Public Utilities Commission.

**PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF
DIRECTORS THIS 13th DAY OF MAY, 2015.**



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



TIMOTHY T. KERNAGHAN
SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM



Resolution No. 2015-03

**RELATIVE TO FINALIZING AND CLOSING THE \$2 MILLION COMMUNITY FACILITY
DIRECT LOAN BETWEEN THE JOSE D. LEON GUERRERO COMMERCIAL PORT AND THE
UNITED STATES DEPARTMENT OF AGRICULTURE**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE JOSE D. LEON GUERRERO
COMMERCIAL PORT:**

WHEREAS, in 2006, the Port Authority of Guam (PAG) was approved for a total of \$14 million in Community Facility (CF) Direct and Guaranteed Loans from the United States Department of Agriculture (USDA) for the purchase of gantry cranes; and

WHEREAS, in December 2012, the sale was finalized for the purchase of three POLA gantry cranes in the amount of \$12 million in CF Guaranteed Loan, leaving a balance of \$2 million in CF Direct Loan; and

WHEREAS, PAG expressed continued interest in the CF Direct Loan of \$2 million with USDA in a letter dated June 13, 2013 and requested for the loan to be applied towards critical cargo handling equipment and maintenance equipment; and

WHEREAS, management relayed to the Board the loan term conditions at its regular Board meeting of July 25, 2013 wherein the Board of Directors approved up to a 10 year amortization on the USDA \$2 million CF Direct Loan for purposes of acquiring critical equipments; and

WHEREAS, USDA provided PAG with the Letter of Conditions dated September 17, 2006 amended October 26, 2006, July 18, 2014 and October 14, 2014, along with the requisite forms in order to effectuate the use of funds; and

WHEREAS, after further discussions with USDA, management was provided the 4th Amendment to the Letter of Conditions on April 21, 2015; now therefore be it

RESOLVED, the Board of Directors accepts the 4th Amendment to the Letter of Conditions between the United States Department of Agriculture and Port Authority of Guam; and be it further

RESOLVED, the Board of Directors hereby authorizes Management to execute the 4th Amendment to the Letter of Conditions with intent to close and with the authority to establish, create and/or open the requisite account with the bank as well as complete all administrative actions necessary and incidental to effectuate the transfer of and access to the funds; and be it further

RESOLVED, that the Chairman certify to, and the Secretary attest to, the adoption hereof and that copies of the same be thereafter transmitted to the United States Department of Agriculture.

**PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF
DIRECTORS THIS 13th DAY OF MAY, 2015.**



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



TIMOTHY T. KERNAGHAN
SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM



Resolution No. 2015-04

**RELATIVE TO THE APPROVAL OF PHILLIPS AND BORDALLO, P.C.
FOR THE PROFESSIONAL LEGAL SERVICES**

**BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE JOSE D. LEON GUERRERO
COMMERCIAL PORT:**

WHEREAS, on April 8, 2015, the Port Authority of Guam (PAG) issued a Request for Proposal (RFP) No. 015-004 to solicit professional legal services; and

WHEREAS, although two (2) firms expressed interest, only one (1) firm officially submitted a proposal in response to the RFP; and

WHEREAS, after careful evaluation of the proposal by the Evaluation Committee, the results were finalized and the committee has determined the sole offeror, Phillips and Bordallo, P.C., as the most qualified, responsive and responsible offeror; and

WHEREAS, as part of the RFP process, cost negotiations were held with the Port's Cost Negotiation Committee and Mr. Michael Phillips and as a result, it was determined that the negotiated rates and fees are fair and reasonable; and

WHEREAS, the Port Authority Board of Directors at its special meeting of May 13, 2015 approved the contract award to Phillips and Bordallo, P.C. for RFP No. 015-004 for the professional legal services; now therefore be it

RESOLVED, the Port Authority Board of Directors authorizes management to petition the Public Utilities Commission (PUC) to review and approve the contract award to Phillips and Bordallo, P.C. in accordance with the Contract Review Protocol for the Port Authority of Guam; and be it further

RESOLVED, the Chairman certify to, and the Secretary attest to, the adoption hereof and that copies of the same be thereafter transmitted to the Public Utilities Commission.

**PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF
DIRECTORS THIS 13th DAY OF MAY, 2015.**



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



**TIMOTHY T. KERNAGHAN
SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM**

