



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



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, July 22, 2015

11:45am

AGENDA

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES
 - a. May 27, 2015 – Regular Board Meeting
- III. OLD BUSINESS
 - a. Agat Restaurant Facility
 - b. 102nd Association of Pacific Ports Annual Conference
- IV. NEW BUSINESS
 1. RFP No. PAG-015-003, Owner's Agent/Engineer Services
 2. Board Resolution No. 2015-06 – Owner's Agent/Engineer Services
 3. Board Resolution No. 2015-07 – Designation of Signatories
- V. ADJOURNMENT



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**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
Wednesday, May 27, 2015**

I. CALL TO ORDER

There being a quorum, the regular meeting of the Board of Directors was called to order at 12:15 a.m., Wednesday, May 27, 2015. Present at the meeting were:

Francisco Santos, Chairman
Oscar Calvo, Vice Chairman
Timothy Kernaghan, Board Secretary
Joanne M.S. Brown, General Manager
Felix R. Pangelinan, Deputy General Manager (Operations)
Atty. Michael Phillips, Legal Counsel

Also present were AM Insurance-Ann Marie Muna and Port Management staff.

II. APPROVAL OF MINUTES

- a. **April 15, 2015 – Regular Board Meeting:** The Vice Chairman made motion to approve the minutes of April 15, 2015 subject to correction. The motion was seconded by Mr. Kernaghan and was unanimously passed.
- b. **May 13, 2015 – Special Board Meeting:** The Vice Chairman made motion to approve the minutes of May 13, 2015 subject to correction. The motion was seconded by Mr. Kernaghan and was unanimously approved.

III. PUBLIC COMMENT

- a. **Public Comment:** None.
- b. **Employee Comment:** None.
- c. **PAGGMA Association:** Mr. Raymond B. Santos, PAGGMA President reported that with the Guam Hotel & Restaurant Association Softball Tournament, PAGGMA/Matson came in first place on the regular season and second place in the play-offs. With the Department of Recreation Softball Tournament, PAGGMA's standings are four wins and two losses. He further mentioned that the Relay for Life has been rescheduled to May 29-30, 2015 at the George Washington High School Track and Field.

IV. GENERAL MANAGER'S REPORT

The General Manager's report was provided for Board's information. Following key item(s) are noted as follows:

1. **Typhoon Dolphin:** Guam was placed in Typhoon Condition 1 on May 15, 2015. The Port began its procedures of securing port facilities and marinas. Assessments, inspections and coordination of the typhoon were made with the US Coast Guard and Guam Homeland Security. The Port suffered an estimated property damage of \$25,000 and \$56,000 in overtime cost. As part of the government assistance program, the Port also provided support to the Business Disaster Damage Assessment of the private sectors as well as the Red Cross Operations.

2. **Outreach Meetings for Interim Tariff Rate Increase:** The Port held outreach meetings to all shipping agents and port users regarding the interim tariff rate increase on May 19-20, 2015.

3. **Port Petitions before the PUC:** The Public Utilities Commission will be hearing port matters at its meeting on May 28, 2015 relative to professional legal services, terminal operating system and the \$2M USDA direct loan. Management will be in attendance.

4. **Reimbursement to Mobil Oil Guam for Replacement of Bollards:** On November 14, 2013, the Port sent a letter to Mobil concurring on the need to replace six bollards. This was as a result of the severity of corrosion and defects found on the support concrete bases. The Port provided a \$350,000 limit on the replacement that includes anchors/foundation, repair cracked concrete bases and removal of two bollards on the pier. Upon completion, the repair cost totaled \$248,993.34.

5. **Meeting with OEA on the Status of the Department of Defense Community Assistance Grant:** Management met with Office of Economic Adjustment (OEA) Gary Kuwabara and Program Manager Sigmund Csicsery to follow-up on the implementation status of the \$1.3M Department of Defense Community Assistance Grant award. OEA was advised that the memorandum of agreement is currently with the Attorney General's office for review. Once completed, the MOA will then be forwarded to the Governor's office for signature. In the meantime, the Port has prepared the procurement documents for the Owner's Agent/Engineer Services and stands ready to move forward once the MOA has been formally executed and approved.

At this time and without objections, Mr. Kernaghan asked the status on the incident concerning nine reefers discharged from the MV Jost 006 that were unplugged. The General Manager said information will be provided in next month's report.

V. OLD BUSINESS

a. **Mobile Harbor Crane:** Mr. Felix R. Pangelinan, Deputy General Manager of Operations (DGMO) mentioned that GSA re-issued the bid packet at \$250,000 minimum bid amount and understands there to be an interested bidder.

b. **Gantry Crane 2:** As reported at the previous meeting, the DGMO mentioned that the Port sent another letter dated April 21, 2015 to the Chief Procurement Officer, General Services Agency (GSA) seeking clarification on GSA's response to the Port. Also included in the letter, the Port provided GSA with a plan of action in the Port's dismantling of the gantry crane; however, GSA has yet to respond. The General Manager added that once GSA returns the gantry crane to the Port's inventory there may be a possibility that MARAD may assist in the dismantling process. The Chairman mentioned that he will discuss this matter further with GSA.

c. **Agat Restaurant Facility:** The DGMO presented the term sheet as a result of negotiations with Kal's Corporation for the Agat Restaurant Facility. He mentioned that this matter is now being presented to the Board for approval. Mr. Kernaghan made motion to approve the contract award to Kal's Corporation for purposes of the Agat Restaurant Facility. Legal Counsel is to prepare the agreements consistent with terms negotiated and in manner as may be finally agreed upon.

VI. NEW BUSINESS

1. **Budget Transfer Request:**

a. **Port Police Division:** The DGMO mentioned that the Port Police division provides personnel for continuous security manning of two new gates for phase III of the port modernization program and complying with US Coast Guard requirements in posting port police guards where yard lighting is inadequate. As a result, request is being made to utilize the mid-year proposed vacancies funding of \$80,000 to cover overtime expenses of the Port Police division security resources. This funding request will support such resources through the remainder of this fiscal year. Mr. Kernaghan made motion to authorize the budget transfer of the mid-year proposed vacancies funding of \$80,000 to the Port Police division overtime expenditures, seconded by the Vice Chairman. Motion was unanimously approved.

2. **Creation of Position – Environmental Compliance Specialist:** The DGMO mentioned that being presented before the Board for approval is the creation of an Environmental Compliance Specialist position in the classified service. He said management has determined the need for an environmental compliance specialist, especially with the port modernization facility expansion where several oil/water separators have been put in place that would require such specialist to ensure compliance with federal and local environmental mandates. The General Manager mentioned that the creation of this position will regulate all environmental requirements to avoid any violations from the US Coast Guard and the Environmental Protection Agency. The Chairman asked what department the position will fall under. The DGMO replied the Safety division. Mr. Kernaghan asked what method would be in place to ascertain the qualification of the candidates, and pointed out that perhaps a field expert for purposes of candidate evaluation.

He said this will ensure such candidate possess the skills to perform the job. The DGMO mentioned that the gathering of information with respect to the qualifications, background information and analysis in establishing this position stemmed from various government entities, such as Guam Waterworks Authority and Guam Power Authority. Without further discussion, the Vice Chairman made motion to authorize management to begin the transparency process and disclosure reports to establish the creation of position of an Environmental Compliance Specialist under the Port's Classification and Compensation Plan, seconded by Mr. Kernaghan. Motion was unanimously approved.

3. **Executive Secretary Position:** Tabled, until the next meeting.

4. **Travel Accommodations:**

a. **Incident Response to Terrorist Bombing Training, New Mexico Tech, July 21-25, 2015, Socorro, New Mexico:** Mr. Kernaghan made motion to authorize travel for port participation as presented or otherwise directed by the General Manager to attend the Incident Response to Terrorist Bombing Training scheduled on July 21-25, 2015 in Socorro, New Mexico. Motion was seconded by the Vice Chairman and was unanimously approved.

b. **ATOSSCOM Annual General Membership Meeting, July 22-24, 2015, Yap FSM:** The Vice Chairman made motion to authorize travel for port participation as presented to attend the ATOSSCOM Annual General Membership Meeting scheduled on July 22-24, 2015 in Yap, FSM. Motion was seconded by Mr. Kernaghan and was unanimously approved.

VII. ADJOURNMENT

There being no further business to discuss, it was moved by Mr. Kernaghan and seconded by the Vice Chairman to adjourn the meeting at 1:05 p.m. The motion was unanimously passed.



TIMOTHY T. KERNAGHAN, Board Secretary
Board of Directors

APPROVED BY:



FRANCISCO G. SANTOS, Chairman, Board of Directors





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Eddie Baza Calvo
Governor of Guam
Ray Tenorio
Lieutenant Governor

July 16, 2015

MEMORANDUM

TO: Chairman, Board of Directors

FROM: General Manager

SUBJECT: 102nd Association of Pacific Ports Annual Conference

At the previous meeting, the Board had approved port participation in the 102nd Association of Pacific Ports Annual Conference scheduled for August 16-19, 2015. The conference offers sponsorship opportunities where valued sponsors will receive recognition in conference posters, programs, and newsletters. The Port expresses interest in supporting this program for purposes of exposure opportunity of the Port of Guam.

In light of this, Board approval is being requested to support the APP Conference sponsorship program in the amount of \$500.00 copper level.

I am available should you have any questions.


JOANNE M.S. BROWN

**Port Authority of Guam
Board of Directors Special Board Meeting
July 22, 2015**

**Executive Summary
Request For Proposal, RFP No. 015-003
Owner/Agent Engineer Services**

PURPOSE: Request the Board of Directors to approve the contract award of the Owner/Agent Engineer Services, to Parsons Brinckerhoff pursuant to RFP No. 015-003.

PROJECT INFORMATION:

The Memorandum of Agreement (MOA) between the Office of the Governor of Guam and the Port Authority of Guam (PAG) was executed on May 19, 2015. Through this MOA, the Office of Economic Adjustment provides federal grant assistance to PAG in funding the professional and technical support services for the continuation in completing several components that are crucial to ensuring PAG's financial sustainability. The term of the MOA is for two (2) years with options to renew for three (3) additional term of one year each.

The total federal grant award, as identified on the MOA as GR0706-15-21 is inclusive of the Grant Narrative identifying the scope of services to be funded. The scope of services identified the following crucial components: Mobilization, Support PUC Engagement Studies, 5-Year Tariff Support, TOS/GOS Support, Bond Issuance Support, SLE Support, MARAD/PAG PMP Initiatives & Cabras Island Coordination. The total grant funding awarded is \$1,380,000.

PROCUREMENT PROCESS:

In May 28, 2015, through advertisement with Marianas Variety, a Request For Proposal (RFP) was issued to solicit professional services to serve as the Port's Owner/Agent Engineer. The deadline to submit the proposals was on June 12, 2015. Although thirteen (13) firms have expressed their interest by registering and obtaining RFP packages, two (2) firms officially submitted their proposals in response to the RFP.

After careful evaluation of the submitted technical proposals by five (5) members of the established Evaluation Committee, the results were finalized and the Committee has determined that Parsons Brinckerhoff (PB), as the most qualified, responsive and responsible offeror.

As stipulated on the RFP package, the contract was designed as Indefinite Delivery/Quantity and is to be Task Order based according to identified components. On July 10, 2015, in response to PAG's request to submit a cost proposal, PB submitted the proposed Schedule of Labor Rates and proposed Task Order No. 1 (Kickoff Meeting for Team Orientation and Services Alignment) or Mobilization in the amount of \$134,263.00.

The cost negotiation meeting via telephone conference between the established Cost Negotiation Committee and representatives of PB took place on July 15, 2015. After lengthy discussions, the following terms and conditions were mutually agreed:

- Time and Materials
 - Schedule of Labor Rates as attached
 - Rates may be adjusted during option year of the contract term in consistent with PB's independent and qualified audit of company overhead and individual salary adjustments.

- Contract Term: The initial term should be for one (1) year with four (4) options to renew for one (1) year period each. Total contract terms shall not exceed five (5) years.

- 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 by the Committee, the not-to-exceed amount shall be the federal grant amount. Any amount exceeding the federal grant amount requires prior approval or subsequent ratification by the Board.

- Task Order No. 1 – Site Kickoff Meeting for Team Orientation and Services Alignment in the amount of \$134,263.00 is based on the 376 hours of various rates consistent with rate schedule and estimated direct travel expense for seven (7) PB Team.

- Other phases of this project are subject to issuance of subsequent task orders, subject to PAG's approval.

LEGAL REVIEW:

Pursuant to P.L. 30-157, Attorney Michael Phillips has been designed by the Office of the Attorney General as the Special Assistant Attorney General to have oversight on Port's procurement over \$500K contracts. Procurement Office is continuously coordinating with Legal Counsel and upon approval of award, a draft agreement will be forwarded for Legal's review and approve as to form.

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 approve 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.

FINANCIAL REVIEW:

The Owner/Agent Engineer Services is fully funded by the Office of Economic Adjustment through the Office of the Governor of Guam, under the Federal Grant GR0706-15-21 in the amount of \$1,380,000.

RECOMMENDATION:

Parsons Brinckerhoff has been deemed to have met all the requirements set forth in the RFP and is consistent with the Guam Procurement Regulations. Therefore, Management requests the Board of Directors' motion to approve the contract award and the agreed terms & conditions, to Parsons Brinckerhoff with the initial Task Order No. 1 in the amount of \$134,263.00.

Resolution No. 2015-06

**RELATIVE TO THE APPROVAL OF PARSONS BRINCKERHOFF
AS THE OWNER/AGENT ENGINEER**

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

WHEREAS, on May 19, 2015, a Memorandum of Agreement (MOA) was executed between the Office of the Governor of Guam and the Port Authority of Guam (PAG); and

WHEREAS, through this MOA, the Office of Economic Adjustment provides federal grant assistance to PAG in funding the professional and technical services for the continuation in completing several components critical to PAG's financial sustainability under federal grant award GR0706-15-21 in the amount of \$1,380,000; and

WHEREAS, a Request for Proposal (RFP) No. 015-003 was publicly announced on May 28, 2015 to solicit professional and technical services to serve as the Port's Owner/Agent Engineer, having two (2) firms respond to the RFP proposal; and

WHEREAS, the Port Evaluation Committee reviewed and evaluated the technical proposals received from the two offerors and as a result, Parsons Brinckerhoff (PB) was deemed to be the most qualified, responsive and responsible offeror; and

WHEREAS, as stipulated in the RFP package, the contract was designed as Indefinite Delivery/Quantity and is to be Task Order based according to identified components; and

WHEREAS, on July 15, 2015 and after lengthy discussions during cost negotiations, the Port's Negotiation Committee and PB mutually agreed on the terms and conditions that is determined to be fair and reasonable; and

WHEREAS, the Port Authority Board of Directors at its special meeting of July 22, 2015 approved the contract award to Parsons Brinckerhoff for RFP No. 015-003 as the Owner/Agent Engineer to provide for professional and technical services as well as approved Task Order No. 1 in the amount of \$134,263.00 for the Kickoff Meeting for Team Orientation and Services Alignment or Mobilization; 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 Parsons Brinckerhoff for Owner/Agent Engineer Services 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 a copy of this resolution be sent to the Public Utilities Commission.

**PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF
DIRECTORS THIS 22nd DAY OF JULY, 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. 2015-07

**RELATIVE TO THE DESIGNATION OF SIGNATORIES FOR THE
PORT AUTHORITY OF GUAM**

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

WHEREAS, the Port Authority of Guam's management personnel have recently changed; and

WHEREAS, the Port Authority of Guam (PAG) recognizes the need to implement internal controls over check signing and to update instructions to depositories so that there is a clear understanding regarding the Authority's check signing authority; and

WHEREAS, to ensure that the day-to-day operations of the Port Authority of Guam continue without disruption, management personnel must be able to access the Authority's accounts; now therefore be it

RESOLVED, that the following listed management personnel of the Port Authority of Guam are authorized, on behalf of the Authority, to sign bank checks and drafts for the withdrawal and/or transfer of funds, drawn on all financial institutions containing monies of the Authority, and to endorse and accept checks, drafts, notes, and other paper payable to and by this Authority:

<u>Name of Employee</u>	<u>Position Title</u>
1. Joanne M.S. Brown	General Manager
2. Felix R. Pangelinan	Deputy General Manager (Operations)
3. Alfred F. Duenas	Deputy General Manager (Admin/Finance)
4. Joann B. Conway	General Accounting Supervisor

and be it further

RESOLVED, that the General Account checks written for \$100,000 or less shall be signed by any two signatories from either the General Manager, Deputy General Manager (Admin/Finance), Deputy General Manager (Operations) or General Accounting Supervisor; and be it further

RESOLVED, that the checks over \$100,000, the order established for manual signing will be the Deputy General Manager (Admin/Finance) as the first signatory, and the General Manager as the second signatory. In the absence of the Deputy General Manager (Admin/Finance), the General Accounting Supervisor will be the first signatory. In the absence of the General Manager, the Deputy General Manager (Operations) will be the second signatory; and be it further

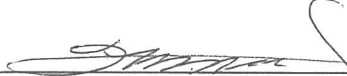
RESOLVED, that payroll checks \$10,000 or less will be signed by the Financial Affairs Controller. In his/her absence, the alternates would be the General Accounting Supervisor, Deputy General Manager (Admin/Finance), Deputy General Manager (Operations), or General Manager. Payroll checks over \$10,000 will be manually signed by the General Manager, and be it further

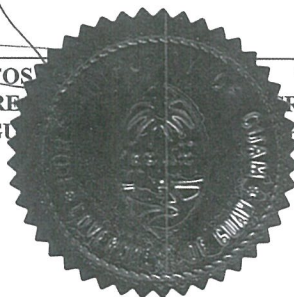
RESOLVED, that the Secretary of the Board of Directors shall certify to said financial institutions licensed to do business on Guam and in conformance with all territorial banking laws and rules and regulations of the Port Authority of Guam the names of the above listed persons presently holding the office or position above stated, and from time to time shall immediately certify to said financial institutions any changes in the same; and be it further

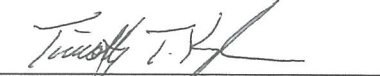
RESOLVED, that the Secretary is authorized and directed to deliver a certified copy of this resolution to the financial institutions; and be it further

RESOLVED, that this resolution supersedes any previous resolutions concerning the administration of the Port Authority of Guam's financial accounts.

**PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF
DIRECTORS THIS 22nd DAY OF JULY, 2015.**


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




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