

072513 - PAG Board Meeting Materials

2 messages


Margret N. Duenas <mnduenas@portguam.com>
To: speaker@judiwonpat.com

Fri, Aug 9, 2013 at 11:38 AM

Hafa Adai Speaker Won Pat,

In accordance with Section 8113.1, Chapter 8, 5 GCA, the Port Authority of Guam hereby submits an electronic copy of its Board of Directors July 25, 2013 board meeting materials.

Regards - Marge

32-13-675
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date: 8/5/13
Time: 12:52
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Speaker Won Pat <speaker@judiwonpat.com>
To: Guam Legislature Clerks Office <clerks@guamlegislature.org>

Fri, Aug 9, 2013 at 12:47 PM

8/9/2013 8/9/2013 Port of Guam

In accordance with Section 8113.1, Chapter 8, 5 GCA, the Port Authority of Guam hereby submits an electronic copy of its Board of Directors July 25, 2013 board meeting materials**E-MAILED**

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2013 AUG -9 PM 12:52


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Ufisinan I Etmås Ge'helo'Gi Liheslaturan Guåhan
Office of Speaker Judith T. Won Pat Ed.D.
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Eddie Baza Calvo
Governor of Guam
Ray Tenorio
Lieutenant Governor

REGULAR MEETING OF THE BOARD OF DIRECTORS
Jose D. Leon Guerrero Port Authority of Guam
Reconvened Meeting of July 25, 2013 to Friday, August 2, 2013
2:00pm

AGENDA

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES
 - a. June 24, 2013 – Regular Board Meeting
- III. PUBLIC COMMENT:
 - a. Public Comments
 - b. Employee Comments
 - c. PAGGMA Association
- IV. GENERAL MANAGERS REPORT
- V. OLD BUSINESS
 - a. Cementon Micronesia
 - 1. Rent Deferment
 - b. KM&T
 - c. GEDA Loan Status
 - 1. Approval - Bank of Guam Loan Terms & Conditions
 - 2. Board Resolution No. 2013-07 – Bank of Guam Loan Terms & Conditions
 - d. Port Modernization Program – Implementation Plan
 - e. Workers Compensation Insurance
 - f. Marinas – Agat / Agana
 - g. USDA \$2M CF Direct Loan
 - 1. Proposed Equipment List Acquisition
 - h. Financial Impact – 2012 3.95% Tariff Implementation
 - i. Merit Bonus / Increment Plan Impact
 - j. Contracts
- VI. NEW BUSINESS
 - a. Ratification of Board Resolution No. 2013-06 – Len Isotoff, Matson Navigation
 - b. RFP No. 012-003 – Performance Management Service/Crane
 - c. Capital Improvements – Facilities Upgrade
 - d. Recruitment of Critical Positions
 - e. Budget Adjustment Request
- VII. EXECUTIVE SESSION
 - a. Open Legal Issues
 - b. Personnel Matters
- VIII. ADJOURNMENT



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REGULAR MEETING OF THE BOARD OF DIRECTORS
Jose D. Leon Guerrero Port Authority of Guam
Thursday, July 25, 2013
11:45am

AGENDA

- I. CALL TO ORDER
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**MINUTES OF THE
REGULAR MEETING OF THE BOARD OF DIRECTORS
Thursday, June 24, 2013**

I. CALL TO ORDER

There being a quorum, the regular meeting of the Board of Directors was called to order at 11:55 a.m., Thursday, June 24, 2013. Present at the meeting were:

Daniel Tydingco, Chairman
Christine Baleto, Vice Chairperson
Shelly Gibson, Board Secretary
Michael Benito, Member
Joanne M.S. Brown, General Manager
Felix R. Pangelinan, Interim Deputy General Manager
Maria D.R. Taitano, Deputy General Manager (Admin/Finance)
Atty. Mike Phillips, Legal Counsel

Also present were Phillips & Bordallo law office-Darleen Hiton; Cementon Micronesia-Tricee Limtiaco, Esther Rebadulla; Office of Senator Tom Ada-William Brennan; Marianas Variety-Mar-Vic Cagurangan; Pacific News Center-Kevin Karrigan and Port Management staff.

Board Tenures Report: Without objections, correspondence for item i. Board Tenures Report under new business was presented to the Board which provides clarification that all current members of the Port Authority of Guam Board of Directors are lawfully holding office in *a de jure capacity*.

- Correspondence dated May 8, 2013 to Attorney General's office from Senator Thomas Ada; Request for Clarification-PAG Board of Directors [Ref: LEG 13-0193, Opinion dated March 26, 2013]
- Correspondence dated June 3, 2013 to Senator Thomas Ada from Attorney General's office; Request for Clarification-PAG Board of Directors, Ref: LEG 13-0193
- Correspondence dated June 6, 2013 to Attorney General's office from Senator Thomas Ada; Request for Clarification-PAG Board of Directors [Ref: LEG 13-0193, dated June 3, 2013]

Based on the findings of the Attorney General, it was concluded that directors Christine Baleto and Mary Michelle Gibson term expires on June 30, 2014; and director Daniel Tydingco's term expires June 30, 2013. As director Eduardo Ilaos has recently been reappointed by the Governor for a new three year term, director Michael Benito's term would then expire June 30, 2013. For record purposes, in accordance with Title 4 GCA, Section 2103.9(e), an appointed board or commission member may continue to serve for ninety (90) calendar plus

three (3) legislative days in that persons position after that persons term has expired in an acting holdover capacity until that person, or another person, is appointed by the Governor and confirmed by the Legislature.

II. APPROVAL OF MINUTES

a. **May 21, 2013**: The Vice Chairperson made motion to approve the minutes of May 21, 2013 subject to correction, seconded by Ms. Gibson and was unanimously passed.

III. PUBLIC COMMENT

- a. **Public Comment**: None.
- b. **Employee Comment**: None.
- c. **PAGGMA Association**: Mr. John B. Santos, PAGGMA President said the Port will commence work on the float in preparation of the Liberation parade July 21, 2013.

IV. GENERAL MANAGERS REPORT

A report was presented by the General Manager for Board's information. Following key items of the report are as follows:

1. **Port Reimbursement Request from Department of Agriculture (Marinas)**: The Port will be receiving reimbursement in the amount of \$509K plus from Department of Agriculture for the repair and maintenance project of Agana Boat Basin. Management will be requesting that these funds be dedicated to Agat marina as there are considerable repairs that need to be made. A plan on the repairs will be presented to the Board. The Chairman asked whether some of these funds can be used to address the concern at the Harbor of Refuge. The General Manager said these funds are only able to rehabilitate a portion of Agat marina based on the assessment made and the cost associate with these repairs. Although recognizing the needs of Harbor of Refuge, should some funds be diverted to address those concerns will substantially reduce the ability for instance to repair a single dock at the Agat marina.

2. **Long Term Disability**: This matter was brought before the Board at a previous meeting which has been forwarded to legal counsel to provide recommendation on how to address the concern of long term disability for port employees. The issue is port employees on long term disability can remain in that position almost indefinitely until they are eligible to retire. The disadvantage to the Port is that those positions held in abeyance cannot be filled which significantly limits the Port to re-announce those critical positions needed in order to operate. The General Manager said for example, if such employee has ten years to retire, that position is frozen for ten years. She mentioned that while the concern is to also ensure port employees on long term disability is cared for under this program, legal counsel is reviewing this matter to determine what options are available to the Port and whether such employee(s) need to be re-evaluated because to hold a position for ten years appears unreasonable. The

Chairman asked how many port employees are under this program. The General Manager responded that there are seven port employees.

3. Workers Compensation Insurance: Legal Counsel said the workers compensation insurance specification is in draft form. It is being prepared to specify what coverage is needed for workers compensation, for instance longshoreman and personal liability is not needed which is necessary for the insurance company(ies) to better understand the Port's desired coverage that will hopefully reduce the premium to a reasonable amount. The Chairman asked that the specifications be completed as soon as possible. Legal counsel replied that the final specification should be completed tomorrow. The Chairman advised management to provide another formal feedback to Port Oversight Chairman illustrating the Port's efforts on the workers compensation insurance thus far and identifying the obstacles Port is encountering as well as the consideration on the possible amendment to change the language from 'shall' to 'may' of Section 10111(e), Chapter 10, 12 GCA to allow the Port to self-insure workman's compensation.

4. MOU with Department of Revenue & Taxation: Legal counsel has prepared a draft memorandum of understanding (MOU) between Department of Revenue & Taxation (DR&T) and the Port Authority which will be forwarded to DR&T for review. The Port is seeking assistance from DR&T on the garnishment of tax refunds of individuals and companies that have a debt owed to the Port.

5. Sovereign Immunity: In relation to the GEDA loan, GEDA has been facilitating dialogue between Bank of Guam and the Guam Legislature on the amended language for sovereign immunity in an effort to address Vice Speaker BJ Cruz concern that any judgment brought against or default made by the Port related to the \$10M loan would be paid solely from Port revenues as opposed to Port assets. The proposed legislative language has since been agreed upon by all parties and there were no objections to the revised language.

6. Meeting with Mobil & Cementon: Port continues to assist in the dialogue between Mobil and Cementon regarding Cementon's construction/installation of cement transfer pipeline at Gulf Pier. The United States Coast Guard (USCG) has also been part of meeting discussions held last month with all parties involved. Discussions made are as follows:

- Temporary removal of fuel from the pipelines which would minimize environmental violations.
- As Mobil is currently the Manager of Gulf Pier, there were discussions on possible suspension of the Management Agreement during the time Cementon is occupying Gulf Pier.
- Liability issues during the construction stage.
- How security issues would be addressed and the jurisdiction of responsible parties during construction.
- Challenge is coming to an agreement on which regulations would apply during the construction of Cementon's pipeline on a pier that has USCG security and operational requirements for a fuel facility.
- Mobil will have no vessel calls at the pier during Cementon's construction period which would be approximately 13 days to complete.
- Petroleum pipelines packed with water.

The General Manager said the agreements are currently under review by Mobil's legal counsel. The Chairman asked management to advise Mobil that the Board has been apprised of recent meetings held and request for their counsel to expedite review of the agreements by next week.

7. PUC Docket PAG 12-01 – Gantry Crane 2: In compliance with PAG Docket 12-01, management filed a status report before the Public Utilities Commission (PUC) indicating that the procurement solicitation of Surplus Bid Package No. GSA-SS-002-13 for Gantry Crane 2 has been issued by the General Services Agency (GSA). According to GSA, a positive bidder responded and that GSA is in the process of finalizing the award. The PUC Administrative Law Judge (ALJ) in turn on June 18, 2013 furnished an ALJ Report to the Port indicating that based on the status report provided PUC determined that no additional information would be required from the Port on Gantry Crane 2 at this time. Mr. Benito asked whether the bid included the Rubber Tyre Gantry. Mr. Felix R. Pangelinan, Interim Deputy General Manager mentioned that the Rubber Tyre Gantry (RTG) was made part of the bid package that was awarded to the highest bidder as well.

8. USDA \$2M CF Direct Loan: As discussed in the previous meeting, management sent a letter to USDA dated June 13, 2013 that provides recommendation on the possible acquisition of critical cargo handling equipments to be funded by the \$2M direct loan. Before management engages further with USDA on the details for this purpose, Board consideration and approval is being requested on the use of the direct loan. The General Manager said some of these equipments has not be replaced since the early 1990's and although continues to be operating are in dire need of replacement. The Vice Chairperson recalled that this direct loan was to fund the TOS/GOS systems. The General Manager mentioned that is a possibility as well; however, there is the challenge with the reality by not acquiring critical equipments needed is the ability to load/unload cargo which is a key concern. She understands the TOS/GOS is part of the modernization program, but some of these equipments if not replaced soon will be inoperable which should be looked at as a priority at this point. The Vice Chairperson pointed out that the concern in purchasing equipments as a priority has not been brought before the Board during discussions of when the direct loan was available and asked management to prepare an equipment plan justifying the critical need for acquisition.

9. Divisional Reports: The following divisional reports for the month of May 2013 were addressed. All others were for Board's information.

- **Federal Grant & Local Funding Programs.** Board advised management that the 'status' column of the report notate further that balance is either being drawn-down or reprogrammed.
 - Engineering Analyses/Consultant Project – Management was advised to look into the \$50,763.99 remaining balance to determine whether such amount can be reprogrammed for other port projects.

(At this time of 12:50 p.m., director Gibson was excused from the meeting to attend a prior engagement. It was also noted that Mr. Benito had a 1:30 p.m. engagement to attend.)

V. OLD BUSINESS

- a. **Cementon Micronesia:** (Item addressed under General Manager's report.)
- b. **KM&T:** No new developments.
- c. **GEDA Loan Status**
 1. **PUC Docket 12-01 RE: Gantry Crane:** (Item addressed under General Manager's report.)
- d. **Port Modernization Program-Implementation Plan:** For purposes of transition, Mr. Benito suggested that Mr. Eduardo Ilaio who has been reappointed by the Governor to serve on the Port Authority Board of Directors, pending legislative confirmation, be designated as a member to the Project Oversight Team for the modernization program. There were no objections.
- e. **Workers Compensation Insurance:** (Item addressed under General Manager's report.)
- f. **USDA \$2M CF Direct Loan:** (Item addressed under General Manager's report.)
- g. **Hotel Wharf Remediation / Utilization:** The Chairman indicated this item is tethered to the GEDA loan.

VI. NEW BUSINESS

- a. **Policy Memorandum No. 2007-005 – Check Signing Policy (Revised):** The Vice Chairperson made motion to approve Policy Memorandum No. 2007-005 Check Signing Policy as revised, subject to providing provision that all procurement contracts of goods, professional services or through construction bid shall be reviewed to ensure validity of a legally binding contract prior to Port processing payment to vendor(s). Motion was seconded by Mr. Benito and was unanimously approved.
- b. **Board Resolution No. 2013-05 – Designation of Signatories:** The Vice Chairperson made motion to approve Board Resolution No. 2013-05 relative to the Designation of Signatories for the Port Authority of Guam, seconded by Mr. Benito. Motion was unanimously approved.
- c. **Financial Impact – 2012 3.95% Tariff Implementation:** Management was advised to prepare an overall financial impact on revenues generated from the 3.95% tariff increase rather than identifying by line item categories.

d. **Contract Listing (Current and Pending Procurement) / Historical Amendments / Change Orders:** The Procurement Report listing the contracts was provided to the members for information.

e. **Merit Bonus / Increment Plan Impact:** Mrs. Maria D.R. Taitano, Deputy General Manager (Admin/Finance) said the increment for FY2013 amounts to \$750K. With information shared, the Chairman advised management to further validate what increment for the fiscal year is due to the port employees. As to the merit bonus, Mrs. Taitano mentioned that the period covering 1991 through 2009 amounts to \$195K. She said the Port transitioned to its Compensation Plan back in 2010. The Chairman understands that the merit bonus payout is only for the past three year period. The General Manager asked for legal counsel guidance because prior to 2009 there is merit bonus amounts, but if its only for the past three year period during which time the Port was under a new pay scale then it needs to be determined whether the executive order at this point applies to the Port. There were no objections.

f. **2014 Budget Schedule:** Mrs. Taitano said during the week of July 9-17, 2013, internal budget discussions will take place and once the budget information is compiled, management will present the budget to the Board by August 2013.

g. **Federal Funding Plan:** (Item addressed under General Manager's report.)

h. **Marinas – Agat / Agana:** Due to time constraints, the marina report of June 2013 was provided to the Board for information. Management will further address this item at the next meeting.

i. **Board Tenures Report:** (This item was entertained earlier on in the meeting.)

j. **Travel Authorization:**

a. **Incident Response to Terrorist Bombings, September 2013, New Mexico:** The Vice Chairperson made motion to approve travel authorization for port personnel to attend the Incident Response to Terrorist Bombings scheduled for September 2013, New Mexico, seconded by Mr. Benito. Motion was unanimously approved.

b. **United Nations Economic & Social Commission for Asia and the Pacific: High-level Meeting on Strengthening Inter-island Shipping and Logistics in the Pacific Island Countries, July 23-25, 2013, Suva, Fiji:** The Vice Chairperson made motion to approve travel authorization for port personnel to attend the United Nations Economic & Social Commission for Asia and the Pacific: High-level Meeting on Strengthening Inter-island Shipping and Logistics in the Pacific Island Countries, July 23-25, 2013, Suva, Fiji. Motion was seconded by Mr. Benito and was unanimously approved.

VII. EXECUTIVE SESSION

No executive session items discussed.

VIII. ADJOURNMENT

There being no further business to discuss, it was moved by Mr. Benito and seconded by the Vice Chairperson to adjourn the meeting at 1:15 p.m. The motion was unanimously passed.



MARY MICHELLE GIBSON, Board Secretary, Board of Directors

APPROVED BY:



DANIEL J. TYDINGCO, Chairman, Board of Directors



General Manager Report

To

PAG Board of Directors

July 25, 2013

General Port Operations

PUC Public Meeting for Gantry Crane 2

A PUC Public Meeting was held on Tuesday, June 25, 2013. Included on the agenda was PAG Docket 12-01, Review of \$12 million ANZ commercial loan for the purchase of the POLA Cranes, ALJ Report for Gantry Crane 2. The Port had previously submitted a written response on this matter and the GM was asked to provide additional comments during the meeting. The GM relayed that the Port was awaiting a response from GSA on the survey status of Gantry Crane 2. Her understanding was that GSA had awarded the bid and was awaiting payment from the selected bidder.

The GM stated that Gantry Crane 2 must be removed from the Port Yard and that in the event GSA was not able to address its removal, the Port would pursue other contingency plans to remove the crane.

PUC Public Meeting for PAG's Interim Rate Petition.

The next schedule PUC meeting for the Port to attend will be held on Tuesday, July 30, 2013 to address the PAG Docket 13-01, PAG's Interim Rate Petition, ALJ Status. Port Management will provide an update to Board Members on the outcome of this meeting.

The Port submitted its Interim Rate Petition to PUC on Friday, July 19, 2013. This submittal was required sixty days after the Port published its Interim Rate notice.

Worker's Compensation- Revised Specifications

On Thursday, June 27, 2013, the GM forwarded a memorandum to the Chief Procurement Officer Claudia Acfalle, revised specifications for Worker's Compensation insurance, Port Authority's most recent claims history listing and payroll classification documents. The Port

sent a number of follow-up requests since last month including its most recent inquiry on Wednesday, July 24, 2013 by the GM to Ms. Acfalle on the status of the procurement announcement. The Port received an email response on Wednesday evening from Ms. Anita Cruz requesting a purchase order for the advertisement of the Worker's Compensation Insurance so that GSA could announce the bid on Monday, July 29, 2013.

GAO Defense Capabilities and Management Request

The GM received a request from the GAO Defense Capabilities and Management Mr. Adam Hatton on Thursday, July 11, 2013 for additional information concerning the Port's needed infrastructure requirements in relation to a revised realignment plan. On April 24, 2013, the Port provided an operational briefing and tour of Port facilities to representatives from GAO.

Mr. Hatton relayed that GPA had been able to perform an analysis based on several scenarios provided by DOD for locating military operations in relation to the buildup. The purpose of this was to determine if additional capacity or improvements were needed. The GM responded that the Port had not received a similar request from DOD but would welcome such a request.

On Monday, July 15, 2013, the GM provided a more detailed response to the request from GAO and also provided a copy of the Port's response to previous questions relayed by GAO in April.

GSA Tenda Charge Account

The GM sent a follow-up memorandum to the Department of Administration Controller on Tuesday, July 16, 2013 concerning the Port's previous memorandum from March 29, 2013 for a new \$50,000 charge account to maximize the opportunity for the Port to obtain needed supplies through GSA Tenda to allow Port operations to acquire supplies that are being drawn down through the GSA Tenda. The Port currently has a \$15,000 monthly limit that has made it very difficult to procure much needed supplies, especially when fuel purchases are submitted that quickly consume the monthly ceiling limit of \$15,000.

The Port has had an account showing an outstanding balance of \$ 80,076.95 that extends back prior to 1999. The Port received a report from the DOA Accounting Office that shows a breakdown of this total and has committed to working with DOA to address resolution for these outstanding amounts.

Port Management has requested another meeting with DOA and has also asked that in the interim, a new account for administrative and operational supplies through GSA Tenda be created.

Project Oversight Team Teleconference

June 25, 2013

A Project Oversight Team (POT) teleconference was held on Tuesday, June 25, 2013. Participating in the teleconference were Board Member Mike Benito, MARAD Briefer Brian Varney, MARAD Director for Intermodal Projects Chris Moore, EA Engineering Tressie Word and the GM.

After adopting the previous meeting minutes the first item on the agenda was the update on the CFS construction that was provided by Mr. Varney. ProPacific was selected for the contract and started work on the site within thirty (30) days of NTP. The company now has 180 days out of an original 210 days to complete the projects. The CFS project is currently on-time and on-budget.

Mr. Varney went on to provide an update on the Selected Demolition and Break Bulk Yard Modifications and relayed that there was a successful award of this project and that notice would be provided within a three week timeframe.

An update was provided on the Facility design and cost estimates. The Facility design is currently at the 60% level of completion with an engineer's estimate to be provided in July. This information will be provided to the TDT and then forwarded to the members during the next POT meeting anticipated around the 16th or 17th of July.

Mr. Varney informed the members that MARAD is scheduled to provide a briefing to the Port leadership on Tuesday, July 16, 2013. The MARAD Associate Administrator for Intermodal Keith Lesnick was scheduled to be on Guam at this time and had worked with EA to develop a presentation on the current status of on-going projects. Also scheduled to travel to Guam were MARAD Director for Division of Infrastructure Development & Congestion Mitigation Chris Moore and EA's Vice President Principal in Charge Nimish Desai to provide an update on the Guam Commercial Port Improvement Program (GCPI).

Now that projects were transitioning from design to construction, it was noted that this would be an important time to meet with Port leadership to include the Board Members and Management to discuss program updates as well as the schedule moving forward. Board Member Benito inquired if other leaders in the community would be provided with the updated information? Mr. Varney responded that the presentation would be provided to the Port and then could be relayed to all other parties. The GM agreed that it would be beneficial to have Port leadership briefed so that the Port Board Members would be able to review the information and then take a united position on the GCPI program. Mr. Moore added that Mr. Varney and Ms. Word could provide needed assistance for additional presentations as needed.

Board Member Benito informed the group that his term would be expiring at the end of June and relayed that former Board Member Ed Ilao had been reappointed by the Governor. He stated that he will still participate and provide assistance to the POT and the Board until his additional 90 days and three (3) legislative days were completed.

The teleconference concluded with the next POT scheduled for mid-July to be held in Guam.

July 17, 2013

A Project Oversight Team meeting was held on Wednesday, July 17, 2013 at the Port's Board Conference room. All the POT participants were on Guam for the meeting. Present on behalf of the Port were Board Member Mike Benito, Pending Board Member Ed Ilao and the GM. Present on behalf of MARAD were the Associate Administrator for Intermodal Keith Lesnick, Director for Intermodal Projects Chris Moore, Director of the Seattle Gateway Office Robert Loken and Briefer Brian Varney. Present on behalf of EA were Vice President for Science and Engineering Nimish Desai and Tressie Word.

Board Member Benito informed the group that Mr. Ed Ilao had been reappointed back to the Port Board by the Governor and was awaiting his reconfirmation hearing. In the interim he relayed that he would continue to provide his assistance with the remaining day 90 days and three (3) legislative days of his term. It was his recommendation that Mr. Ilao, once reconfirmed to the Port Board serve as the Board's representative to the POT.

After the adoption of meeting minutes from the June 25, 2013 teleconference, Mr. Desai and Ms. Word provided a presentation on the GCPI budget. They discussed the ongoing projects related to the CFS Building contracted construction cost and the demolition of Warehouse 2. They informed the group that there was an anticipated savings of \$2.5 million that may be reprogrammed to other approved projects. They also discussed the Phase 1A revisions developed by the TDT and approved by the Port to include the separate site environmental cost for construction, the addition of the wash rack and the separate domestic/fire water systems. Changes to the reduced cost structure for the Administrative building, the EOC communication lines, Gate Administration building and High Tower were also presented.

Mr. Lesnick briefly discussed the review of the OIG Report that included a review of MIRAD projects in Alaska, Hawaii and Guam. The initial information provided is that the execution process on Guam has received favorable review particularly with regards to the implementation of the TDT and POT structure.

The meeting concluded with a positive response on the progress of the GCPI projects and an agreement to continue to build on the successful structure of the POT. Mr. Varney would provide notice on the next scheduled POT meeting.

MARAD Briefing to Board Members

On Tuesday, July 16, 2013, the MARAD group provided a Modernization Project Briefing to the Port Board Members, Port Management and Senator Tom Ada, the Port's Oversight Chairman. The Board Members present included Chairman Dan Tydingco, Vice Chairperson Christine Baleto and Board Member Mike Benito. Also present were the GM, Deputy GM for Operations and Deputy GM for Finance and Administration. Attending on behalf of MARAD were the Associate Administrator for Intermodal Keith Lesnick, Director for Intermodal Projects Chris Moore, Director of the Seattle Gateway Office Robert Loken and Briefer Brian Varney. Present on behalf of EA were Vice President for Science and Engineering Nimish Desai and Tressie Word.

MARAD representatives provided an update on the following topics: organizational roles, evolution of the Port Master Plan, program overviews, accomplishments to date, ongoing and planned work schedules, challenges and the TDT/ POT process to insure the success of the program implementation.

A slide copy of the presentation was provided to all the attendees.

PB Briefing with Port Management

On Monday, July 15, 2013, the GM, and Deputy GM's met with Mr. Jeff Peck and the members of the PB Team for an overview of PB's planned scheduled for the week. Mr. Peck discussed draft update for the Port's Master Plan and remaining issues to include graphics and tables that needed to be further evaluated to finalize the update by August. He stated that PB was prepared to provide a power point presentation to the Board on Wednesday and would be working with the Division Mangers in smaller groups during the week to finalize their reports.

Mr. Peck went on to discuss the process of the Master Plan approval that also needed to be addressed for the updated document. He added that the Plan would address the budget for the Port over a 20 year period and layout the roadmap for Port operations during this period of time. He discussed the Transshipment Study that had been requested by the PUC and the current benefits derived from transshipped cargo entering Guam. Mr. Peck also elaborated that the implementation of the Terminal Operating System (TOS) and the Gate Operating System (GOS) would be able to capture loss revenue due to greater efficiencies that the Port may not have been aware of under its current operating systems.

Mr. Peck inquired of Port Management as to what their plans were concerning constructing a new Administration Building as the current facility due to age and needed repair would not be a beneficial long term investment. He stated that the Port should evaluate including the cost in its

tariff structure over time and also consider Tenant Investment to finance the construction of a new facility in about five (5) years.

Another consideration that was recommended by Mr. Peck is that the Port can consider pursuing General Obligation Bonds to address Port financing needs over a longer period of time. He added that further information would be provided later in the week on this issue.

On Friday, July 19, 2013, Mr. Peck provided an out briefing to Port Management on the status of PB's meetings and data gathering efforts. He also provided copies of the draft Master Plan Update 2013 Report for the review of Port Management and Staff to provide comments within the upcoming two week period. Once the Port provides a response PB will be able to address finalizing the updated Master Plan to be presented to the Board, Legislation and the Administration. Mr. Peck and his team are scheduled to return to Guam in mid-August.

PB Briefing to Board Members

On Wednesday, July 17, 2013, the representatives from PB provided a Master Plan Update and status report on the Transshipment Study Report that had been requested. The Board Members present included Chairman Dan Tydingco, Vice Chairperson Christine Baleto, Board Member Shelly Gibson and Board Member Mike Benito. Senator Ada was also in attendance along with the GM Deputy GM for Operations and Deputy GM for Finance and Administration.

A copy of the slide presentation was provided to all the attendees.

Route 11 and Route 11A Land Transfer

A meeting was held on Tuesday, June 25, 2013 between the Port and DPW/FHWA on the proposed land transfer between DPW and the Port to address the property ownership for the newly completed Route 11 and the need for the Port to acquire property on Route 11A to address its proposed Yard expansion projects.

Attending the meeting on behalf of the Port were the GM, Deputy GMO, Engineer Manager, and PB-PAG Zach Sprute. Attending on behalf of DPW and FHWA were Highway Administrator Joaquin Blaz, Assistant Antoinette Cruz, PTG-DPW Snaebjorn Jonasson and FHWA Richelle Takara.

A number of issues were discussed during the meeting to include the possible transfer of old Route 11A ROW within the Yard to the Port, the transfer of the property located at the Truck Enforcement Station owned by the Port to DPW up to the seawall, and the Port's desire to maintain the subsurface rights of the property on Route 11 to retain the lease revenue for the fuel pipeline.

The group determined that an MOA would need to be formalized to address a maintenance agreement for Route 11 to also include the flushing of the outfalls. The Port and DPW Legal Counsels would need to review a Special Warranty Deed (Fee Simple) for a Perpetual Easement. It was also requested that PB would assist in the development of the MOA to formalize the decisions discussed at the meeting.

The GM relayed that a determination was needed to facilitate the required process to properly exchange the property been DPW and the Port.

Port Users Group Meeting

On Thursday, July 18, 2013, a meeting was held between the members of the Port Users Group (PUG). Attending on behalf of the Port was the GM, Deputy GM for Operations (GMO) and the Operations Manager. Present on behalf of the PUG were Mr. Ariel Dumapit from Inchcape, Mr. Michael Reyes from Ambyth, Mr. Ed Cruz from Mell Lines, Mr. Richard Sablan from MSA, Mr. Tom Dillon from Matson, Ms. Teresa Gotti from Ambyth, and Mr. Fernando Santos from Seabridge.

After introductions, Operations Manager John Santos provided an update on the recent Association of Terminal Operators 40th Annual meeting that was held in Palau from July 9-12, 2013. Mr. Santos went on to provide a status update on the Port's Modernization projects to include the CFS Building, demolition of Warehouse 2, Facility Expansion projects, Port Command Center (PCC), Gantry 2 and the status of the Service Life Extension (SLE) loan with the PUC and the Bank of Guam. In addition, Mr. Santos relayed that repairs were also needed to the Tristar pipeline that would provide additional impact on the yard operations. Mr. Santos went on to discuss the desired renovations of High Tower, Lower Tower and the re-striping of the Container Yard. He relayed that Port Management is currently requesting the approval of the Port Board for the use of funds from the Facility Maintenance Fee (FMF) for the much needed renovations.

The GM discussed the current efforts to address the survey of equipment to include Gantry 2 through GSA. She relayed that Senator Ada would be introducing legislation to allow autonomous agencies to include the Port to receive any funds derived from the sale of surplus material or equipment. Under the current process, proceeds derived from surplus material and equipment from the autonomous agencies that had been paid for by ratepayer funds are forwarded to the General Fund. As the Port is currently in the process of surveying a substantial amount of equipment to include Gantry 2, the Port would have the opportunity to retain the funds derived from its surveyed equipment and be able to reinvest these funds back into its equipment operations. The PUG response was favorable to the proposed legislation.

The Deputy GMO talked about the need to insure coordinated scheduling for the long list of construction projects and repair work that will be conducted within the Port Yard. He relayed that the MARAD projects were a high priority and that the Port would work with the PUG to keep them informed and also seek their recommendations to minimize interruptions for cargo operations. The Deputy GMO also informed the members that a passenger ship would be visiting the Port on December 31, 2013 and that cargo ship schedules may need to be revised to accommodate the passenger ship that has priority berthing. He also went on to discuss the issue of smoking in the Yard and the real possibility of totally banning smoking in the Yard due to continued violations of the restriction to smoke in designated smoking areas. The Port is at risk of receiving a substantial fine from the U.S. Coast Guard due to non-compliance with this requirement.

The GM informed the PUG of the recent ribbon-cutting ceremony for the Route 11 pavement resurfacing and Truck Enforcement Screening Station (TESS). The group relayed to Port Management that there was a need for an orientation period prior to the full operation of TESS to allow the trucking companies to adjust to the weight limit requirements to minimize the backlog of cargo leaving Route 11. The group discussed the need to address what to do with cargo containers that had already existed the Port Yard, but could not proceed out of Route 11 due to non-approved weight load. A question was asked as to where would the containers be parked and opened to reduce loads amounts? The containers could not be returned back into the Port Yard, once the container was already released from the Yard. The group further discussed the need to educate the shippers on the weight load restrictions to avoid penalties that would be assessed at the TESS facility. The PUG requested of the GM to contact Revenue and Taxation and DPW to coordinate an orientation tour for PUG members prior to the full operation of TESS.

Another issue of concern to the PUG was the delay of time in entering the Gatehouse to enter the Port Yard. It had been noted, particularly during the afternoon hours that a number of trucks were lined up to enter the Gatehouse on Route 11. The group understood the paperwork and container verification that was needed to include the visual inspection of empty containers entering the Yard. However, they wanted to know what could be done to facilitate this matter in a shorter time process. The Deputy GMO responded that he would conduct an inspection of operations at the Gatehouse with the Operations Manager to determine if the intake time could be minimized and still meet the inspection and verification requirements. He offered to coordinate with the respective PUG members to have representatives join him to observe operations and make recommendations for operational efficiencies. The group concurred with this request.

Meeting with KM&T

On Friday, July 5, 2013, Port Management met with representatives of KM&T concerning their interest in leasing a portion of Port property at Parcel 1. Present at the meeting representing the Port were the GM, Deputy GM for Operations and the Port's Commercial Manager. Present on behalf of KM&T were Mr. Kaleo Moylan, Mr. Albert Tsutsui, Nippon Express Group General Manager Mitsuaki Shimazu, Nippon Express Consultant for U.S. Government Programs Advisor, Matson Team Iva Hosaka, Nippon Express Assistant Group manager Harry Sawa, Nippon Express Air Cargo Representative and Overseas Courier Service for Guam Office President Takao Kuba and ODCMT Material Corporation Executive Vice-President Masako Tsuchiya.

To provide background on this project, the Port's Commercial Manager Glenn Nelson relayed that, KM&T previously known as Cement Plus had responded a Notice of Available Areas at the Port that was issued in September of 2010. He stated that Cement Plus/KM&T had previously submitted its lease proposal and application to the Port on October 25, Of 2010. The area that the company was interested in leasing is a portion of Parcel 1 encompassing 15 acres located along Route 18 adjacent to the Port Beach facility, boarding the Delta/Echo Piers. Mr. Nelson reported that the purpose of the lease was to construct a pier to receive aggregate and cement products.

KM&T representatives had requested the meeting to provide a status update on their proposed wharf and pier development project. Ms. Hosaka relayed on behalf of KM&T that the firm was still very interested in moving forward with their proposed project and needed additional information to finalize a proposal within 100 days. KM&T needed additional information on Parcel 1 for seaside coordinates and the official coordinates for the inland property. KM&T relayed that they had contracted EA to address the environmental assessment for the project to include a wetlands map. These assessments are all necessary to finalize KM&T proposed development project.

KM&T also requested if the Port could provide information on Port requirements and regulations related to its proposed operations so that these factors would be included in the design and development process. The GM responded that the Port could provide appropriate information related to these standards and the survey information for Parcel 1.

As a result of this meeting, the Port anticipates receiving the formal proposal from KM&T in the next three months. The GM will keep the Board updated on this issue.

Cementon Request for Lease Payment Deferment

On Tuesday, July 9, 2013, the GM received a letter from Cementon Chief Executive Officer John Perez, requesting that the lease deferment be extended until Cementon Micronesia is operational. The Cementon pipeline and automatic safety valves that are needed for Mobil's receiving pipes also need to be installed. The projected timeframe for the installation of the pipeline and valves is anticipated for October of 2013.

The GM has no objection to this request pending Board concurrence.

Meeting with Mobil and Cementon

On Monday, July 15, 2013, Port Management met with representatives from Mobil and Cementon to follow-up on the status of the Cementon pipeline at Gulf Pier. Present on behalf of the Port were the GM, Deputy GM for Operations and the Commercial Manager. Present on behalf of Mobil were Ms. Garet Olivares and Mr. Ren Mabesa. Present on behalf of Cementon were Mr. John Perez, Ms. Tricee Limitiaco, Esther Rebadulla, and Mr. Jerry Tang.

The GM facilitated the meeting and relayed that the Port was present to provide assistance to the respective parties to address resolution to the construction of a Cementon pipeline that needed to be constructed on Gulf Pier to allow Cementon to off-load its concrete product to its facility. The purpose of the meeting was to get a status update since the previous meeting held on Thursday, May 30, 2013.

Ms. Olivares relayed that Mobil is still awaiting feedback from its U.S. Corporate office to approve the project. In the interim, she relayed that Mobil could still move forward to address other logistics and timeline needed to schedule for construction. She added that a feasible time for the proposed construction of the pipeline could be planned for October of 2013. Mobil would have to anticipate a total of 21 days of inactive operation for the 13 construction days requested by Cementon. Ms. Olivares stated that four (4) days would be needed prior to construction to de-gas the lines and an additional four (4) days for the lines to be re-gassed to be operational with fuel.

Ms. Limitiaco responded on behalf of Cementon that her company would need to coordinate with DCK and address the availability of the crane needed for the project. She also stated that Cementon had been working with the Coast Guard to address permit matters and had agreed to maintain the same security company that was currently under contract with Mobil to maintain consistent security requirements during the construction of installation of the Cementon line.

Ms. Limitiaco relayed that the Users Agreement and Construction Agreement need to be finalized to move forward on this matter. She stated that Cementon was awaiting feedback from

Port Legal Counsel. The GM responded that she would check with Legal Counsel to provide a response to Cementon on this matter.

The group also discussed the installation of the automatic safety valves and the need to coordinate the installation schedule with the pipeline construction to avoid future disruption to Mobil's operations at Gulf Pier.

Deputy GM for Operations recommended that Cementon operators obtain TWIC cards to avoid impact to operations in the event a certified employee is present on any given day to minimize any delays.

The GM stated that she would check if the Cementon pipeline project could be permitted separately from the building construction project. She would provide a response once DPW provides feedback.

Ms. Limtiaco also reminded the group that the power meter for Mobil was still located on the Cementon leased property and needed to be moved. In addition, she stated that the power line to the pole needed to be relocated to avoid limiting access of the crane needed to install the pipeline. The Commercial Manager responded that he would check into this matter and provide a response to the group on the requirements for the removal of the pole and how soon it could be relocated.

Ms. Limtiaco had also inquired if the Port would consider the installation of the pipeline as a Port project since the line and facilities would be turned over to the Port once the lease agreement is completed. The GM responded that the Port would not be interested in taking direct responsibility for the installation of the pipeline but would provide assistance needed to facilitate the project.

The group planned to schedule its next status meeting in early August.

Meeting with Mobil

On Friday, June 28, 2013, the GM and Deputy GM for Finance and Administration met at the request of Matson with Country Manager for Mobil Jamie Ortega and Business Support Manager Leo Manlapaz. According to Mr. Ortega there were previous discussions between Mobil and the Port to address a proposed settlement agreement concerning the following issues: Rebate Claim, Golf Pier Maintenance Fee Claim and an unpaid interim Rent Claim. Apparently these issues have been outstanding for a number of years and Mobil would like to have the matters resolved. Mr. Manlapaz provided a copy of a draft unsigned letter from the Port dated July 12, 2012 outlining the following claims:

- 1) Rebate Claim –The Port claims that it overpaid Mobil in the amount of \$299,025 for capital improvements to Area A.
- 2) Golf Pier Maintenance Fee Claim – Mobil claims that the Port has not paid \$192,000 in maintenance fees for the period from January 2004 to December 2007. The Port's then General Manager committed to pay this claim per his letter to Mobil's Country Manager on October 23, 2007.
- 3) Manager's Compensation Claim – Mobil has not previously claimed manager's compensation as provided in the Management Agreement consisting of throughput fees on volumes of fuel imported by Mobil. The Port confirms that under the Management Agreement, Mobil is entitled to such compensation. Thee throughput fees for the period February 2010 through September 2011 was \$128,294.87. As of June 30, 2012, this amount has increase to \$_____. (*amount not stated on draft document*).
- 4) Unpaid Interim Rent Claim - The Port claims \$87,502.00 which represents the unpaid difference between the interim rent effective March 2010 and the final rent which was determined in Feb. 2011. The Port has agreed to waive this amount provided that both parties agree to resolution on the matters detailed in items 1, 2 and 3 above.

The GM has tasked the Deputy GM for Finance and Administration to review this issue with both the Port's Commercial Division and Mobil and then provide recommendations on how best to resolve these long standing matters. The proposed settlement agreement also needs to be further reviewed with Legal Counsel to address the interest of the Port and address proper resolution with Mobil.

Port Management will keep the Board updated on the status of this issue until resolution is addressed.

Implementation & Integration Services for TOS

The Port has issued a Request for Proposal No. RFP-PAG-013-004 for the Implementation and Integration Services for the Port's Terminal Operating System (TOS). A pre-proposal conference was held on Thursday, July 11, 2013. A site tour for the proposed project was held for interested bidders after the pre-bid conference. The deadline for interested bidders to submit their proposal is Wednesday, July 31, 2013.

USDA \$2 Million Loan

On Tuesday, July 23, 2013, USDA Community Programs Specialist Bernadette Balajadia relayed to the GM that before USDA could provide a formal response on the CF Direct Loan for \$2 million the Port needed to respond to additional questions that are listed below:

1. We need to know if PAG can repay the \$2M loan at the reduced repayment period of 7 years instead of 25 years. Please understand that PAG has the option to choose:
 - a. The interest rate could either be the 4.5% at the time of obligation with a monthly amortization factor of \$13.91, per \$1,000, which provides for a monthly payment of \$27,820 or annually at \$333,840 plus a 10% reserve. Ten percent of the proposed loan installment would equal \$2,782 per month or \$33,384 annually.
 - b. The current interest rate at 3.5%, if closed before September 30, 2013 with a monthly amortization factor of \$13.44 per \$1,000, which provides for a monthly payment of \$26,880 or annually at \$322,560 plus a 10% reserve. Ten percent of the proposed loan installment would equal \$2,688 per month or \$32,256 annually.

According to Ms. Balajadia, once the Port makes a determination on its payment options, USDA will be able to provide a response on the use of loan proceeds for purposes other than the purchase of a gantry crane.

The GM had previously sent a letter on June 13, 2013 informing USDA Area II Director Joseph Diego that the Port was still interested in the CF Direct Loan of \$2 million. The GM had recommended the possible acquisition of cargo handling equipment and the maintenance of equipment needed for the following: one (1) Boom Lift, one (1) Compact Articulated Boom Lift, one (1) Portable Utility Air Compressor, one (1) Industrial Street Sweeper, one (1) Skid Mounted Fuel Tank, one (1) 20-Ton Forklift, two (2) Portable Dual Operation Welding Machines, three (3) 5-Ton Forklift, and eight (8) Tractors.

A copy of the Port's justification for the listed equipment requests had been included in the Board Member's folders for review. In further the review of the requested list by the Operations Division it was determined that the total estimated cost of the listed equipment would exceed the \$2 million limit. The Operations Division recommended that the Skid Mounted Fuel Tank and the 20-Ton Forklift be omitted from the list to not exceed the \$2 million cap. The need for the tank and forklift still exists but could require an additional \$450,000.00 in funding.

USDA \$25 Million Loan

On Thursday, July 18, 2013, the GM received an inquiry from USDA Community Programs Specialist Bernadette Balajadia on the position of the Port in relation to a Community Facility Direct Loan for \$25 million. The Port had previously engaged USDA in 2010 for a \$25 million Facility Direct Loan and a \$25 million Facility Guaranteed Loan. The \$25 million Facility Guaranteed Loan was withdrawn by the Port to the projected changes for the proposed military buildup.

GM relayed to Ms. Balajadia that a number of changes have occurred since the Port originally requested this loan in relation to the proposed military build-up. The Port has had to adjust portions of its modernization plan to an improvement plan based on current MARAD funding, grant funding and an anticipated Service Life Extension loan that is being financed by the Port to address repairs to our wharfs. The GM further stated that she would need to receive direction from the Port Board to determine if the Port should proceed or suspend the request for the loan.

Tristar F-1 Management Agreement

On Tuesday, July 23, 2013, the GM provided a letter to Tristar General Manager K.K. Vikraman concerning the month of July extension for the management of the F-1 Fuel Pier Facility to maintain current operations. The Management and Operations Agreement provide for a month to month extension subject to the written consent of the parties.

It is noted that Tristar protested the recent Request for Proposal No. 013-003 for the Management of the F-1 Fuel Pier. The GM has requested the Procurement Division and Legal Counsel to provide a response and recommended resolution on this matter so that it can be resolved and a new agreement be put in place.

F-1 Fuel Pier Electrical Upgrades

On Tuesday, July 23, 2013, the GM provided a letter to Tristar General Manager K.K. Vikraman providing notice that the Port accepts the proposal by Tristar to provide electrical works for the F-1 Catwalk Lighting and Capstan, pursuant and consistent to the terms of the F-1 Management Agreement. The Port is awaiting the submittal of an electrical drawing plan for the review and approval of the Port's Engineering Division in order to proceed with the project.

Storage Charge for Break bulk Freight

On Thursday, June 27, 2013, the GM received a letter from J.L. Baker & Sons President Lynn S. Baker concerning the Storage Charge for Break Bulk Freight. According to Ms. Baker the operation of the new Truck Enforcement Screening Station (TESS) will "impact the number of

load we can move out of the Port per single day.” She further added that “Currently we max out the load of cargo based on weight capacity of each trailer.” In order to comply with the weight load restrictions, additional trips would be needed back to the Port to remove imported cargo. Ms. Baker went on to state that break-bulk freight such as rebar and concrete poles would require more time to move and not fall within the current “free time” schedule and asked that the free time period be extended from the current five (5) to eight (8) days.

The GM in consultation with the Operations Division has taken the position that proposed construction activity in the near term will limit the cargo staging area to accommodate the current five (5) day free period. Further recommendations included working with the trucking companies to assist in the movement of customer cargo within the free time period and within the weight limitations imposed by DPW.

The GM has requested a meeting with the DPW Highway Division to discuss an interim orientation period to familiarize all cargo haulers with the weight restrictions of TESS before fines are actually issued. The Port does not desire to experience major backlogs in cargo containers in the Port Yard due to the operation of TESS.

MOU with Revenue & Taxation

The draft MOU between the Port and Revenue and Taxation was drafted by Port Legal Counsel and forwarded to Revenue and Taxation for review and hopeful concurrence. On Wednesday, July 24, 2013, the GM spoke with Deputy Director Marie Benito and has scheduled a meeting for Wednesday, July 31, 2013 at Revenue and Tax to address any recommended changes or revisions to the MOU for the tax relief offset program.

2013 Area Maritime Security Training and Exercise Program (AMSTEP)

On Tuesday, July 23, 2013, the GM attended the Guam Joint 2013 Area Maritime Security Training & Exercise Program (AMSTEP) / Oil Spill Table-top Exercise held at the Westin Hotel. Also attending on behalf of the Port was Port Police Supervisor Gene Camacho.

Bill Signing Ceremony for Bill No. 86-32, Sovereign Immunity

On Friday, June 28, 2013, Governor Calvo signed Bill No. 86-32 into Public Law 32-42. Attending the Bill Signing Ceremony were Governor Calvo, Board Chairman Tydingco, President of the Bank of Guam Lou Leon Guerrero, GEDA Administrator Henry Taitano and MARAD Representative Brian Varney. Also attending was Port management, staff and members of the Port Users Group. The law now provides the sovereign immunity language requested by the Bank of Guam to move forward with the \$10 million Service Life Extension loan.

Port Acting Appointments

The following employees are currently under acting detailed appointments during the month of July 2013:

1. Joann B. Conway, General Accounting Supervisor – Acting Financial Affairs Controller
2. Miami E. Ulbenario, General Accounting Supervisor – Certifying Officer
3. Carmelita C. Nededog, Personnel Specialist III – Acting Personnel Services Administrator
4. Raymond C. Munoz, Building Maintenance Supervisor – Acting Facilities Maintenance Superintendent
5. David Esplana, Port Police II – Acting Port Police Supervisor
6. Eric J. Salas, Port Police II – Acting Port Police Supervisor
7. Dennis J. Perez, Systems Programmer – Acting Systems Manager
8. John G. Borja, Stevedore Supervisor I – Acting Stevedore Supervisor II

Division Reports

The following Division Reports are listed in the Board Member's folders in the following order:

- Attachment 1 – List of Federal / Local Grants
- Attachment 2 – Finance Report
- Attachment 3 – Operations / Equipment Report
- Attachment 4 – Procurement Report
- Attachment 5 – Safety Report
- Attachment 6 – Engineering Report

The budget transactions that were approved by the GM in July to lift the quarterly budget and transfer funds within a Division's budget include the following:

- 1) July 1, 2013 – Transfer within the Maintenance Division of \$30,000.00 from the Mobile Harbour Crane to the Toplifter account to repair the Toplifters.
- 2) July 10, 2013 – Transfer within the Maintenance Division of \$89,000.00 from the POLA Welding account to POLA Labor category to cover additional contracted cost.

Governor's Port Visit and Cabinet Meeting

On Friday, July 5, 2013, Governor Eddie Calvo visited the Port and met with staff members to thank them for all their hardworking efforts to keep the Port of Guam operating. He relayed that while there was occasional negative publicity about certain issues at the Port, the real work of

delivering services and cargo to the people of Guam was continuing every single day by the work invested by the men and women of the Port. The Governor discussed his efforts with the line agencies of the Government of Guam to address merit pay and increments due to the employees and stated that he hoped that PAG would also follow suit to address these benefits owed to the Port employees. The Governor also introduced members of his cabinet and had the Directors provide a short introduction to their respective areas of responsibilities prior to concluding the meeting. The Governor informed the employees that he was having his cabinet members visit the different department and agencies throughout the government to have a better appreciation for all the work being undertaken by the Government of Guam.

The GM, Deputy GM for Administration and Finance and the Deputy GM for Operations hosted the Cabinet Meeting that was held at the Port's training room. Lt. Governor Tenorio was able to join the Governor for this meeting. In addition to the matters listed on the Governor's meeting agenda included a presentation by the Cancer Care for Guam organization, the GM provided the Governor, Lt. Governor Tenorio and the Cabinet Members a slide presentation on the ongoing Port projects that are currently under construction and anticipated construction over the next fifteen months.

Resolution Presentation to Len Isotoff

On Friday, July 19, 2013, Board Chairman Dan Tydingco and Board Member Mike Benito presented Board Resolution No. 2013-06, Relative to Recognizing Len Isotoff for his Service and Contributions to the Port Authority of Guam and the Island Community. Also present from the Port were the GM, Deputy GM for Finance and Administration, Port Division Managers and staff. Matson Regional Manager for Sales and Customer Service Bernadette Valencia was also present with Mr. Isotoff.

Mr. Isotoff has served as the General Manager for Matson Navigation Company since April of 2008 and was recently promoted to the Director of Sales, Pacific Region, Matson Headquarters in Hawaii where he will take over Matson's sales operations for Guam, Micronesia and the South Pacific. Ms. Valencia has also been promoted to replace Mr. Isotoff as the Matson Regional Manager of Sales and Customer Service.

Ribbon-Cutting Ceremony for Route 11 Shore Protection and Route 1 to PAG Roadway Improvement Project and the Truck Enforcement Screening Station

On Tuesday, July 9, 2013, a ribbon-cutting ceremony was held to celebrate the completion of Route 11 Shore Protection and Roadway Improvement Project and Truck Enforcement Screening Station (TESS). The Department of Defense (DOD) and the Federal Highway Administration (FHWA) provided the funding for these combined projects that cost over \$22.3 million.

The new TESS facility includes a static scale facility, scale house and a computerized weigh-in-motion system that will be able to detect overloaded container trucks before the trucks can travel on Guam's highways.

The GM and the Deputy GM for Finance and Administration were present on behalf of the Port. Governor Calvo attended as the keynote Speaker and the Department of Defense (DOD) was represented by Joint Region Marianas Commander Tilghman Payne. The Mayor of Sinajana and Vice President of the Mayors Council of Guam Robert Hofmann was also in attendance along with the Director of DPW Carl Dominguez.

Port Adopt-a-School Project

During the month of July, the Port has participated in the Governor's Adopt-a-School project. The Port has adopted three public schools: Southern High School, J.P. Torres (alternative), and Harry S. Truman Elementary School.

The Port has been providing assistance for grass cutting and the trimming of vegetation to prepare the three schools for the new school year.

Port Wins Second Place in 69th Liberation Day Parade

The PAG was awarded Second Place in the Government of Guam Float Category for the 69th Liberation Day Parade on Sunday, July 21, 2013. Governor Calvo provided a trophy to the GM on behalf of the employees of the Port that contributed many dedicated hours and materials to design and assemble the Port's float. The theme for this year liberation ceremony was "Stories of Faith and Courage."

The Port float depicted the Chamorro people during the war that prayed to Santa Marian Kamalen for protection and an end to the war. A latte stone made of coconut husk was placed at the center of the float with a statue of Santa Marian Kamalen placed at the "tasa" of the latte stone. A traditional Chamorro hut was also constructed on the float with various plant vegetation and decorative flowers surrounding the float. At the front of the float, three flags were displayed, the Port flag, Guam flag and the United States flag. At the base of the flag was a depiction of a gun capped by a WWII soldier's helmet and combat boots. The presentation paid tribute to the thousands of American soldiers that participated, were injured, or lost their lives in the liberation of Guam from the Japanese occupiers.

The GM and Port Management appreciate all the hardworking efforts of the Port employees and family members that contributed to this effort. The Port looks forward to participating in the upcoming 70th Anniversary celebration scheduled for 2014.

Matters Requiring Board Approval

Board Approval Requested for Positions in Port Police Division

The GM is requesting the approval of the Board to authorize Management to hire three (3) Security Guards (ARMED). As of December 31, 2012 Staffing Pattern, (3) vacancies were listed that included one (1) Port Police II and two (2) Security Guards (ARMED) that were funded.

On Friday, June 28, 2013, the Port Police Chief requested that the Port Police II position be converted to a Security Guard (ARMED) position to provide for a total of three (3) Security Guard positions.

According to the Port Police Chief, the Port currently has twenty-five (25) uniform personnel. However, one (1) employee had been assigned to the Guam Homeland Security Fusion Center; one (1) is on sick leave status until the end of July of 2013; one (1) is on long-term disability; one (1) is on military leave; and two (2) are currently on light duty status. This leaves the Port with only nineteen (19) officers to secure the Port twenty four hours a day, seven days a week.

As a result, the Port Police Division continues to incur overtime at an average of \$12,000 over the past three months. In addition to growing overtime cost, concerns have been raised that Port Police Officers and Security are experiencing fatigue and exhaustion by continuously having to work additional hours over their regular shift.

If the Board authorizes this request, the GM will initiate the administrative process to fill the three (3) Security Guard (ARMED) positions.

Board Approval Requested for Cargo Checker Position

The GM is requesting the approval of the Board to authorize Management to hire for one (1) Cargo Checker position. The position was recently vacated and is still funded for FY 2013. The filling of this position would provide the minimum required safe number of personnel for each Gang.

Board Approval Requested for the Conversion of a Claims Officer to Accounting Technician 1 Position

The GM is requesting the approval of the Board to authorize Management to convert a Claims Officer position to an Accounting Technician 1 position to be filled in order to properly align the positions in the Accounting Division. The Claims Officer position was vacated due to the resignation of the employee.

Board Approval Requested for the Conversion of a Crane Mechanic Leader position to a Crane Mechanic II Position

The GM is requesting the approval of the Board to authorize Management to convert a Crane Leader position to a Mechanic II position to be filled to accommodate current shortfalls in the Crane Maintenance section. The Crane Leader position was vacated due to the retirement of the employee.

A breakdown for the budget adjustments requested has been included in the Board Member's folder for review.

Board Approval Requested for a CIP Facility Upgrade

The GM is requesting the concurrence of the Port Board to approve the expenditure of funds from the Facility Maintenance Fee (FMF) to address the renovations in the Terminal Yard facilities. The PUC (Port Docket 09-02) had previously approved the FMF to provide funding for the maintenance, replacement and repair of Port facilities.

The following projects have been identified for renovations and repair by the Port Operations Division:

1) High Tower Building Facility	\$ 25,000.00
2) Lower Tower	\$ 65,000.00
3) Container Yard Striping	<u>\$235,000.00</u>
Total funds requested:	\$325,000.00

In the FY 2013 Budget a total of \$1,527,268.00 was approved for the current fiscal year. Once the Port has received Board authorization, the GM will proceed with the procurement process to obtain a qualified contractor(s) to address the long awaited and much needed renovations.

Board Approval Request for Fund Transfer to the Safety Division

The GM is requesting the concurrence of the Port Board to approve the transfer of \$3,500.00 from the Marketing Division budget to the Safety Division to purchase additional safety shoes needed by the employees.

Freedom of Information Act Request

Request from Senator BJ Cruz

On Friday, June 28, 2013, the Port received a FOIA request from Senator BJ Cruz requesting the following information:

- 1. Please provide a copy of all legal service agreements with Phillips & Bordallo and all addenda to the agreement;*
- 2. Please provide a copy of all billing statements pursuant to the contract;*
- 3. Please provide the date the billing statement was received;*
- 4. Please provide the documents or document indicating that the billing statements were reviewed and by whom they were certified for payment;*
- 5. Please provide a copy of the check for each bill.*

Senator Cruz stated that he had requested this information during the legislative informational briefing and the information had not been provided. Thus, he was forwarding his FOIA request.

The Port provided a response to Senator Cruz on Friday, July 5, 2013.

Informational Request from Previous FOIA from Senator B.J. Cruz

On Friday, July 19, 2013, the Port received an informational request from Senator B.J. Cruz in follow-up to the Port's previous FOIA response of May 28, 2013 concerning PAG's Federally Funded Programs.

Senator Cruz referenced the following security related grant funds identified as of May 31, 2013 that have expired: 2008-GB-T8-0148, 2008-GB-T8-148, 2009-PU-R1-0164. Senator Cruz stated that from the Port's response in its spreadsheet \$1,248,856.58 was still available to the Port. He further stated that the Port's spreadsheet indicates that \$6,764,445.51 was available for a remaining nine (9) months. The following grants from this total includes 1) Port Modernization - \$1,556,693.30; 2) Security - \$4,448,232.22; and 3) Marinas - \$759,519.99

Senator Cruz went on to state that "the Port is not maximizing the use of the grant funds available to them, and it also concerns me that any loans the port is attempting to make is redundant to the grant funds that the port has had or currently has." He further requested that the Port provide a response on what it has done in the past six (6) weeks to prevent the lapsing of these grant funds and provide documents "evidencing these extraordinary efforts."

The Port is currently finalizing its formal response to Senator Cruz.

Port Safety Issues

5-Ton Forklift #08-43

On Friday, June 28, 2013, the GM received a report from Safety Inspector III Paul Salas concerning an incident that occurred on Tuesday, June 25, 2013 with Cargo Checker Alejandro Retumban who had been assigned to issue rebar at the staging area near Warehouse 2. According to Mr. Salas, Mr. Retumban had been operating a 5-ton forklift # 08-43 and was lifting four (4) bundles of 30-ft rebar that he was stacking for easier access for the 10-ton forklift operator to load onto tractor trailers. The total estimated weight of the four bundles of rebar was six (6) tons.

Mr. Retumban had been moving the bundles of rebar estimated to be around 1.5 tons when he had driven over an uneven surface that caused the forklift to bounce violently up and down on the rear. As a result, the bottom of the forklift boom mast dug into the pavement causing damage to the left rear rim lip that had to be replaced along with a rubber casing. The forklift was repaired and returned to service.

Mr. Salas further stated in his report that the damage caused to the tractor may have occurred at another time as the damage did not appear consistent with the bouncing motion on the forklift. He recommended that the daily trip tickers for forklift # 08-43 be further reviewed to rule out possible prior damage that was unreported. He also recommended that this incident be reviewed by the Accident Review Board and then provide its findings to the GM for review.

Property Damage on Green Point

On Tuesday, July 2, 2013 the GM received a report from Safety Inspector III Paul Salas concerning damage to the a Red Classic Trolley bus (vehicle # 5120-5122) that was being driven off the Green Point on June 28, 2013 by Crane Operator Kenneth Nauta. Mr. Nauta was providing assistance in the discharging of vehicles from hatch one on the Green Point.

Rigger Benny Parr was assigned as a spotter and signal man for Mr. Nauta. While Mr. Nauta was operating the trolley exiting the ramp, the right side of the bus was lower than the left side. This resulted in a minor dent to the right side of the trolley's body frame.

Mr. Salas determined in his report that Mr. Parr had not been paying proper attention during the operation to provide proper spotting guidance to Mr. Nauta causing the damage to the trolley.

Mr. Salas went on to recommend that this matter be forwarded to the Accident Review Board for its review and then forward its recommendation to the General Manager.

Property Damage on Green Point

On Friday, June 28, 2013, the GM received a report from Safety Inspector III Paul Salas concerning an incident that occurred on that same day involving Equipment Operator II Maui Ogo that had been assigned to discharge vehicles from the Green Point. According to the report, Mr. Ogo was operating Tractor 87 and had hitched a 20-ton military generator on wheels to his tractor. The generator began to jack knife as Mr. Ogo was exiting the ramp. The findings in the report determined that the weight of the generator was too heavy for the tractor and that the wrong towing equipment had been used for this operation.

The Safety Office recommended that this matter be forwarded to the Accident Review Board for review and then forward its findings to the GM.

Industrial Incident – Tractor 87

On Monday, July 8, 2013, the GM received a report from Safety Inspector Paul Salas that Equipment Operator II Jacob Aquiningoc had been assigned earlier that same day to dray containers from Area J for loading onto the Mell Springwood at F-5. While Mr. Aquiningoc was traveling west, he drove over the gantry spur rail, his left side glass mirror cracked. The extent of the damage was a hairline crack.

Mr. Salas determined in his report that the cause of this incident was inferior quality of the side rear view mirror. He further recommended that the incident be forwarded to the Accident Review Board to provide its recommendations to the GM.

Industrial Accident Top-Lifter #3

On Tuesday, July 9, 2013 the GM received a report from Safety Inspector III Paul Salas that Crane Operator Pete Quichocho had been operating Top Lifter #3 and had assigned earlier that day to ground stuffed containers by Area X. According to Mr. Salas' report, Mr. Quichocho had stuffed a 40-foot container onto a two-high stack. When he had set the container, the locking mechanism pin did not release. Mr. Quichocho had asked for further assistance to release the pin. Transportation Supervisor Mike Tajeron came forth to provide assistance and tilted the boom mast backwards to attempt to release the locking mechanism. As a result of this action, the lower portion of the boom mast damaged the first container (TGHU 983853). A crane mechanic had been called to release the locking mechanism pin.

Mr. Salas went on to state in his report that there was minimal damage to the Top Lifter's boom mast. He further stated that the cause of this incident was the inattentiveness of Mr. Tajeron during the operation. This matter was forwarded to the Accident Review Board to provide recommendations to the GM.

Legislative Matters

On Thursday, July 18, 2013, the GM received a copy of proposed legislation from Senator Tom Ada that would provide that the proceeds derived for the disposal of excess or surplus supplies and equipment from autonomous agencies would be remitted back to the respective agency by GSA. Currently, any surplus supplies or equipment from the Port is processed through GSA with net proceeds then credited to the General Funds.

During the Port's recent oversight hearing, the GM had relayed that the Port would like to have any revenue generated from the sale of surplus supplies or equipment to be reinvested back into the Port to maintain or purchase new equipment. In the case of Gantry Crane II, RTG's and Transportation equipment, the Port could directly benefit from receiving this revenue to repair or replace much needed equipment. The current process provides no financial benefit in the disposal of resource purchased with Port ratepayer or grant funds.

Senator Ada's proposed bill would provide the remittance of surplus revenue back to the respective autonomous agency and would amend the following:

Section 2. A new §5404 is added to 5 GCA Chapter 5 to read as follows:

§ 5404. Autonomous Agency Disposal of Excess or Surplus Supplies and Equipment.

(a) Notwithstanding the provisions of §5403 (Allocation of Proceeds from Sale or Disposal of Surplus Supplies), when excess or surplus supplies and equipment, purchased with funds generated from rates, tariffs, or sources that are derived from the customers of the autonomous agency, and not from the General Fund, the proceeds from the sale, lease or disposal shall be allocated back to the owning autonomous agency.

(b) Said proceeds shall be used solely for the purchase of replacement equipment or other capital improvement requirements needed to support the agencies operations.

GSA would continue to bid out surplus supplies and equipment on behalf of the Port. This legislation would be beneficial to the Port to capture additional revenue from its own assets to reinvest back in to its equipment fleet.

The Port is awaiting the introduction of the legislation and the scheduling of a public hearing date.

Legislative Oversight Hearing for July 2013

The Port attended the Legislative Oversight Hearing held by the Committee on Public Safety, Infrastructure and Maritime Transportation held on Tuesday July 9, 2013 at the Legislatures Public Hearing Room. Port Board Chairman Dan Tydingco, Port Vice Chairperson Christine Baleto and Board Member Shelly Gibson attended the hearing along with Port Management and Staff.

The oversight hearing agenda included the following issues:

- 1) Update for Berths F4, F5 and F6
- 2) Update on the status of the Gantry Cranes
- 3) Employee Safety and Welfare
- 4) Federal Grants

Port Management provided a slide presentation responding to the current status of the Port's Berth facilities, status of cranes, crane maintenance, quarterly crane lifts, crane operating hours, status of PMC contract, survey status for Crane 2, RTGs, cargo handling equipment and barge, employee safety standards, employee regulations, employee certification status, waterfront personnel scheduling, gangs and shift support, procurement status for Worker's Compensation insurance, federal grants related to Port Modernization, Guam Commercial Port Improvement Program, Port Security Grant Program, procurement of emergency generators and the Mobile Cargo and Vehicle CBRNE Detection and Screening System.

Noted during the hearing was the need to insure that all employees that require certification for their respective job assignments are properly certified or recertified as needed. In addition, a concern was also raised about the need to insure that Port employees have updated physicals as required by their job positions to insure the safety and welfare of the employees. Port Management concurred on these issues and relayed that additional efforts would be put in place to insure that information and status of these issues would be maintained at the Port's Human Resources Division and provided to the respective Divisions for the supervisors and employees to be kept advised of when recertification or required physicals were needed by the employees to insure consistent compliance. The GM informed the committee that the records for the employees at HR were not fully complete, consistently updated or in some cases, missing.

Port Management is currently working to address corrective measures and will be providing updates to the Port Board and Legislative Oversight Chairman as corrective actions are put in place to address these deficiencies.

Legislative Oversight Hearing for August 2013

On Friday, July 19, 2013, the GM received notice from Legislative Oversight Chairman Tom Ada that his Committee would be conducting another Oversight Hearing on Thursday, August 8, 2013 to address the following issues:

- 1) PAG Legal Services Contract
2. Encumbrance and Expenditure of Federal Grants for Security Related Projects
3. Allocation of SLE Loan Proceeds

The GM responded that she would be attending the APPU 100th Annual Meeting and would not be back in time to attend the hearing. She inquired if Senator Ada could reschedule so that she could be present. Senator Ada responded that he would provide notice for another day.

NOTE: Pages 27-30 are Port Personnel related matters.

FEDERAL GRANT/LOANS & LOCAL FUNDING PROGRAMS
FY2013 Port Modernization Plan
Grant Strategy - Monthly Update

July 24, 2013

Summary Sheet of Funding/Financing

	On-hand	Expenditures	Remaining Balance	NOTES
Port Modernization				
Grants	\$ 56,220,000.00	\$ 13,104,844.66	\$ 43,115,155.34	\$48.5M Port Enterprise Fund
Security	\$ 7,914,689.28	\$ 1,442,414.46	\$ 6,316,839.08	
Marinas	\$ 3,970,667.25	\$ 1,553,916.84	\$ 2,416,750.41	
Grand Totals:	\$ 68,105,356.53	\$ 16,101,175.96	\$ 51,848,744.83	

Applications/Approvals Pending

				NOTES
Modernization	\$ 3,667,397.44			US DOT TIGER GRANT
Security	\$ 475,000.00			PORT SECURITY GRANT
Marinas	\$ 261,000.00			BIG Tier I: Clean Vessel Act Sport Fishing Program
Grand Totals:	\$ 4,403,397.44			

PORT AUTHORITY OF GUAM - FEDERAL GRANT FUNDING PROGRAMS
Wednesday, July 24, 2013

I. Port Modernization

ITEM	GRANT #	PROJECT NAME	Federal or Local Agency	Notice to Proceed	% Completed	Award Date / End Date	Award Amount	Draw Down Submitted	Remaining Balance	STATUS:
FY2008 01	GUAM-CP-2008-3, OK # pending	Engineering Analyses and Consultations Project for the Jose D. Leon Guerrero Commercial Port Modernization	Department of Interior Office of Insular Affairs (DOI OIA)	09/03/09	94.5%	First NOA 1/17/08 for Gantry Crane Reopogram Second NOA 9/01/09 Expired 1/17/2013	\$ 1,000,000.00	\$ 949,236.01	\$ 50,763.99	PA/Owner Agent Engineer (OAE) Project Management & Related Task- CLOSURE - \$50,763.99 reverts back to Federal agency
FY2009 01	GUAM-CP-2009-1, GR020144	Preliminary Engineering & Environmental Studies for the DOI Commercial Port Facilities	Department of Interior Office of Insular Affairs (DOI OIA)	06/22/09	98.0%	3/18/2009 - 3/18/2014	\$ 2,000,000.00	\$ 1,950,048.19	\$ 39,951.81	PA/Owner Agent Engineer (OAE) Project Management & Related Task Transferred to the Port Enterprise Fund on 09/22/2010. As of 2/27/2012 Obligated Total Transferred to Project \$50M. Total for contracts \$48.5M, Total for MAARD Admin \$1.5M. EA Engineering \$7,097,403.99, Pending Contract Obligations \$1,995,109.00, Version: 6/16/2013 PA/ Financial Dashboard
FY2010 01	Port Enterprise Fund	Guam Commercial Port Improvement Program	DOI to DOT Maritime Administration Agency (MAARD)	09/22/10	14.6%	9/22/2010 - 9/22/2015	\$ 48,500,000.00	\$ 7,097,403.99	\$ 41,402,596.01	
FY2010 03	GR0206-10-10	Project Controls and Program Accountability Services	Office of Economic Adjustment (OEA)	10/01/10	62.5%	10/17/2010 - 9/30/2012 Extension approved until 9/30/2013	\$ 750,000.00	\$ 472,036.69	\$ 277,963.31	TO 12 held in debarment Grant extension approved until September 30, 2013
FY2010 04	Guam-GI-2010-1	Implementation of Programs and Projects Relevant to the Port Modernization Program	Department of Interior Environmental and Related Agencies Appropriations Act 2010(DOIOR OIA)	10/25/10	89.4%	9/28/2010 - 9/28/2015	\$ 2,000,000.00	\$ 1,788,856.30	\$ 211,143.70	PA/Owner Agent Engineer (OAE) Project Management & Related Task, \$12,584.61 pending reimbursement from DOI
FY 2011 01	GR0706-11-12	Owner's Agent Engineer Support Services	Office of Economic Adjustment (OEA)		42.5%	4/01/2011 - 3/31/2012 Extension approved - 01/31/2014	\$ 1,970,000.00	\$ 837,263.48	\$ 1,132,736.52	\$68,099.02 pending reimbursement from OEA.

GRAND TOTAL GRANTS FOR MODERNIZATION: \$ 56,220,000.00 \$ 13,104,844.66 \$ 43,115,155.34

II. SECURITY

ITEM	GRANT #	PROJECT NAME	Federal or Local Agency	Notice to Proceed	% Completed	Award Date / End Date	Award Amount	Draw Down Submitted	Remaining Balance	STATUS:
FY2008 01	2008-GS-TR-0148	Acquisition of Interoperable Communication Equipment	The Department of Homeland Security Office of Grants and Training (DHIS OGS&T)	Notice to Proceed was given in early 2009	99.7%	08/01/2008 05/31/2013	\$ 573,693.97	\$ 571,876.44	\$ 1,817.53	This project is complete. This grant is currently in its 90 day close out period. Anticipated last day to draw down funds is August 25, 2013.
FY2008 02	2008-GS-TR-348	Comprehensive Port Wide Video Surveillance System	The Department of Homeland Security Office of Grants and Training (DHIS OGS&T)	Notice to Proceed given in early 2009	0.0%	08/01/2008 05/31/2013	\$ 556,316.69	\$ 285,541.96	\$ 269,774.83	This Investment Justification (IJ) is part of the Port Security Enhancements Project (PSEP). All CCTV systems (cameras, DVRs, Port Command Center console) will be installed by the end of the project. The PSEP is currently in its 90 day close out period. Anticipated draw down of \$269,774.83 will be made on or before August 25, 2013. Remaining amount after drawdown is anticipated to be \$286,792.20.
FY2009 02	2009-PU-TR-0043	112 Access Control/Secured Credentialing System with TMC Reader Capability	PSGP	03/01/10	6.2%	2/2009 12/31/2013	\$ 622,811.62	\$ 36,411.44	\$ 586,400.18	MAEDA Pacific has finalized the Access Control System (ACS) Layout Plan and through its subcontractor has begun the purchase of the Access Control System, TMC Readers, and related components and accessories. The Port continues to work with MAEDA to ensure that this PSEP project is completed on or before 12/31/2013. Because the PSEP is scheduled to be completed on or before January 31, 2013, the Port does not anticipate any drawdowns.

FY2009-03	2009 PU 19-0043	(U) 3. Communication Duct Bank Work (formerly Radar/Intrusion Detection System)	PSGP	03/01/10	1.7%	2/2009 - 12/31/2013	\$ 690,832.50	\$ 10,000.00	\$ 590,832.50	The Port, in consultation with its O&E, Port Project and IT Teams, and networking partners from the Port of Los Angeles and the Port of Long Beach, directed MAEDA Pacific to deploy a state-of-the-art Air Blown Fiber Micro Ducting technology as its security and communications infrastructure backbone. Instead of utilizing conventional duct banks, the Port's micro ducting approach will provide a more secured and redundant communications capability with a 25 year warranty period. This enhancement will provide secured redundancy to the Port's secured command and control integration system. MAEDA's subcontractor G45 has ordered the "Fiberfile" ABF Macro Ducting technology components and will be installed immediately upon receipt. This activity will be reflected in next month's remaining balance as the Port will be drawing down from the grant.
FY2009-04	2009 PU 11-0164	Renovation/Upgrade of Existing Port Police Building to Serve as the PAC's Maritime and Port Security Operations Center	President's ARRA Supplemental PSGP	04/17/10	32.6%	09/2009 - 05/31/13	\$ 910,593.50	\$ 207,170.97	\$ 613,422.53	Foundation and drainage work has started at the project site. 100% building design has been submitted to DPW and just waiting on the permit issuance interior components of the Port Command Center has been ordered. The Port is currently waiting on a FEMA Grant Adjustment Notice (GAN) requesting for a no cost extension. The Port anticipates to draw down all the funds in this account as soon as the GAN approval is received.
FY2010-01	2010 PU 10-0080	(U) 1. Command and Control Integration of CCTV Security Surveillance, Access Control/Secured Credentialing, Radar Intrusion/Detection, and TWC Readers Systems.	PSGP	02/20/11	10.6%	06/01/10 - 05/31/2014	\$ 2,257,500.00	\$ 238,463.75	\$ 1,863,600.51	The TWC Security Products' Kenetic Extra Pass Corporate Edition Security Software has been ordered by GSA. It is a powerful security management software that will integrate the Port's CCTV, Access Control, and TWC Readers into a robust Command and Control Integration System.
FY2011-01	EMW 2011 PU 002200 S01	(U) Upgrade of Emergency Back-up Generators to Support Maritime and Port Security Management and Operations	PSGP	09/30/11	0.0%	09/30/2011 - 08/31/2014	\$ 867,141.00	\$ -	\$ 867,141.00	GSA announced the RF for the generators. As of July 19, 2013, two Request For Information (RFI) has been submitted by two local vendors to GSA for the Port to respond. Anticipated delivery period for 2ea, 300KW and 1ea, 250 KW generator is expected in 3Q 2014.
FY2011-02	EMW 2011 PU 002200 S01	(U) Mobile Cargo and Vehicle CARNIE Detection and Screening System	PSGP	09/30/11	0.0%	09/30/2011 - 08/31/2014	\$ 1,525,790.00	\$ -	\$ 1,525,790.00	During a May 31, 2013 pre-bid conference, several RFIs were addressed by GSA and the Port. Although the initial specifications were collaborated and developed by the Port, Customs, and DPW, GSA decided for the Port to redo the specifications. New specs were developed utilizing USHS/Customs & Border Protection's National Intrusion Inspection (NII) Program scope of Work for both fixed and mobile screening systems. In addition, after requesting guidance from the Port's USHS/FEMA Program Manager, the Port can actually procure this system from the FED GSA's Schedule 84. A request was made by the Port to GSA utilizing this method of procurement. To date, the Port is awaiting GSA's response.

GRAND TOTAL FOR SECURITY: \$ 7,914,699.28 \$ 1,442,414.66 \$ 6,316,839.08

III. MARINAS

ITEM	GRANT #	PROJECT NAME	Federal or Local Agency	Notice to Proceed	% Completed	Award Date / End Date	Award Amount	Draw Down Submitted	Remaining Balance	STATUS:
FY2010-01	MOU 611-B-1.21	Rigour Dock A, Dock B, Piling, Water Blasting, GDP Machine	Federal Assistance Building Access Funds-Department of Agriculture	04/28/10	100.0%	Aug 2009 - Sept 2012 Extension APPROVED - 09/30/13	\$ 780,667.25	\$ 780,667.27	\$ (0.02)	Dock A Completed, Dock B - Completed. Pending reimbursement \$200,202.76. DOCKS A & B Piling Extension - Completed. Pending reimb. \$79,389.75. DOCK C - Completed. Pending Reimbursement \$229,927.50. Revised grant extension & amounts have been adjusted per BMM. Submission of reimbursements will be processed by Dept of Agriculture.
FY2011-01	Guam-CP 2011.1	Gregorio D. Perez Marina Actual Renovation & Site Improvements - Phase II	Department of Interior Office of Insular Affairs (DOIGIA)	07/27/11	100.0%	Aug 2011 - August 2016	\$ 440,000.00	\$ 440,000.00	\$ -	CLOSED
FY2012-01	12 SFF II-01	Agai Marina "Dock A" Repairs	NOAA Commission on Fisheries	10/01/12	0.0%	Sep 11, 2012 - Sep 30, 2013	\$ 250,000.00	\$ -	\$ 250,000.00	Management to provide recommendations concerning needed upgrade and operational improvements to DPWS BEARING.
FY2012-02	Guam-CP 2012.1	Gregorio D. Perez Marina Actual Renovation & Site Improvements - Phase I	Department of Interior Office of Insular Affairs (DOIGIA)	02/22/12	13.3%	Feb 22, 2012 - Feb 22, 2017	\$ 2,500,000.00	\$ 333,249.57	\$ 2,166,750.43	\$181,747.17 Pending reimbursement from DOI.

GRAND TOTAL FOR MARINAS: \$ 3,970,667.25 \$ 1,553,916.84 \$ 2,416,750.41

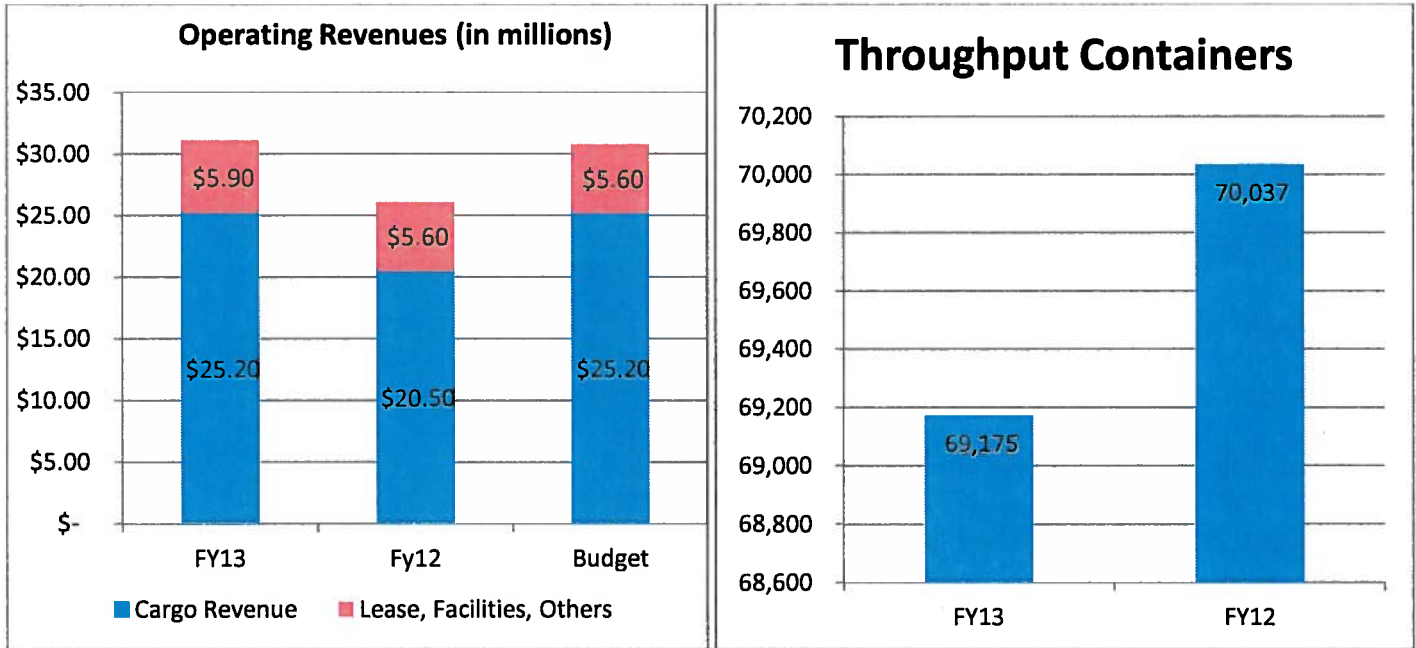
IV. OTHER

ITEM	POTENTIAL FUTURE GRANTS	PROJECT NAME	Federal or Local Agency	COMMENTS:	ESTIMATED MATCHING	Potential Cost Share %	Requested / Estimated Amount
1	FY2014	Container Yard Drainage and Pavement Repair	US DOT TIGER GRANT	TBA 9/30/2013	\$ -		\$ 3,667,397.44
2	FY2013/2014	Huber of Ridge A/E Design & Environmental Studies	USWS/BIG Tce /Dept of Aq/DWNR	TBA 9/30/2013	\$ 25,000.00		\$ 75,000.00
3	FY2013	Aqat Small Boat Marina Dock A Repairs	USWS/Sport Fishing Program/Dept of Aq/DWNR	IMMEDIATE & DISCUSSION ONGOING	\$ -	To be determined by # of Commercial Boats - Varies	\$ 100,000.00
4	FY2013/2014	Aqat Small Boat Marina 1/Concrete Curwalk	USWS/Sport Fishing Program/Dept of Aq/DWNR	PENDING WORK REQ. & GRANT NO. FROM DEPT	\$ -	SOW & Estimates provided to Dept of Aq/DWNR	\$ 60,000.00
5	FY2013/2014	Aqat Small Boat Marina 1/First Hoist Boom	USWFA/Clean Vessel Act/Dept of Aq/DWNR	PENDING WORK REQ. & GRANT NO. FROM DEPT of Aq/DWNR	\$ -	SOW & Estimates provided to Dept of Aq/DWNR	\$ 20,000.00
6	FY2014	Aqat Marina Small Boat Marina - Pump Out System & Station	USWFA/Clean Vessel Act/Dept of Aq/DWNR	TBA 9/30/2013	\$ -		\$ 61,000.00
7	FY2014	CMU Quay & Heavy Duty Chain Link Security Fencing	FEMA Boat Security Grant Program	TBA 9/30/2013	\$ -		\$ 475,000.00
8	FY2015	FUTURE Level I - Gregorio D Perez Marina Phase III, CMS & SOW/Services,	DOJ OIA CIP Grant Program/Office of the Gov/BIHR	TBA 8/17/2013	\$ -		\$ 2,491,200.00
10	FY2014/2015	FUTURE Aqat Small Boat Marina Dock Repairs & Upgrades to B, C, & D	USWFA/Dept of Aq/DWNR	PENDING GRANT APPLICATION to be submitted to State Agency	\$ -	To be determined by # of Commercial Boats - Varies	\$ 2,134,687.00

GRAND TOTAL FOR OTHER \$ 25,000.00 \$ 9,084,284.44

Financial Highlights – YTD June FY2013

Operating Performance:



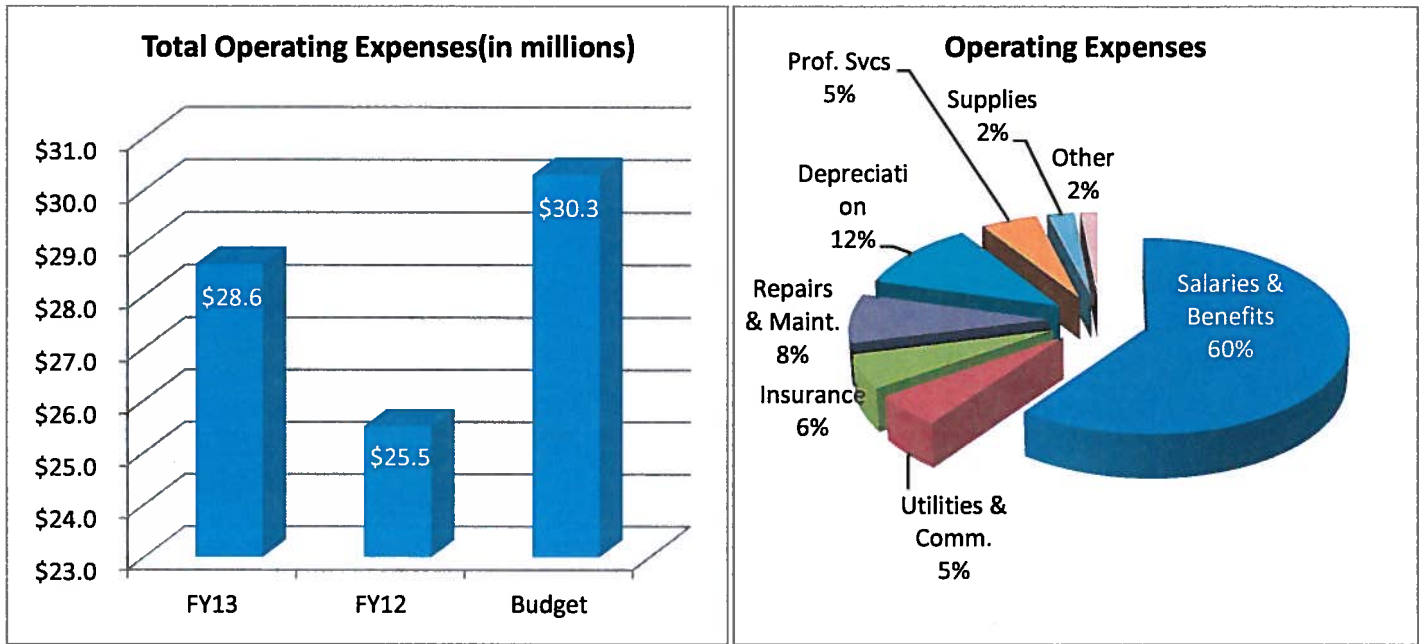
Total Operating Revenues as of June 2013 was \$31.1 million, which consist of \$25.2 in cargo revenues and \$5.9 million in Facilities, Leases, and Other Services.

FY13 YTD cargo revenue is 23% higher than last year's total (\$20.5 mil) and same as Budget (\$25.2 mil).

FY13 YTD Facilities, Leases, and Other Services as of June is 21% higher than last year (\$5.6 mil) and 5% higher than budget (\$5.6 mil).

Overall Operating Revenues as of June is 1% higher than Budget (\$30.8 mil) and 19% higher than last year's year to date June (\$26.1 mil).

Total number of containers handled as of June 2013 was 69,175 which is 1% lower compared to last year June total 70,037.



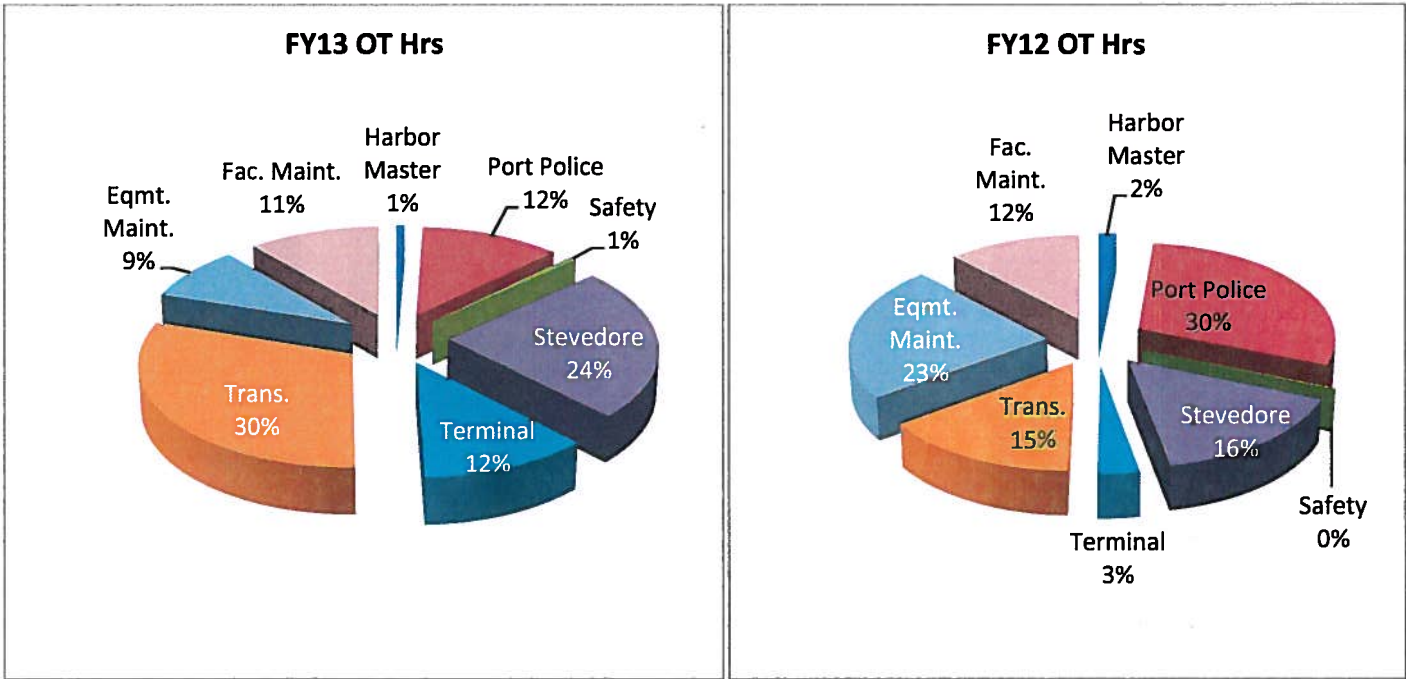
Total Operating Expenses as of June 2013 was \$28.6 million, which is 6% lower than Budget (\$30.3 mil) and 12% higher than last year's total operating expenses (\$25.5 mil).

Total Overtime as of June 2013 was \$970,648 which is 248% higher than last year June (\$279k). Direct Labor Revenue as of June was \$1.8m, which is 82% higher than last year and 22% higher than budget. Direct Labor charges are for services performed by Port employees under special service request and differentials under the throughput.

Below is the breakdown of overtime for each division/section for FY13 and FY12 as of June:

Sections	FY2013	FY2012	Budget	OT/HOL Revenue
Harbor Master	6,792	4,460	10,502	0
Port Police	116,443	82,423	142,305	63,120*
Safety	6,190	564	13,090	0
Stevedore-Cargo Handling	222,520	42,521	282,463	165,110
-Rigger	14,463	1,548	15,500	8,648
Terminal	114,527	8,697	153,926	110,571
Trans-Superintendent	43,948	10,596	56,717	0
-Crane Operators	76,864	9,285	105,393	39,921
-Equipment Oper.	157,848	19,278	204,841	146,260
-Dispatcher	17,057	1,898	24,809	0
Maint.-Crane Maint.	49,521	45,844	58,706	0
-Preventive Maint.	4,700	2,625	11,250	0
-Fleet Maint.	24,451	4,703	32,393	0
-Welders	6,164	10,864	49,037	8,186
Facility Maint.-Building	4,632	339	4,204	639
-Elect./Refr.	104,528	33,308	103,640	89*
TOTAL	970,648	278,953	1,268,774	542,544

*Port Police OT Revenue is due to Passenger Vessels or under special service request. Electricians revenue is due to special service requests.



Year to date Operating Revenues minus the Year to date Operating Expenses resulted to an Operating Income of \$2.5m as of June 30, 2013.

Non Operating Revenues and Expenses consist of the following: \$662k-Loss on Asset Disposal (G2), \$660k-Retirement contribution for COLA, Supplemental and Medical/Dental/Life Insurance expenses, \$506k-Interest expense on loans, \$2.3k-Federal Reimbursements and \$129k Interest Income. The net total of non operating expenses and revenues as of June is a positive \$568 thousand.

The Total Net Income as of June is \$3 mil.

Accounts Receivable Trade (net) as of June 30, 2013 is \$8.1 million.

Aging Status is as follows: 55% - Current, 17% - over 30 days, 2% - over 60 days, 9% - over 90 days and 17% - over 120 days.

Accounts Payable Trade as of June 30, 2013 is \$2.5 million which is 9% lower than last month ending balance of \$2.7 million.

Port Authority of Guam
Income Statement
With Budget Comparison (Unaudited)
09 Months Ending 06/30/13

Current Month Actual	%	Last Year Actual	%	Budget	%	Chng	Year to Date Actual	%	Actual	%	Chng	Budget	%	Chng
OPERATING REVENUES														
CARGO THROUGHPUT REVENUES														
510,499	15.3	493,179	17.2	608,524	-16.1	CT- CHASSIS	4,888,463	15.7	4,035,076	15.5	21.1	5,476,713	-10.7	
785,924	23.5	764,339	26.6	788,838	-0.4	CT- GROUND	7,578,774	24.4	7,588,617	29.1	-0.1	7,099,545	6.8	
46,456	1.4	17,614	0.6	32,262	44.0	CT- BREAKBULK	426,094	1.4	387,687	1.5	9.9	290,358	46.7	
68	0.0	2,449	0.1	1,484	-95.4	CT- UNITIZED	6,245	0.0	19,994	0.1	-68.8	13,356	-53.2	
	0.0		0.0		0.0	CT- TUNA		0.0		0.0	0.0		0.0	
48,414	1.4	4,703	0.2	34,536	40.2	CT- RO/RO	398,966	1.3	253,906	1.0	57.1	310,827	28.4	
5,966	0.2	4,192	0.1	3,966	50.4	CT- STUFFING/DEVAN	82,711	0.3	35,951	0.1	130.1	35,697	131.7	
2,528	0.1	561	0.0	1,021	147.6	CT- HEAVY LIFT	12,497	0.0	9,865	0.0	26.7	9,189	36.0	
514	0.0	91	0.0	91	464.6	CT- LONG LENGTH	2,511	0.0	1,076	0.0	133.5	822	0.0	
7,100	0.2	6,550	0.2	6,650	6.8	OUT-OF-GAUGE CARGO (OOG)	79,150		25,950			59,850	0.0	
1,407,468	42.1	1,293,586	45.1	1,477,372	-4.7	CARGO THROUGHPUT REVENUES	13,475,411	43.4	12,358,123	47.4	9.0	13,296,357	1.3	
OTHER CARGO RELATED REVENUES														
5,967	0.2	2,100	0.1	1,220	0.0	LIFT ON/LIFT OFF	10,463	0.0	4,762	0.0	0.0	10,980	0.0	
3,764	0.1	5,209	0.2	5,732	-34.3	PRESLUNG	62,981	0.2	39,067	0.1	61.2	51,588	22.1	
	0.0		0.0		0.0	EXPORT SCRAP CONTAINER		0.0		0.0	0.0		0.0	
149,569	4.5	237,292	8.3	220,725	-32.2	TRANSSHIP CONTAINERS	1,709,760	5.5	1,938,151	7.4	-11.8	1,986,528	-13.9	
12,034	0.4	8,786	0.3	9,205	30.7	OVERSTOWED CONTAINERS	142,150	0.5	79,123	0.3	79.7	82,842	71.6	
577	0.0	385	0.0	167	0.0	SHIFTED CONTAINERS	3,480	0.0	1,543	0.0	0.0	1,503	131.6	
2,257	0.1	2,558	0.1	2,285	-1.2	RIGGED CONTAINERS	24,942	0.1	21,619	0.1	15.4	20,565	21.3	
6,885	0.2	7,290	0.3	8,322	0.0	REEFER CNTR-PLUG/UNPLUG	71,475	0.2	32,475	0.1	0.0	74,898	0.0	
169,845	5.1	130,970	4.6	168,932	0.5	DIRECT LABOR BILLED	1,846,641	5.9	1,012,967	3.9	82.3	1,520,388	21.5	
14,426	0.4	10,462	0.4	18,200	-20.7	EQUIPMENT RENTAL	109,625	0.4	130,009	0.5	-15.7	163,800	-33.1	
26,839	0.8	23,842	0.8	24,432	9.9	PORT FEES & DOCKAGE	252,170	0.8	230,904	0.9	9.2	219,888	14.7	
337,927	10.1	308,247	10.7	360,505	-6.3	WHARFAGE	3,156,421	10.2	3,053,535	11.7	3.4	3,244,545	-2.7	
42,285	1.3	46,643	1.6	49,307	-14.2	FUEL SURCHARGE	423,309	1.4	431,703	1.7	-1.9	443,763	-4.6	
12,670	0.4	12,899	0.4	15,473	-18.1	MARITIME SECURITY FEE	131,104	0.4	122,211	0.5	7.3	139,254	-5.9	
111,439	3.3	111,561	3.9	127,272	0.0	FACILITY MAINTENANCE FEE	1,070,757	3.4	1,067,759	4.1	0.3	1,145,448	-6.5	
468,693	14.0		0.0	458,727	0.0	CRANE SURCHARGE	2,686,909	8.6		0.0	0.0	2,752,362	-2.4	
1,365,177	40.9	908,245	31.6	1,470,504	-7.2	OTHER CARGO RELATED REVENUES	11,702,187	37.6	8,165,827	31.3	43.3	11,858,352	-1.3	
2,772,645	83.0	2,201,831	76.7	2,947,876	-5.9	OPERATING REVENUES	25,177,598	81.0	20,523,950	78.7	22.7	25,154,709	0.1	

Port Authority of Guam
Income Statement
With Budget Comparison (Unaudited)
09 Months Ending 06/30/13

Current Month	%	Last Year	%	Budget	%	Chng	Year to Date	%	Last Year to Date				
									Actual	%	Actual	%	Chng
NON OPERATING REVENUES													
FACILITIES													
64,593	1.9	82,887	2.9	97,715	0.0	0.0	832,538	2.7	733,552	2.8	0.0	879,432	0.0
304,488	9.1	232,901	8.1	154,624	0.0	0.0	1,822,746	5.9	1,479,764	5.7	0.0	1,391,616	0.0
94,008	2.8	107,554	3.7	100,898	-6.8	-6.8	713,510	2.3	1,001,849	3.8	-28.8	907,542	-21.4
92,105	2.8	115,661	4.0	115,661	-20.4	-20.4	834,485	2.7	1,040,951	4.0	-19.8	1,088,154	-23.3
5,638	0.2	6,013	0.2	6,013	-6.2	-6.2	52,123	0.2	60,617	0.2	-14.0	54,117	-3.7
3,316	0.1	3,973	0.1	4,300	-22.9	-22.9	30,905	0.1	37,319	0.1	-17.2	38,700	-20.1
21,215	0.6	21,220	0.7	22,069	-3.9	-3.9	182,424	0.6	182,041	0.7	0.2	198,618	-8.2
4,442	0.1	4,037	0.1	4,620	-3.9	-3.9	38,298	0.1	39,269	0.2	-2.5	41,583	-7.9
46,448	1.4	70,590	2.5	63,307	0.0	0.0	1,086,105	3.5	559,721	2.1	94.0	569,763	0.0
OTHER FACILITIES & SERVICES													
636,254	19.0	644,836	22.5	569,147	11.8	11.8	5,593,134	18.0	5,135,104	19.7	8.9	5,169,525	8.2
CLAIMS & SERVICES													
	0.0		0.0		0.0	0.0		0.0		0.0	0.0		0.0
	0.0		0.0		0.0	0.0		0.0		0.0	0.0		0.0
	0.0		0.0		0.0	0.0	1,709	0.0		0.0	0.0		0.0
	0.0		0.0		0.0	0.0	44,045	0.1	36,056	0.1	22.2	54,441	-19.1
1,814	0.1	2,364	0.1	6,110	0.0	0.0	22,878	0.1	39,361	0.2	-41.9	54,990	-58.4
7,279	0.2	6,355	0.2	23,565	-69.1	-69.1	92,396	0.3	73,178	0.3	26.3	212,079	-56.4
12,371	0.4	14,551	0.5		0.0	0.0	122,429	0.4	149,681	0.6	-18.2		0.0
OTHER FEES & SERVICES													
21,463	0.6	23,271	0.8	35,724	-39.9	-39.9	283,456	0.9	298,275	1.1	-5.0	321,510	-11.8
ADMINISTRATIVE FEES & SERVICES													
963	0.0	823	0.0	984			8,235	0.0	8,853	0.0	-7.0	8,850	0.0
REIMBURSEMENTS													
	0.0		0.0		0.0	0.0		0.0		0.0	0.0		0.0
	0.0		0.0		0.0	0.0		0.0		0.0	0.0		0.0
	0.0		0.0		0.0	0.0	22,500	0.1	111,237	0.4	0.0	122,490	0.0
(90,000)	-2.7		0.0	13,610	0.0	0.0		0.0		0.0	0.0		0.0
	0.0		0.0		0.0	0.0		0.0		0.0	0.0		0.0
	0.0		0.0		0.0	0.0		0.0		0.0	0.0		0.0
	0.0		0.0		0.0	0.0		0.0		0.0	0.0		0.0
	0.0		0.0		0.0	0.0	4	0.0		0.0	0.0		0.0
REIMBURSEMENTS													
(90,000)	-2.7		0.0	13,610			22,504	0.1	111,237	0.4	0.0	122,490	0.0
568,680	17.0	668,930	23.3	619,465	-8.2	-8.2	5,907,328	19.0	5,553,469	21.3	6.4	5,622,375	5.1
3,341,325	100.0	2,870,760	100.0	3,567,341	-6.3	-6.3	31,084,926	100.0	26,077,419	100.0	19.2	30,777,084	1.0

**Port Authority of Guam
Income Statement
With Budget Comparison (Unaudited)
09 Months Ending 06/30/13**

Current Month	Actual	%	Last Year	Actual	%	Budget	Chng	%	Year to Date	Actual	%	Last Year to Date		Budget	Chng	
												Actual	%			
(1,080,138)		-32.3	(1,140,385)		-39.7	(1,457,063)		-25.9	(11,800,661)		-38.0	(11,099,774)		(13,062,405)		-9.7
(88,388)		-2.6	(92,482)		-3.2	(110,916)		-20.3	(886,392)		-2.9	(872,531)		(939,963)		-5.7
(344,398)		-10.3	(346,924)		-12.1	(492,582)		-30.1	(3,566,503)		-11.5	(3,274,040)		(3,855,306)		-7.5
(89,261)		-2.7	(102,938)		-3.6	(1,667)		0.0	(878,140)		-2.8	(926,245)		(15,003)		5.753
(9,500)		-0.3	(15,000)		-0.5	(9,583)		0.0	(19,722)		-0.1	(43,960)		(86,247)		-77.1
(6,657)		-0.2	(8,225)		-0.3	(9,804)		0.0	(55,298)		-0.2	(76,741)		(88,236)		-37.3
(127,377)		-3.8	(222,624)		-7.8	(209,083)		0.0	(1,475,451)		-4.7	(1,645,789)		(1,881,744)		-21.6
(196,091)		-5.9	(152,877)		-5.3	(188,868)		0.0	(1,649,261)		-5.3	(1,375,896)		(1,699,812)		-3.0
(24,405)		-0.7	(18,162)		-0.6	(66,329)		0.0	(294,661)		-0.9	(226,244)		(407,205)		-27.6
(633,834)		-19.0	(53,166)		-1.9	(97,084)		0.0	(1,343,452)		-4.3	(1,079,003)		(708,756)		89.6
(383,927)		-11.5	(315,651)		-11.0	(307,667)		0.0	(2,294,390)		-10.6	(2,789,348)		(3,082,566)		6.9
(93,899)		-2.8	(75,251)		-2.6	(124,149)		-24.4	(2,267)		-2.3	(615,097)		(1,009,338)		-30.3
(2,882)		-0.1	(4,626)		-0.2	(24,848)		0.0	(703,858)		-0.1	(18,436)		(214,692)		0.0
(60,924)		-1.8	(44,977)		-1.6	(40,926)		0.0	(25,051)		0.0				0.0	
(104,824)		-3.1	(85,913)		-3.0	(106,289)		0.0	(386,294)		-1.2	(350,160)		(356,220)		8.4
(8,020)		-0.2	(8,955)		-0.3	(17,440)		-54.0	(1,402,861)		-4.5	(852,326)		(1,192,776)		17.6
(4,287)		-0.1	(13,084)		-0.5	(5,434)		0.0	(80,200)		-0.3	(59,251)		(131,910)		-39.2
(26)		0.0			0.0			0.0	(21,226)		-0.1	(119,507)		(79,077)		0.0
		0.0			0.0			0.0	(26)		0.0				0.0	
		0.0			0.0			0.0			0.0				0.0	
		0.0			0.0			0.0			0.0				0.0	
(3,258,640)		-97.5	(2,701,603)		-94.1	(3,445,111)		-5.4	(28,608,052)		-92.0	(25,464,196)		(30,348,666)		-5.7

INDIRECT COSTS
General & Administrative Expen

Port Authority of Guam
Income Statement
With Budget Comparison (Unaudited)
09 Months Ending 06/30/13

Current Month			Last Year			Budget			Year to Date			Last Year to Date					
Actual	%		Actual	%		Budget	%	Chng	Actual	%		Actual	%	Chng	Budget	%	Chng
82,685	2.5		169,157	5.9		122,230	-32.4	OPERATING INCOME (LOSS)	2,476,874	8.0		613,223	2.4	303.9	428,418	478.1	
								OTHER INCOME (EXPENSE)									

								0.0 Other Income & Expense									
								0.0 Other Income	5	13.0		29,249	0.1	0.0			
								0.0 Interest Income		0.0			0.0	0.0			
								0.0 Interest Income		0.0			0.0	0.0			
10,499	0.3		(35,294)	-1.2		12,544	0.8	Interest Income	129,517	0.4		59,374	0.2	118.1	113,046	14.6	
(76,125)	-2.3		(16,687)	-0.6		(46,849)	0.8	Interest Expense-USDA	(505,642)	-1.6		(138,452)	-0.5	265.2	(884,468)		
						(240)	0.0	Other Expense	(6,240)	0.0		(0)	0.0	0.0	(720)		
(74,019)	-2.2		(176,698)	-6.2		(171,866)	0.0	Retirement Govt Contribution	(660,018)	-2.1		(1,597,437)	-6.1	-58.7	(1,580,553)		
594,578	16.0		305,778	10.7		765,617	0.0	Federal Reimbursement	2,316,455	7.5		2,724,584	10.4	-15.0	2,296,851		
(5,906)	-0.2		(6,544)	-0.2		(7,488)	0.0	Federal Expenses	(43,977)	-0.1		(60,258)	-0.2	0.0	(67,392)		
						(110,493)	0.0	Gain <Loss> on Asset Disposals	(662,423)	-2.1		(66)	0.0	0.0	(331,494)		
389,026	11.6		70,556	2.5		441,225	-11.8	Other Income & Expense	567,676	1.8		1,016,993	3.9	-44.2	(254,730)	-322.9	
389,026	11.6		70,556	2.5		441,225	-11.8	OTHER INCOME (EXPENSE)	567,676	1.8		1,016,993	3.9	-44.2	(254,730)	-322.9	
471,711	14.1		239,713	8.4		563,455	-16.3	NET INCOME (LOSS)	3,044,550	9.8		1,630,216	6.3	86.8	173,688	1,652.9	

	Current	Last Month End	Last Year End	This Month Change	This Year
Marina Receivables	46,352.59	47,056.20	41,199.49	703.61	5,153.10
Interest Receivables					
Bank of Guam					
Bank Of Hawaii					
Bank Pacific					
Citicbank					
Citizens Security Bank					
First Hawaiian Bank					
Govdnam Emp Fed Credit Union					
Oceanic Bank					
Other					
Interest Receivables					
Prepaid Expenses	617,161.01	813,251.72	128,485.00	196,090.71	617,161.01
Prepaid Insurance	1,541,680.96	1,525,888.43	1,490,449.90	84,207.47	1,413,195.96
Prepaid Expenses	2,158,841.97	2,439,140.15	128,485.00	280,298.18	2,030,356.97
Deferred Expenses					
Deferred Geda Addendum L/Lease					
Credit Note Reimbursement					
Deferred Expenses					
Current Assets	21,000,395.84	20,288,267.30	15,468,039.41	712,128.54	5,532,356.43
Non Current Assets					
Long Term Receivable	2,258,190.48	2,258,190.48	2,258,190.48		
Long Term Receivable-DOA	1,490,449.90	1,490,449.90	1,490,449.90		
Long Term Receivable-Geda	3,748,640.38	3,748,640.38	3,748,640.38		
Allow for Uncollectible I/R A/R					
Long Term Receivable					
Gas, Oil and Diesel Inventory	188,082.97	190,437.74	202,178.26	2,354.77	14,095.29
Supplies Inventory	1,676.68	1,676.68	1,676.68		
Contra-Asset Inventory Adj.	50,728.92	53,146.81	74,626.88	2,417.89	23,897.96
Allowance for Obsolescence					
Inventory for Survey					
Inventory	135,677.37	135,614.25	125,874.70	63.12	9,802.67
Work In Progress					
Const Work in Progr-Local	986,886.55	948,954.25	933,569.87	37,932.30	53,316.68
Const Work in Progr-Federal	15,600,586.15	15,209,797.01	14,586,596.37	390,789.14	1,013,989.78
Const Work in Progr-FMP	78,000.00			78,000.00	78,000.00
Work In Progress	16,665,472.70	16,158,751.26	15,520,166.24	506,721.44	1,145,306.46
Non Current Assets	16,801,150.07	16,294,365.51	15,646,040.94	506,784.56	1,155,109.13

	Current	Last Month End	Last Year End	This Month	Change	This Year
Property, Plant & Equipment						
Land	3,563,000.00	3,563,000.00	3,563,000.00			
Land-Cabrass	3,563,000.00	3,563,000.00	3,563,000.00			
Buildings						
Buildings-Original	17,094,797.53	17,094,797.53	17,094,797.53			
Buildings-Substation Shelters	57,814,916.48	57,814,916.48	55,803,333.99			2,011,582.49
Buildings-Wharf Improvements	74,909,714.01	74,909,714.01	72,898,131.52			2,011,582.49
Buildings	16,432,731.31	16,430,236.36	16,410,276.76	2,494.95	22,454.55	
Accumulated Depreciation-Build	23,932,289.83	23,801,974.49	22,812,230.64	130,315.34	1,120,059.19	
Accdeprec-Buildings-Original	40,365,021.14	40,232,210.85	39,222,507.40	132,810.29	1,142,513.74	
Accdeprec-Buildings-Wharf Impr						
Furnishings & Equipment						
Air Tools	488,574.71	488,574.71	488,574.71			
Communications Equip	1,183,555.72	1,183,555.72	1,184,735.92			1,180.20
Computer Equip	25,886,711.83	25,886,711.83	17,636,348.90			8,190,362.93
Crane Equip	450,582.18	450,582.18	436,263.18			14,319.00
Furnishings & Office Equip	1,472,124.00	1,472,124.00	1,472,124.00			
Forklift Equip	3,159,937.31	3,159,937.31	3,159,937.31			
Gantry 3 Relocation Cost	271,200.00	271,200.00	271,200.00			
Generator Sets	10,788.72	10,788.72	10,788.72			
Hand Tools	1,995.00	1,995.00	1,995.00			
Load & Unload Equip	1,020,768.28	1,020,768.28	1,058,862.63			38,094.35
Mowing Equip	12,974.46	12,974.46	12,974.46			
Other Equip	265,868.62	265,868.62	258,893.62			6,975.00
Power Tools	641,946.00	641,946.00	623,701.00			18,245.00
Safety Equip	36,918,752.80	36,918,752.80	28,728,125.42			8,190,627.38
Shop Equip						
Tractors						
Vehicles & Motor Equip						
Furnishings & Equipment						
Accumulated Depreciation-Furni						
Accdeprec-Air Tools	196,199.66	190,446.35	144,779.87	5,713.31	51,419.79	
Accdeprec-Communications Eqt.	1,020,897.64	1,016,448.68	982,033.52	4,448.26	38,864.12	
Accdeprec-Computer Equip	6,344,631.33	6,146,539.62	8,033,588.26	198,091.69	1,678,954.93	
Accdeprec-Crane Equip	255,169.03	251,188.59	248,967.10	4,010.44	36,201.93	
Accdeprec-Furnishings & Office	1,013,555.57	1,005,885.61	944,925.93	7,669.96	69,029.64	
Accdeprec-Forklift Equip	3,159,937.31	3,159,937.31	3,159,937.31			
Accamort-Gantry 3 Relocation C	187,200.08	186,240.10	176,679.42	999.98	10,521.00	
Accdeprec-Generator Sets	10,541.10	10,541.10	10,541.10			
Accdeprec-Hand Tools	1,995.00	1,995.00	1,995.00			
Accdeprec-Load & Unload Equip	640,425.01	630,653.43	605,963.86	9,843.37	34,532.94	
Accdeprec-Mowing Equip	10,425.01	10,425.01	9,605.38		819.63	
Accdeprec-Other Equip						
Accdeprec-Power Tools						

	Current	Last Month End	Last Year End	This Month	Change	This Year
AccDeprec-Safety Equip	191,505.88-	190,615.37-	183,566.05-	890.51-	7,939.83-	7,939.83-
AccDeprec-Shop Equip	1,209,817.94-	1,196,327.11-	1,088,400.47-	13,490.83-	121,417.47-	121,417.47-
AccDeprec-Tractors	531,770.83-	525,920.40-	480,608.63-	5,850.43-	51,162.20-	51,162.20-
AccDeprec-Vehicles & Motor Equ	14,774,143.16-	14,523,026.09-	16,031,040.88-	251,117.07-	1,256,897.72	1,256,897.72
Accumulated Depreciation-Furni						
Capital Leases						
Capital Leases						
Accumulated Amortization-Capit						
AccAmort-Capital Leases						
Accumulated Amortization-Capit						
Property, Plant & Equipment	60,252,302.51	60,636,229.87	49,935,708.66	383,927.36-	10,316,593.85	10,316,593.85
Total Assets	98,053,848.42	97,218,862.68	81,049,789.01	834,985.74	17,004,059.41	17,004,059.41
Total Liabilities & Capital						
Current Liabilities						
Accounts Payable	2,879,091.94	2,228,755.41	2,091,404.83	650,336.53-	1,787,687.11-	1,787,687.11-
Accounts Payable Custom	2,468,614.34	2,727,010.25	1,287,380.75	258,395.91-	1,181,233.59	1,181,233.59
Accounts Payable GSA	16.87	16.87	16.87		16.87	16.87
Accounts Payable Others						
Accounts Payable Trade						
Accounts Payable Received						
Accounts Payable Not Vouchered						
Accounts Payable	5,347,723.15	4,955,782.53	3,378,785.58	391,940.62	1,968,937.57	1,968,937.57
Current Loan Payable						
Current ANZ (USDA) Loan Payabl	43,789.96	57,882.55	165,691.68	14,192.59-	121,901.72-	121,901.72-
Current ANZ (USDA) 12M Loan Payabl	126,462.71	167,620.56	165,691.68	41,157.85-	126,462.71	126,462.71
Current Loan Payable	170,252.67	225,603.11	165,691.68	55,350.44-	4,560.99	4,560.99
Due to Public Utilities						
Due to GPA						
Due to GTA						
Due to GWA						
Due to Public Utilities						
Accrued Interest Payable						
Accrued Interest Payable						
Accrued Interest Payable						
Deferred Revenues - GEDA	61,769.01-	61,769.01-	61,769.01-			
Deferred Revenues - Leases	100,000.00	100,000.00	235,278.19			
Deferred Revenues Marinas			9,851.81			

	Current	Amounts Last Month End	Last Year End	This Month Change	This Year
Deferred Revenues	38,230.99	38,230.99	186,039.99	24,423.53-	147,809.00-
Deferred Revenues	610,944.95	568,275.23	321,687.27	42,669.72-	289,257.68-
Accrued Expenses	876,047.62	900,471.15	940,610.15	24,423.53-	64,562.53-
Accrued Payroll					
Accrued Vacation Pay-Current					
Accrued Vacation Pay					
Accrued Earthquake Cost					
Accrued Cola/Supplemental					
Accrued Typhoon Cost					
Accrued Medicare Tax	42,262.63	42,262.63	90,540.25	45.70	42,262.63-
Accrued Federal Grant	250,000.00	250,000.00	1,899.58	8,392.39	159,459.75
Employee Insurance Payables	5,944.38	5,898.68	128,628.62		4,044.80
Employee Deductions Payable	255,043.11	246,650.72			126,414.49
Withholding Tax Payable	42,262.63-	42,262.63-			42,262.63-
Credit Union					
Accrued Miscellaneous Deductio					
Accrued Death & Disability Ins					
Retirement Contributions					
Deferred Compensation Plan Pay					
Accrued Expenses	1,997,980.06	1,971,295.78	1,483,365.87	26,684.28	514,614.19
Security Deposits					
Security Deposits - Space Leas	90,075.14	90,075.14	93,566.71		3,491.57-
Security Deposits - Marinas	23,849.90	23,849.90	23,234.40		615.50
Security Deposits	113,925.04	113,925.04	116,801.11		2,876.07-
Capital Lease Obligations- Cur					
Capital Lease Obligations- Cur					
Other Current Liabilities					
Reserve Shortage/Property Dama					
Lease Payable - GEDA					
Other Current Liabilities	7,668,111.91	7,304,837.45	5,330,684.23	363,274.46	2,337,427.68
Current Liabilities					
Non Current Liabilities					
Long Term Accrued Expenses					
Unfunded Retirement Contributi	449,966.98	449,966.98	449,966.98		
Accrued Vacation Pay-Long Term	1,105,722.30	1,105,722.30	1,105,722.30		
Accrued Sick Live (DC)-Long Term	1,555,689.28	1,555,689.28	1,555,689.28		
Long Term Accrued Expenses					
Capital Lease Obligations					
Capital Lease Obligations					
Capital Lease Obligations					

	Current	Last Month End	Last Year End	This Month Change	This Year
Long Term Loan Payables					
LT-ANZ (USD)	3,035,317.42	3,035,317.42	3,035,317.42		11,622,081.27
LT-ANZ (USDA) Loan Payable 12M	11,622,081.27	11,622,081.27			
Long Term Loan Payables	14,657,398.69	14,657,398.69	3,035,317.42		11,622,081.27
Non Current Liabilities	16,213,087.97	16,213,087.97	4,591,006.70		11,622,081.27
Capital Contributions & Equity					
Contributions-Federal Government	3,563,000.00	3,563,000.00	3,563,000.00		
Contributions-Local Government	17,567,358.64	17,567,358.64	17,567,358.64		
Contributions-Federal Government	10,321,126.26	10,321,126.26	10,321,126.26		
Contributions-U.S. Govt. Retire	1,492,676.57	1,492,676.57	1,492,676.57		
Contributions-Economic Develop	6,508,875.60	6,508,875.60	6,508,875.60		
Contributions-U.S. Govt. Fema	53,763.30	53,763.30	53,763.30		
Contributions-Federal Governme	18,376,441.73	18,376,441.73	18,376,441.73		
Accumulated Earnings					
Accumulated Earnings	22,953,260.99	22,953,260.99	22,953,260.99		
Accumulated Earnings (Deficit)	12,231,031.72	12,231,031.72	12,231,031.72		
Accumulated Earnings	35,184,292.71	35,184,292.71	35,184,292.71		
Net Earnings (Loss)	3,044,555.46	2,572,844.18	5.00	471,711.28	3,044,550.46
Capital Contributions & Equity	74,172,648.54	73,700,937.26	71,128,098.08	471,711.28	3,044,550.46
Total Liabilities & Capital	98,053,848.42	97,218,862.68	81,049,789.01	834,985.74	17,004,059.41

PORT AUTHORITY OF GUAM
Aging Summary Report
As of June 30, 2013

Acct No	Customer Name	Balance Open	Current	Days Aging					Last Paid		Remarks
				Over 30	Over 60	Over 90	Over 120	Amount	Date		
7376	Matson Navigation Co.	\$ 2,516,821.94	\$ 1,788,700.00	\$ 1,625.00	\$ 3,682.00		\$ 722,815.00	\$ 2,202,632.55	07/12/13	Payment of \$3,089,535 to date	
10225	Mobil Oil Guam, Inc.	\$ 410,055.17					\$ 410,055.00	\$ 58,593.43	07/10/13	CIP rebate \$299k (overdeducted from rev); Accr mgr comp \$268k to offset; Payment of \$196k to date.	
13202	Department of Administration	\$ 691,235.65	\$ 181,716.00			\$ 229,928.00	\$ 279,593.00	\$ 591,502.40	06/28/13	pending disbursement of Fed funds from Treasurer of Guam	
7350	Consolidated Transportation	\$ 1,177,528.93	\$ 439,394.00	\$ 480,238.00	\$ 2,762.00	\$ 845.00	\$ 254,291.00	\$ 14,509.50	07/15/13	Payment of \$809k to date	
7384	Marianas Steamship Agency	\$ 508,323.81	\$ 323,936.00	\$ 16,512.00	\$ 40,435.00	\$ 27,604.00	\$ 99,837.00	\$ 259.01	07/12/13	Payment of \$624.6k to date	
7413	Seabridge Inc.	\$ 92,101.19	\$ 30,817.00	\$ 2,531.00	\$ 675.00	\$ 247.00	\$ 57,831.00	\$ 15,000.00	06/21/13	Payment of \$36.8k to date	
14405	KVOG Broadcasting/MCS, LL	\$ 48,945.69	\$ 137.00	\$ 1,365.00	\$ 1,441.00	\$ 1,454.00	\$ 44,549.00	\$ 45.36	11/14/12	final notice letter sent on 2/12/13... customer had discussed his concerns w/former Mgmt. and they were never resolved. Ms. per telecon w/Ms. Vicki. IBC's office has been in Kansas since Aug 2011. emailed POC Kimberly Smith for pymt status on result of unpaid Petroco Lse since Jan 2012 need to flip w/Comm.Div. if this Lse was Terminated & assigned to some	
7931	International Bridge Corp.	\$ 36,993.57					\$ 36,994.00	\$ 5,000.00	07/14/11	Payment of \$5.3k to date	
7106	Shell Guam, Inc.	\$ 37,050.00		\$ 1,950.00	\$ 1,950.00	\$ 1,950.00	\$ 31,200.00	\$ 1,950.00	11/04/11	Received a post dated check(7/30/13) for \$1k from Melly. She wishes to discuss aging accts.w/our GM.	
7368	Cabras Marine Corp	\$ 17,447.45	\$ (33,486.00)	\$ 10,901.00	\$ 6,663.00	\$ 6,998.00	\$ 26,371.00	\$ 5.00	07/12/13	Payment of \$5.3k to date	
14602	JRC Maritime Services	\$ 19,945.24					\$ 19,945.00	\$ 1,000.00	05/24/13	Received a post dated check(7/30/13) for \$1k from Melly. She wishes to discuss aging accts.w/our GM.	
12400	Renolith Resources	\$ 15,181.50		\$ 342.00	\$ 342.00	\$ 342.00	\$ 14,155.00	\$ 1,342.30	12/05/12	2nd notice ltr sent on 7/11/13. Contact #'s on file not working	
9611	Ziskovsky, Michael J./Jan Z	\$ 13,633.40		\$ 750.00	\$ 750.00		\$ 12,133.00	\$ 1,500.00	06/17/13	under new mgmt, pymt made by James Parrish	
14984	Ten Bulls Corporation	\$ 2,166.24	\$ (8,033.00)				\$ 10,199.00	\$ 22.57	08/08/12	routed final notice letter for review.	
13554	BKA Koku L.L.C.	\$ 9,923.41					\$ 9,923.00	\$ 2,400.00	09/30/08	preparing recommendation to write-off over 5 year aging uncollectable	
9911	Guam YTK Corporation	\$ 9,084.14					\$ 9,084.00	\$ 10.26	01/24/11	with legal	
8475	Sanjo Bussan (Guam) Co, Lt	\$ 13,935.42	\$ 4,187.00	\$ 342.00	\$ 342.00	\$ 856.00	\$ 8,208.00	\$ 520.00	07/12/13	Agent disputing Rental fees for LSE#2008-004. preparing final notice ltr for review & signature	
14542	Heavy Equipment Rental Op	\$ 8,247.84	\$ 426.00	\$ 580.00		\$ 580.00	\$ 6,662.00	\$ 2,317.80	06/20/13	pending GM's review & approval on Promissory Note signed on /20/13	

9814	Fentress, Michael D.	\$	1,075.00		\$	138.00	\$	138.00		\$	800.00	\$	300.00	07/15/13	I believe that Commercial Division sent a Termination Letter. Post did check recommended for pymt to be posted on 7/20/13.
14560	Poll, Pedero H.	\$	746.25							\$	746.00	\$	10.00	04/22/09	preparing a recommendation to write-off, aging over 4 years. Unsuccessful in contacting cust.through
14336	Cruz, Joseph L.	\$	2,797.24	\$	1,411.00	\$	226.00	\$	226.00	\$	703.00	\$	688.04	06/04/13	preparing delinquent letter for review & signature.
14575	Twillgear, Rosco Dean	\$	850.00			\$	70.00	\$	70.00	\$	640.00	\$	170.00	12/21/12	prep del letter for review & signature*defaulted on p-note
14922	Jack Michael	\$	1,062.50			\$	163.00	\$	138.00	\$	625.00	\$	400.00	05/06/13	promises to make a payment on 7/22/13 & wishes to discuss payments on past due accts.
14480	Moody, Mike	\$	550.00							\$	550.00				No contact no. on file...
14849	Triad International	\$	471.00							\$	471.00	\$	140.00	04/03/12	defaulted on p-note.insufficient contact# on file.Preparing documents to file at Small Claims to collect fees due to us.
14755	Marsono, Markus	\$	405.50							\$	406.00	\$	50.00	09/11/12	insufficient contact no. on file...preparing 2nd notice ltr-for review & signature.
14597	Topasna, Juan JP	\$	369.00							\$	369.00				Delinquent letter came back insufficient address. Preparing a recommendation to write-off.Small Claims Case No. 0279-11
14535	Young, Dione & Jerry	\$	886.25			\$	177.00	\$	177.00	\$	355.00	\$	185.00	06/28/13	cust.submitted a letter of consideration on fees to Comm.Div.
14741	Mario, Bruno	\$	156.00							\$	156.00	\$	25.00	05/24/13	promises to make a pymt by 7/23/13. preparing delinquent letter for review & signature
11756	V.Angoco's Trucking	\$	63.00	\$	(2.00)					\$	65.00	\$	22.57	07/19/13	recommendation for credit of \$42.78 being routed for review & sig. \$22.57 pd.on 7/19/13.
14907	Taitano, John	\$	84.00					\$	21.00	\$	63.00	\$	21.00	06/20/13	cust.says that boat was not in slip for past due months.pending f/s & clarification from Mr. John L.G.(Comm.Div.)
14968	Nguyen, Hoa Van	\$	(670.00)	\$	(720.00)					\$	50.00	\$	880.00	02/05/13	Delinquent letter sent 7/1/13
13377	Angoco Anthony S	\$	45.13							\$	45.00	\$	45.13	07/19/13	account cleared on 7/19/13
13716	Aduana International	\$	43.36							\$	43.00	\$	651.18	02/26/13	preparing a recommendation to credit past due interest inv..customer had made an advance pymt for SSR not knowing the true amount due and paid the balance due in good faith which resulted on interest.
14478	McCue, Michael R.	\$	685.00			\$	220.00	\$	220.00	\$	25.00	\$	440.00	03/22/13	per telecon w/Mr. McCue his boat is now at Palau and he last occupied slip on March 2013. Pending inactive f/s from Mis. Rita to recommend credit to customers' acct.
14582	Packbier, Paul E.R./PCR Guai	\$	(475.00)	\$	(500.00)					\$	25.00	\$	600.00	07/08/13	Customer verbally disputing interest invoice. Says that he has been prompt w/pymts in the past, but was waiting for invoice to make a pymt.& promptly made pymt once invoice was received.
14958	DCK Pacific Guam, LLC	\$	14.66							\$	15.00	\$	25.99	09/04/12	need to credit customer. They were erroneously billed. Should have been billed to Core Tech International. Preparing credit
14778	IP&E Holding LLC	\$	(139,793.37)	\$	(139,795.00)					\$	1.00	\$	5,814.03	07/08/13	

15032	Pacific Marine Enterprises	\$	(370.94)	\$	(371.00)						\$	695.52	03/04/13	
14210	Kaneshiro, Roger J., D.D.S	\$	(400.00)	\$	(400.00)						\$	645.33	12/21/12	
14587	Moore, James	\$	(412.50)	\$	(413.00)						\$	137.50	07/22/10	
14875	Best, Bruce	\$	(440.00)	\$	(440.00)						\$	660.00	05/15/13	
11971	Coral Reef Marine Center	\$	(440.00)	\$	(440.00)						\$	220.00	02/04/13	
10743	Poppe, Edward/FISH INC	\$	(480.00)	\$	(480.00)						\$	760.00	12/28/12	
10778	Real World Diving	\$	(575.01)	\$	(575.00)						\$	1,380.00	01/08/13	
10461	Ocean Jet Club	\$	(605.00)	\$	(605.00)						\$	907.50	06/06/13	
14999	Dorwin D Leis Co., Inc.	\$	(675.95)	\$	(676.00)						\$	675.85	03/29/13	
13201	Guam Tropical Dive Station	\$	(832.86)	\$	(833.00)						\$	832.86	07/05/13	
1487	Guam Federation of Teacher	\$	(859.00)	\$	(859.00)						\$	69.78	09/21/12	
12064	U.S. Treasurer	\$	(3,000.00)	\$	(3,000.00)						\$	3,000.00	06/18/13	
9208	PTI Pacifica, Inc. DBA:IT&E	\$	(3,385.24)	\$	(3,385.00)						\$	0.16	12/27/12	
13509	Horizon Lines	\$	(12,198.40)	\$	(12,198.00)						\$	11,778.31	12/04/12	
12511	Hanson Permanente Cemen	\$	(106,875.92)	\$	(106,876.00)						\$	172,000.00	02/25/13	

Number	Supplier Name	Phone Number	CO	Balance Open	Current	46	60	61	90	Aging	91	120	Over 120
12510	N.C. Macario & As	671 649-0901	00050	82108.70	82109								
10330	Mapa Auto Parts	671 637-6642/71416	00050	839.08	839								
10326	National Office S	671 734-0314/EMILY	00050	214.50	215								
14271	National Trading	671 647-1883	00050	209.50	210								
14420	Met PC	671 646-6131/6380	00050	691.00	691								
10309	Oceanic Lumber, I	671 646-9111/1MYLE	00050	339.80	340								
12034	Office of the At	671 472-1736/RAEY2	00050	12957.13	1485								12957
11821	Pacific Daily Net	671 998-4554/MATH	00050	1485.07	5084								
14821	Palsons Billing	671 477-2223	00050	33793.34	61038								
14921	Palsons and Bldg	671 649-4627/CLIFF	00050	61038.25	775								
12121	Photocopy Center	671 477-5931	00050	525.00	525								
14281	PHG Warehouse INC.	671 326-4131	00050	9.99	11								
14283	PHG Warehouse INC.	671 326-8982/49	00050	2506.00	2506								
13428	PHG Warehouse INC.	671 446-8289/ENRY	00050	240.00	240								
10823	R & R Plus Co., C	671 442-2921	00050	4275.25	4275								
13023	Reaction Supply	671 442-2921	00050	441.62	442								
13023	Safety net system	671 442-8410/DAVE	00050	16441.81	16554								
11017	Speed Way Machine	671 442-5364/BERN1	00050	6239.52	804								6235
14864	STANDARD INSURANC	671 221-2021	00050	445.00	205								
11076	Ten-Tek Supply	671 646-5968/KINDA	00050	445.00	679								
13426	Ten-Tek Supply	671 646-4742	00050	271292.12	225066								
13429	Treasurer of Guam		00050	12294.83	12245								
11203	Treasurer of Guam	671 646-8233	00050	486.12	580								486
14203	Triple U Commert	671 565-2300	00050	80.00	50								
14842	Tristar Terminals	671 649-6132/PIZ	00050	15832.00	15832								
14840	Uyding Co. Daniel	671 649-6132/PIZ	00050	8036.00	8036								
11324	Widex Tire	671 477-9456/9495	00050	3705.00	3705								7266
17225	Xerox Corporation	671 477-9456/9495	00050	3705.00	3705								
00050	Port Authority of Guam			2468614.34	1655610								282854
	Grand Total			2468614.34	1655610	401654	45964	82534	282854				

PORT AUTHORITY OF GUAM
Budget Transactions

In the January 31, 2013 board meeting, Acting General Manager requested authorization from the Board of Directors to allow management to lift quarterly budget and be able to transfer money within divisions budget to give them the flexibility to manage their division. The Board of Directors approved the above request provided that the request be documented and that the Board be informed. Therefore, below are the current transactions.

Budget Lifts:

<u>Memo</u>	<u>Division</u>	<u>Request</u>	<u>Acct. No.</u>	<u>Annual Budget</u>	<u>Quarter Budget</u>	<u>Balance as of</u>	<u>Reason</u>

Divisional Transfers:

<u>Memo</u>	<u>Division</u>	<u>Request</u>	<u>Acct. No.</u>	<u>Amount</u>	<u>Reason</u>
7/1/2013	Maintenance	FR 411.8524.HBRCRN	411.8524.Toplifter	30,000	Needed to repair Toplifters
7/10/2013	Maintenance	Fr 70.8390/1/2	70.8390.LABOR	89,991.00	From Pola Welding to Pola Labor

PORT AUTHORITY OF GUAM

Crane Surcharge					9.50%	BOG 0101-330971 50.1122.BOGCRANE	
60.5851					Sinking	Bank Bal.	
Date	Description	Amount	Balance	Remarks	Fund	Amount	Date
			-				
1/20/2013	Jauary Loan Payment	(101,426.79)	(101,426.79)				
1/31/2013	January Revenues	324,445.37	223,018.58	Fee Imp. 1/1/13 (\$	30,822.31		
	Reserve Fund	(30,822.31)	192,196.27				
1/31/2013	Gantry 3	(8,329.90)	183,866.37				
2/20/2013	Loan Payment	(101,426.79)	82,439.58			19,665.56	2/15/2013
2/21/2013	Pola Insurance Premiur	(260,000.00)	(177,560.42)			15,913.01	2/20/2013
2/28/2013	February Revenues	471,687.50	294,127.08		44,810.31		
	Pola 14 Exp 70.8390	(54,617.51)	239,509.57				
2/28/2013	Pola 16 Exp 70.8391	\$ (59,623.82)	179,885.75				
	Pola 17 Exp 70.8392	\$ (55,350.60)	124,535.15			15,844.08	3/12/2013
	Gantry 3	\$ (157,494.33)	(32,959.18)				
	Reserve Fund	\$ (44,810.31)	(77,769.49)				
3/20/2013	Loan Payment	\$ (101,426.79)	(179,196.28)			18,862.63	3/26/2013
3/31/2013	March Revenues	430,325.60	251,129.32		40,880.93	6,702.64	3/28/2013
3/1/2013	Pola 14 Exp 70.8390	(7,212.17)	243,917.15				
	Pola 16 Exp 70.8391	(7,212.17)	236,704.98				
	Pola 17 Exp 70.8392	(7,212.17)	229,492.81				
	Gantry 3	(3,442.11)	226,050.70				
	Reserve Fund	(40,880.93)	185,169.77				
4/16/2013	Loan Payment	(101,426.79)	83,742.98			32,932.52	4/17/2013
4/30/2013	April Revenues	457,991.26	541,734.24		43,509.17	4,641.63	5/1/2013
4/30/2013	Pola 14 Exp 70.8390	\$ (172,789.38)	368,944.86				
	Pola 16 Exp 70.8391	(103,414.39)	265,530.47				
	Pola 17 Exp 70.8392	\$ (105,289.40)	160,241.07				
	Gantry 3	\$ (107,866.70)	52,374.37				
	Reserve Fund	\$ (43,509.17)	8,865.20			16,633.01	5/23/2013
5/16/2013	Loan Payment	\$ (101,426.79)	(92,561.59)			29,742.00	5/28/2013
5/31/2013	Revenues	533,766.06	441,204.47				
5/31/2013	Pola 14 Exp 70.8390	(33,870.10)	407,334.37				
	Pola 16 Exp 70.8391	\$ (62,209.56)	345,124.81				
	Pola 17 Exp 70.8392	(53,535.13)	291,589.68				
	Gantry 3	(2,567.06)	289,022.62				
	Reserve Fund	(50,707.78)	238,314.84		50,707.78		
6/16/2013	Loan Payment	\$ (101,426.79)	136,888.05			16,069.63	6/10/2013
6/30/2013	June Revenues	468,693.24	605,581.29		44,525.86	32,543.47	6/19/2013
	Reserve Fund	(44,525.86)	561,055.44			10,859.16	6/25/2013
	Gantry 3	(2,962.35)	558,093.09			12,806.47	6/27/2013
7/16/2013	Loan Payment	\$ (101,426.79)	456,666.30				
					255,256.36	233,215.81	22,040.55

7/19/2013

PORT AUTHORITY OF GUAM FY2013

INCREMENT & RETRO		Estimated	Retirement	Medicare	Total	
Next Pay Grade & Step	Next Salary Per Annum	Annual Difference	Increment per column "L"	30.09%	1.45%	
Completed	Actual	544,108.00	485,374.75	146,049.26	7,037.93	638,461.95
PENDING	Estimated	57,979.64	40,513.78	12,190.60	587.45	53,291.83
NOT DUE (due aug & sept)	Estimated	<u>31,116.01</u>	<u>2,255.51</u>	<u>678.68</u>	<u>32.70</u>	<u>2,966.89</u>
	Sum	633,203.65	528,144.04	158,918.54	7,658.09	694,720.67
	Estimated OT (difference)					<u>52,000.00</u>
	Estimated Increment & Retro					746,721
MERIT BONUS						
	Bonus Rate	Medicare	Retirement			
	3.50%	1.45%	DB			
Actual Active Employees	172,751.73	2,504.90	18,605.85			193,862
ESTIMATED FUNDING NEEDED FOR INCREMENT, RETRO & MERIT BONUS						940,583
PROPOSED FUNDING SOURCES						
YTD Budget Salaries	11,334,911					
YTD Actual	9,932,902					
Sick Leave Used	473,177					
Annual Leave Taken	148,481					
Lapsed funds 6/29/13	780,351	<i>*Estimated Lapse Funds from Salaries</i>				
SLE Interest	95,000	<i>Terms of loan is Interest Only during construction period, construction contract is anticipated to be issued next fiscal year.</i>				
PMC	162,500	<i>In the final stage of cost negotiation, anticipate contract to be issued next fiscal year. Once finalized contract will go through legal counsel & PUC.</i>				
G2 Demolition	-	<i>Budgeted at \$250k</i>				
	257,500					
Estimated Lapse Funds:						1,037,851
Estimated Remaining Lapse Fund after Increment/Retro & Merit						97,267
Overall Revenues as of June 30, 2013 is 1% higher than budget.						
Total Operating Expenses was 6% lower than budget.						

**OCTOBER 2012 - JUNE 2013
VESSEL OPERATION RECAP**

	October	November	December	January	February	March	April	May	June	Total
MATSON										
No. Vessel	5	4	4	5	4	4	4	5	4	39
Discharge	2972	2617	2437	2615	2321	2230	2227	2850	2313	22582
Loaded	2789	2200	2246	2577	2306	2393	2122	2694	2066	21393
Total Moves	5761	4817	4683	5192	4627	4623	4349	5544	4379	43975
Cranes used	P14,16,17	P14,16,17	P14,16,17	P14,16,17	P14,16,17	P14,16,17	P14,P16,P17	P14,P16,P17	P14,P16,P17	
Average GMPH	22.2	20.9	23	22	23.5	24.6	22.6	21.7	24.3	22.8
ISLANDER										
No. Vessel	2	2	1	2	2	1	0	0	0	10
Discharge	370	406	179	479	311	333	0	0	0	2078
Loaded	600	381	248	476	174	0	0	0	0	1879
Total Moves	970	787	427	955	485	333	0	0	0	3957
Cranes used	P16,17	P16,17	P14,16,17	P14,16,17	P14,16,17	P14,16	0	0	0	
Average GMPH	16	18	10	16	15.9	21.6	0	0	0	16.3
SHUTTLE/S-2011										
No. Vessel	5	7	6	6	7	6	8	8	7	60
Discharge	196	201	242	280	214	219	266	184	248	2050
Loaded	216	257	284	241	298	281	247	364	198	2386
Total Moves	412	458	526	521	512	500	513	548	446	4436
Cranes used	G2,3	G2,3	G2,3,P14,16	G3,P14,16	G3,P14,16,17	G3,P14,16,17	G3,P16,P17	G3,P14,P17	G3,P14,P16,P17	
Average GMPH	14	16.6	17	12	14.8	17.1	19.6	13.7	21.1	16.2
MELL										
No. Vessel	5	4	6	6	6	6	7	6	6	52
Discharge	943	611	699	466	462	473	713	690	556	5613
Loaded	826	693	528	956	541	561	653	668	598	6024
Total Moves	1769	1304	1227	1422	1003	1034	1366	1358	1154	11637
Cranes used	G2,3	G2,3	G2,3,P17	P14,16,17	G3,P14,16,17	G3,P14,16,17	G3,P16,P17	G3,P14,P16,P17	P14,P16,P17	
Average GMPH	15	16	16	17	19	15.6	17.3	18.9	20.5	17.3

**OCTOBER 2012 - JUNE 2013
VESSEL OPERATION RECAP**

KYOWA												
No. Vessel	0	3	2	1	2	3	3	2	3	2	3	19
Discharge	0	155	234	113	284	349	320	259	275	220	381	1989
Loaded	0	132	442	103	204	383	413	479	656	4267		2278
Total Moves	0	287	676	216	488	732	733	479	656			4267
Cranes used	0	G2,3	G2,3	P17	G3,P17	P16,P17	G3,P16,P17	G3,P16,P17	G3,P16,P17	G3,P16,P17	G3,P16,P17	
Average GMPH	0	12.4	13	8.1	9.3	14.2	19.6	13.1	14.8			13.1

BARGE												
No. Vessel	2											2
Discharge	1											1
Loaded	44											44
Total Moves	45											45
Cranes used	G2,3											
Average GMPH	8.6											8.6

Kwangsi												
No. Vessel	1			1		1						3
Discharge	13			26		35						74
Loaded	11			11		34						56
Total Moves	24			37		69						130
Cranes used	G2,3			P16		P17						
Average GMPH	5.7			15		10						10.2

Pacific Condor												
No. Vessel	2	1	1	2	1	2	1	2	1	2	1	13
Discharge	47	95	147	284	89	160	123	166	102	235	149	1213
Loaded	155	182	124	281	149	317	96	235	149	401	251	1688
Total Moves	202	277	271	565	238	477	219	401	251			2901
Cranes used	G2	G2	G2,3	G3,P17	P17	G3,P17	P16,P17	P16,P17	P16,P17	P16,P17	P16,P17	
Average GMPH	6.7	9.3	8.9	7.9	10.8	8.3	16.8	11.9	6.9			9.7

**OCTOBER 2012 - JUNE 2013
VESSEL OPERATION RECAP**

San Rafael									
No. Vessel					1			1	2
Discharge					17			92	109
Loaded					13			62	75
Total Moves					30			154	184
Cranes used					P17			P17	
Average GMPH					17			14.7	15.9
Shansi									
No. Vessel					1				1
Discharge					26				26
Loaded					30				30
Total Moves					56				56
Cranes used					P17				
Average GMPH					11.1				11.1

June	
Total Vessels	22
Total Discharged	3586
Total Loaded	3454
Total Moves	7040

Summarized				
Total Vessels				207
Total Discharged				35936
Total Loaded				36030
Total Moves				71966

**2013 PAG CRANES
MONTHLY REPORT**

	Total Ops Hrs	Total Vessels	Total Shifts	Total Container Moves	Total Down Time (Hrs)	Types of repairs performed
	May					
Pola Crane #14	103.3	10	17	2151	1	Pump, spreader, hoist
Pola Crane #16	154.4	14	28	3013	1.1	Power,hydraulic line,spreader,landing lite
Pola Crane #17	173.5	18	32	2911	1.8	Power,hydraulic line,spreader,landing lite
Gantry Crane #3	21.4	6	8	281	1.2	hydraulic line
Mobile Harbor Crane	0	0	0	0	0	n/a

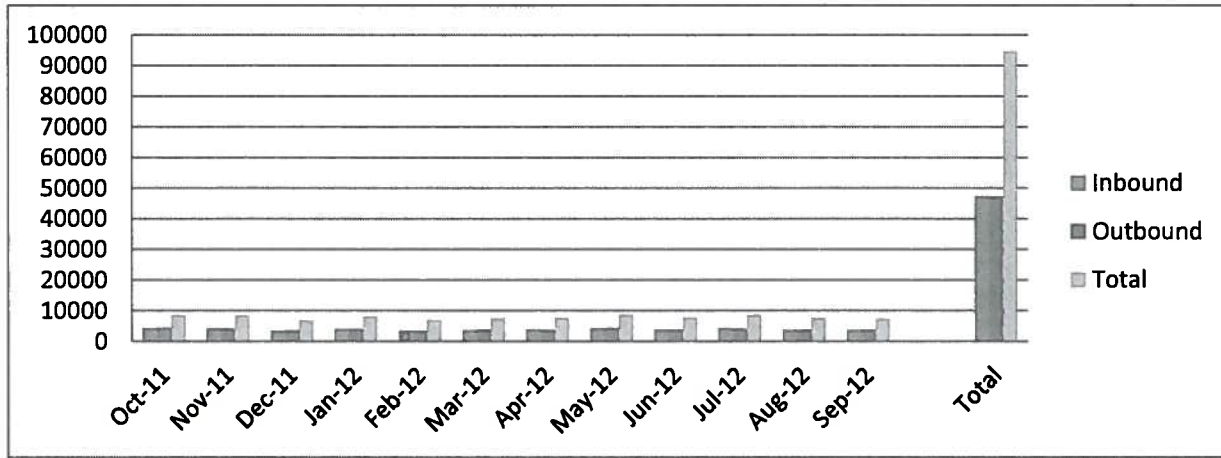
	Total Ops Hrs	Total Vessels	Total Shifts	Total Container Moves	Total Down Time (Hrs)	Types of repairs performed
	June					
Pola Crane #14	69.3	7	13	1532	3.5	spreader,hoist,twistlock
Pola Crane #16	120.2	15	24	2737	0.7	power,spreader,twistlock
Pola Crane #17	253.4	18	30	2630	0.6	spreader,light
Gantry Crane #3	12.3	2	2	138	0.9	spreader
Mobile Harbor Crane	4.6	1	1	3	0	None

**Container Total Comparison
Fiscal Year 2012 - Fiscal Year 2013**

Month	Inbound	Outbound	Total
Oct-11	4248	4367	8615
Nov-11	4298	4179	8477
Dec-11	3421	3525	6946
Jan-12	4051	4102	8153
Feb-12	3523	3458	6981
Mar-12	3694	3877	7571
Apr-12	4014	3775	7789
May-12	4276	4406	8682
Jun-12	3912	3910	7822
Jul-12	4394	4189	8583
Aug-12	3809	3796	7605
Sep-12	3733	3719	7452

7893 (Nine Months Average)

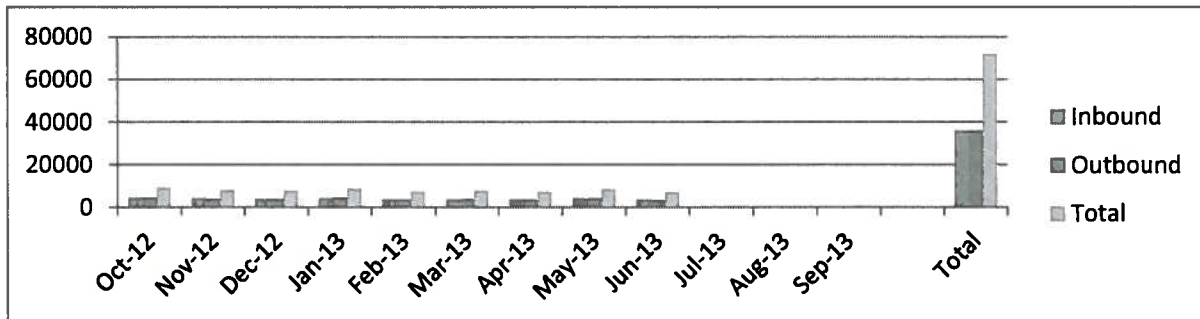
Total	47373	47303	94676
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Month	Inbound	Outbound	Total
Oct-12	4557	4656	9213
Nov-12	4211	3944	8155
Dec-12	3938	3873	7811
Jan-13	4263	4645	8908
Feb-13	3720	3716	7436
Mar-13	3799	3969	7768
Apr-13	3692	3574	7266
May-13	4170	4185	8355
Jun-13	3586	3454	7040
Jul-13			0
Aug-13			0
Sep-13			0

7995 (Nine Months Average)

Total	35936	36016	71952
--------------	--------------	--------------	--------------



**Domestic and Foreign Vessels Recap
June 2013**

"Marianas Steamship Agency" (S-2006/S-2011)																								
Vessel	Voy.	Arrive	Depart	First Lift	Last Lift	Lifts		Total Chrs	Total TEUs	Ops Hrs	Loss Hrs	Berth Hours	# of					Nmph	Gmph					
						In	Out						Megot Mokim	Machocho'	Bumchacho	1st	2nd			3rd	4th	5th		
S-2006	30s/31n	08 June - 13:18	08 June - 18:55	08 June - 13:20	08 June - 17:41	4	44	48	82.8	4.4	1.3	5.6												
S-2006	31s/32n	10 June - 19:18	12 June - 05:57	10 June - 22:22	12 June - 10:00	54	41	95	163.3	5.3	0.9	58.7			0:00									
S-2006	32s/32gr	14 June - 08:13	15 June - 21:06	14 June - 09:15	14 June - 16:28	56	14	70	116.3	7.2	2	36.9	0:00											
S-2006	32gr/33n	18 June - 08:14	20 June - 11:16	18 June - 08:37	20 June - 08:58	16	41	57	90	4.4	0.9	7.7			0:00	26	11	18						
S-2006	33s/34n	24 June - 18:05	26 June - 07:24	24 June - 20:00	26 June - 05:50	46	58	104	189.5	5	1.5	18.8			0:00	30	17							
S-2011	30s/30s	27 June - 22:53	28 June - 02:00	27 June - 23:47	28 June - 02:00	40	0	40	40	2.2	0	3.1			0:00	41								
S-2006	34s/34s	28 June - 16:22	28 June - 18:45	28 June - 16:45	28 June - 17:37	32	0	32	56	1.3	0.3	2.4			0:00	25								
						Total:		446	737.9															
Remarks:																			Month Nmph/Gmph Average:				27.4	21.1

Domestic and Foreign Vessels Recap
June 2013

"CTSI" (Mail)	Vessel	Voy.	Arrive	Depart	First Lift	Last Lift	Lifts		Total Ctns	Total TEUs	Ops Hrs	Loss Hrs	Berth Hours	G #	Metgot Mokinn	Machocho'	Bumuechacho	Shift GMPH					Nmph	Gmph					
							In	Out										1st	2nd	3rd	4th	5th							
							Total																						
	Sudong	23e/23e	03 June - 06:54	03 June - 15:54	03 June - 07:54	03 June - 14:44	123	19	142	168	6.8	2.8	9					0:00	0:01	18					26.9	17.5			
	Seringat	23w/23w	03 June - 13:06	03 June - 18:54	03 June - 14:09	03 June - 17:51	15	151	166	208	3.7	1	5.8		0:00	0:00			0:00	0:00	22					25.6	22.2		
	Santford	24w/24w	10 June - 15:30	11 June - 03:06	10 June - 16:11	11 June - 01:47	144	136	280	335	9.6	4.8	11.6					0:00	0:00	28	20					27.2	23.7		
	Springwood	27w/27w	17 June - 07:00	17 June - 17:42	17 June - 08:01	17 June - 15:38	11	157	168	192	7.6	2.3	10.7					0:48	0:00	19						26.3	19.4		
	Shepherd	28e/28e	17 June - 08:18	17 June - 17:00	17 June - 09:05	17 June - 15:56	155	14	169	209	6.9	1.4	8.7					0:06	0:00	22						26.5	21.7		
	Seringat	24w/24w	24 June - 07:00	24 June - 17:30	24 June - 08:00	24 June - 16:49	108	121	229	282	8.8	1.9	10.5					0:03	0:00	19						22.2	18.6		
							Total:		1154	1394																			
																			Month Nmph/Gmph Average:									22.1	20.5
	Remarks: (17.5 Gmph) = Bumuechacho (Replace light bulb). (19.4 Gmph) = Maigot Na Mokina (Inspect & repair spreader & twislock). (21.7 Gmph) = Machocho' (Inspect & repair twislock). (18.6 Gmph) = Machocho' (Inspect & repair spreader).																												

Domestic and Foreign Vessels Recap June 2013

Vessel	Voy.	Arrive	Depart	First Lift	Last Lift	In	Out	Total Chrs	Total TEUs	Ops Hrs	Loss Hrs	Berth Hours	#	Metgot Mokim	Machocho'	Bumuchacho	Shift GMPH					Nmph	Gmph
																	1st	2nd	3rd	4th	5th		
"Anbyrth" (Swire)																							
San Ratael	1308s	14 June - 12:36	15 June - 03:24	14 June - 14:10	15 June - 02:41	92	62	154	206	12.5	4.4	14.8					0:00	18	12			25.2	14.7
						Total:		154	206														
																	Month Nmph/Gmph Average:					25.2	14.7
Remarks:																							

FY-13 JULY WORK INJURY REPORT

(10/01/12 to 09/30/13)

07/25/2013

<u>Divisions</u>	<u>*Lost-time</u>	<u>**Recordable</u>	<u>*** Refused Treatment</u>
Stevedoring	2	1	1
Transportation	1	2	0
Terminal	0	1	0
EQMR	2	0	1
Others	<u>2</u>	<u>1</u>	<u>1</u>
Total	7	5	3

There were no injuries reported since June 17, 2013.

Work Injury Summary for this reporting period: 10/01/12 to 07/25/2013

Total injuries for FY-13 to date: 15 – Injuries
7 - Lost-time
5 – Recordable
3 – Refused Medical Attention

Last disabling work injury was on: 06/17/2013

Number of days since last disabling work injury: 39

The lost-time injury on 06/12/13 (Admin Assistant) tripped on same level and falling on left knee sustaining abrasion to hands and bad bruise to left knee. Presently on physical therapy at S.O.A.R. with no walking on left leg until seen by Dr. at PMC on July 29, 2013.

All other disabling work injuries have returned to work.

***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.



PORT OF GUAM

ATURIDATI 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

July 25, 2013

MEMORANDUM

TO: Board of Directors

VIA: General Manager
Deputy General Manager, Admin/Finance

FROM: Procurement and Supply Manager

SUBJECT: Procurement Division Status Report for July 2013

1. Request for Proposals

A. RFP-PAG-013-002: Management and Operation Services for F1 Fuel Pier Facilities

- Stay on Procurement Process, Under Legal Counsel Review

B. RFP-PAG-013-002: A/E Design Consulting Services

Advertisement Date: July 19, 2013 Marianas Variety

Pre-Proposal Meeting Date: July 26, 2013

Submittal Deadline: August 8, 2013

C. RFP-PAG-013-004: Implementation and Integration of TOS

Advertisement Date: July 11, 2013 Marianas Variety

Pre-Proposal Meeting Date: July 15, 2013

Submittal Deadline: August 7, 2013

D. RFP-PAG-013-005: JDE System Upgrade

Advertisement Date: July 18, 2013 Marianas Variety

Pre-Proposal Meeting Date: July 30, 2013

Submittal Deadline: August 9, 2013

2. Invitation for Bids – Construction (No open bids)

3. Invitation for Bid – General Services Agency

A. Issued Bids

- GSA/PAG-005-13, VHF Radio Communication Console System

B. Pending Bid Announcements/Issuance

- 2014 Insurance Renewal
- Workers Compensation (Re-Bid)
- GSA/PAG-006-13, Mobile Container/Vehicle Screening System (Re-Bid)
- Trash Collection Service

4. Contract Management (see attached)

A. Island CERTS: Certification and Training of Maritime Terminal Operators

Option No. 1 to Renew: September 1, 2013 thru August 31, 2014

B. PMC Isla Health Systems

Option No. 2 to Renew: October 6, 2013 to October 5, 2014

PORT AUTHORITY OF GUAM
Jose D. Leon Guerrero Commercial Port
1026 Cabras Highway, Ste. 201
Piti, Guam 96925

July 24, 2013

INTER-OFFICE MEMORANDUM

TO: Procurement & Supply Manager
VIA: Deputy General Manager, Administration & Finance
FROM: Acting Personnel Services Administrator
SUBJECT: Renewal of Certification and Training for Maritime Terminal Operations
Personnel Contract

On September 1, 2012, the Port Authority signed an agreement with Island CERTS to conduct the training and certifications of the Port's Terminal Operations employees.

Please be advised that the task agreed upon in the contract was conducted in satisfactory performance.

The management of Island CERTS has assured the Port that the mission to provide the quality of services as agreed upon in our contract with them will remain their priority.

In light of the above, my office continues to work with Island CERTS to meet the requirements set by OSHA regulations for the certification and training of Port's terminal operators. We therefore request for the extension of the services with Island CERTS to meet Port's obligations to our employees.

Upon final approval from the Board of Directors, Island CERTS will continue to work with the Port to meet the certification and training requirements as mandated.

Should you have any questions, please feel free to contact me at extension 307.



CARMELITA C. NEDEDOG

PORT AUTHORITY OF GUAM
Jose D. Leon Guerrero Commercial Port
Piti, Guam 96925

July 24, 2013

INTER OFFICE MEMORANDUM

TO: Procurement & Supply Manager

VIA: Deputy General Manager, Administration & Finance

FROM: Acting Personnel Services Administrator

SUBJECT: Medical Examination Contract Extension – Annual Satisfactory Performance
PMC ISLA HEALTH SYSTEM

The Port signed an agreement with PMC Isla Health System to conduct annual medical examinations services for all Port employees pursuant to and in accordance with RFPPAG07-002 for a period of one (1) year with the option to renew annually for three (3) additional years.

In order to continue to be in compliance with the Federal OSHA Regulations and Department of Transportation (DOT) Regulations on certifications for our employees, it is requested that the medical examination contract be renewed with PMC for an additional year.

Please be advised, PMC has provided the Port Authority of Guam with satisfactory performance and services.

Should you have any questions, please feel free to contact me at extension 307.


CARMELITA C. NEDEDOG

CC: Procurement & Supply Manager
Human Resources Division – Medical Contract File

PORT AUTHORITY OF GUAM
Jose D. Leon Guerrero Commercial Port
ENGINEERING/CIP DIVISION
Piti, Guam 96925

July 23, 2013

INTER-OFFICE MEMORANDUM

TO: General Manager

FROM: Engineer Manager

SUBJECT: Brief Summary Status of Ongoing & Proposed CIP Projects for the Year 2013, aside from the Guam Commercial Port Improvement Program

The following is a summary list of currently on-going projects including projects in the planning stage.

1) PROJECT: **GDP Marina Renovation & Site Improvements Project Phase-II**

IFB NUMBER: PAG CIP-012-007

CONTRACTOR: Black Construction Corporation

PROJECT AMOUNT: \$1,698,877.00

FUNDING SOURCE: Department of Interior of Insular Affairs Grant # 670090 & 770061

NOTICE TO PROCEED: February 6, 2013

COMPLETION TIME: January 3, 2014 (332 CD)

PAYMENT TO DATE: \$1,036,080.50

BALANCE PAYMENT: \$662,796.51

Construction Manager: N.C. Macario & Associates & Port Engineering/CIP Division

% Completion: 0%

WORK STATUS: BCC is processing for submission of the required submittals. BCC got the DPW permit on February 6, 2013. Permits from ACOE, BSP, & GEPA are on file. Awaiting arrival of sheet piles, ETA second week of April, end of April is when pile driving will begin. BCC start driving sheet pile construction on May 8, 2013. BCC start concrete infill in SP-6 & SP-7 areas. *BCC pour concrete @ SP-6 jacket formworks. Welding of dowel bars on SP-7 & SP-8. Awaiting report from GWA inspection team regarding water flushing out thru new sheet pile connection near the corner of SP-8 & SP-7.*

NOTE:

2) PROJECT: Replacement of Welded Steel Petroleum Distribution Piping
RFP NUMBER: PAG-011-00
PROJECT AMOUNT: \$2,496,332.97 (Conservative estimate)
DESIGNER: N.C. Macario & Associates
FUNDING SOURCE: 1) A/E Design funded by PAG (\$289,928.18)
2) CM funded by PAG (\$245,000.00)
3) Available fund by FHWA (\$2,464,042.22)

A/E Completion Time: February 10, 2012
PAYMENT TO DATE: \$260,935.35
CONTRACTOR: N/A
BID OPENING DATE: N/A
NOTICE TO PROCEED: N/A
COMPLETION TIME: 305 Calendar Days
Construction Manager: SSFM International, Inc. & Port Engineering/CIP Division
PAYMENT TO DATE: \$0
WORK STATUS: N/A
NOTE: NCMA has forwarded the final drawing to FHWA for review. MOU awaiting review by signatories from FHWA, PAG & DPW. Received ACOE Permit on December 26, 2012. Still awaiting MOU from DPW. PAG scheduled a coordination meeting on 5/3/2013 with DPW (Connie Lee), NCMA, & Villaflores (Surveyor) in DPW office for Right of Way & was resolved that DPW will issue the RoW certification. Another meeting was conducted with the DPW procurement tracking staff (Cristina Ingbarsson & Sagrado Bilong) for project coordination. Pre-Bid conference on June 18, 2013 in DPW conference room & bid opening will be on July 10, 2013. *Second site visit for Golf pier was conducted on 7/2/2013. Bid opening was reset to July 17, 2013 on the same venue & time. Lowest bid was Rex Int. (\$1,538,819.00), followed by Smithbridge (\$1,554,814.73) & BME & Sons (\$1,823,298.00). Government estimate was \$2.4M. DPW will provide the bid analysis & finalize the bid outcome.*

3) PROJECT: Installation of MOV at Golf Pier Fuel Pipelines
IFB NUMBER: PAG CIP-013-001
PROJECT AMOUNT: \$324,400.41
DESIGNER: N.C. Macario & Associates
FUNDING SOURCE: Port Authority of Guam
A/E Completion time: December 14, 2012
PAYMENT TO DATE: \$37,932.30
CONTRACTOR: BME & SONS Inc.
NOTICE TO PROCEED: April 22, 2013
CHANGE ORDER: N/A
COMPLETION TIME: September 21, 2013
PAYMENT TO DATE: \$0
Construction Manager: Port Authority of Guam & NCMA (limited time)

WORK STATUS:

Preliminary Notice to Proceed (PNTP) was issued on March 14, 2013. Awaiting building permit and review of submittal documents. DPW building permit was issued on March 25, 2013. Contractor is awaiting the pending valve submittal from the valve supplier. Contractor mobilize on May 13, 2013. BME start pavement layout for underground conduit runs. Four electrical hand holes were on site, installation on hold due to back to back vessel tanker operations. *BME start the pavement cutting & excavation in preparation for the underground conduit run.*

4) PROJECT:

Warehouse 1, Demolition of CMU Wall & Concrete Column Spalling Repair

IFB NUMBER: PAG CIP-013-002
CONTRACTOR: BME & Sons Inc.
PROJECT AMOUNT: \$75,500.00
CHANGE ORDER: N/A
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: May 6, 2013
COMPLETION TIME: November 4, 2013
PAYMENT TO DATE: \$0
Construction Manager: Port Engineering/CIP Division
WORK STATUS: Bid opening February 28, 2013
NOTE: Supplemental budget (\$16K) approval by BoD. Contractor is processing for the design drawings & material submittals. 65% design submittal corrected & awaiting the 100% design submittal. *BME to submit the final design drawings on 7/15/ 2013 & submit to DPW for the building permit.*

5) PROJECT:

Design/Build Port Security Enhancement Project

IFB NUMBER: PAG-012-006
CONTRACTOR: MAEDA Pacific Corp.
PROJECT AMOUNT: \$2,933,000.00
FUNDING SOURCE: U.S. Department of Homeland Security Grant # 2008-GB-T8-0148, 2009-PU-R1-0164, 2009-PU-T9-0043, & 2010-PU-TO-0080
NOTICE TO PROCEED: January 14, 2013 for DNTP
COMPLETION TIME: March 23, 2013(60 CD for design & permitting)
PAYMENT TO DATE: \$476,784.81 (Design phase)
Construction Manager: PB & Port Engineering/CIP Division
WORK STATUS: N/A
NOTE: Contractor submit the 90% Design submittal. Construction phase will be 6 months. MAEDA submit the 100% design submittal. Foundation permit was secured. *Maeda start the foundation excavation & the new storm drain run tie-end.*

- 6) **PROJECT:** **Concrete Storm Drain Channel System Upgrade**
IFB NUMBER: PAG-012-00
CONTRACTOR: N/A
PROJECT AMOUNT: \$600,000.00 (Conservative estimate)
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: N/A
COMPLETION TIME: 6 months after NTP
PAYMENT TO DATE: \$0
WORK STATUS: N/A
Construction Manager: Port Engineering/CIP Division
NOTE: Bid opening was on October 3, 2012. Lowest responsive bid was \$330,000.00 (BME & Sons). Procurement issued a cancellation letter in regards to GEPA requirements affecting this project. Project on hold for additional funding supplement.
- 7) **PROJECT:** **New 56 ea. 480V Reefer Outlets & Reefer Lights Installation**
IFB NUMBER: PAG-012-00
CONTRACTOR: N/A
PROJECT AMOUNT: \$950,000.00 (Conservative estimate)
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: N/A
COMPLETION TIME: 8 months after NTP
PAYMENT TO DATE: \$0
WORK STATUS: N/A
Construction Manager: Port Engineering/CIP Division
NOTE: Port Engineering office is finalizing the Technical Provision scope of work for bid packet & will request for funding. Complete the technical provision for bid packet & will endorse for funding. *Project is in-line for budget approval.*
- 8) **PROJECT:** **Agat Marina Fish Utility Boom Repair**
IFB NUMBER: PAG-012-0_
CONTRACTOR: N/A
PROJECT AMOUNT: \$20,000. (Grant funding)
FUNDING SOURCE: Department of Agriculture, Sport Fish Restoration/Boating Access Grant #F-21-B1
NOTICE TO PROCEED: N/A
COMPLETION TIME: 30 Calendar days after P.O.
PAYMENT TO DATE: \$0
WORK STATUS: N/A
Construction Manager: Port Engineering/CIP Division
NOTE: Department of Agriculture is finalizing the MOU with PAG. Lowest responsive bid quote shall be reconfirmed from contractor. DoAg advice a hold order. DoAg informed that funding is open to start the repair. Awaiting advice from Strategic & Planning office for new bid solicitation. *Awaiting for DoAg's memo on funding confirmation from BBMR.*

- 9) **PROJECT:** **Agat Marina Ramp's Left Side Concrete Catwalk Repair**
RFQ NUMBER: PAG-012-00
CONTRACTOR: N/A
PROJECT AMOUNT: \$60,000.00 (Conservative estimate)
FUNDING SOURCE: Department of Agriculture, Sport Fish Restoration/Boating Access Grant # F-21-B1
NOTICE TO PROCEED: N/A
COMPLETION TIME: 3 months after P.O. issuance
PAYMENT TO DATE: \$0
WORK STATUS: N/A
Construction Manager: Port Engineering/CIP Division
NOTE: Department of Agriculture advice a hold order. Technical provision scope for Bid packet is ready for advertisement. DoAg informed that funding is open to start the repair. Awaiting advice from Strategic & Planning office for bid solicitation. *Awaiting for DoAg's memo on funding confirmation from BBMR.*
- 10) **PROJECT:** **A/E Design Consultant Services**
RFP NUMBER: PAG -013-002
CONTRACTOR: N/A
PROJECT AMOUNT: \$200,000.00
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: N/A
COMPLETION TIME: 12 Months after NTP
PAYMENT TO DATE: \$0
WORK STATUS: N/A
NOTE: Procurement is finalizing the bid proposal. Awaiting an account number for funding. *Bid proposal is being finalized for legal review.*
- 11) **PROJECT:** **Agat Marina Dock A Repair**
IFB NUMBER: PAG-013-00_
CONTRACTOR: N/A
PROJECT AMOUNT: \$750,000.00 (Conservative estimate)
FUNDING SOURCE: NOAA Commission on Fisheries
NOTICE TO PROCEED: N/A
COMPLETION TIME: 5 Months after NTP
PAYMENT TO DATE: N/A
WORK STATUS: N/A
Construction Manager: Port Engineering/CIP Division
NOTE: \$250,000.00 grant funding was obtained from NOAA Commission on Fisheries. Needed an additional supplemental budget of \$500K for a complete aluminum dock. Procurement is awaiting Board approval.

- 12) **PROJECT:** **F5-F6 Concrete Pole Lighting Upgrade**
IFB NUMBER: PAG-013-00_
CONTRACTOR: N/A
PROJECT AMOUNT: \$320,000.00 (Conservative estimate)
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: N/A
COMPLETION TIME: 6 Months after NTP
PAYMENT TO DATE: N/A
WORK STATUS: N/A
Construction Manager: Port Engineering/CIP Division
NOTE: Finalized the technical provision scope for bid packet & will request for funding. *Project is in-line for budget approval.*
- 13) **PROJECT:** **CY Concrete Wheel Stopper Installation**
IFB NUMBER: PAG-013-00_
CONTRACTOR: N/A
PROJECT AMOUNT: \$450,000.00 (Conservative estimate)
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: N/A
COMPLETION TIME: 8 Months after NTP
PAYMENT TO DATE: N/A
WORK STATUS: N/A
Construction Manager: Port Engineering/CIP Division
NOTE: Finalized the technical provision scope for bid packet & will request for funding. *Project is in-line for budget approval.*
- 14) **PROJECT:** ***Administration Building's Common Area Floor Upgrade***
IFB NUMBER: PAG-013-00_
CONTRACTOR: N/A
PROJECT AMOUNT: \$55,000.00 (Conservative estimate)
FUNDING SOURCE: *Port Authority of Guam*
NOTICE TO PROCEED: N/A
COMPLETION TIME: *3 Months after NTP*
PAYMENT TO DATE: N/A
WORK STATUS: N/A
Construction manager: *Port Engineering/CIP Division*
NOTE: *Draft the technical provision scope for bid packet & will request for funding. This work is to remove the existing asbestos floor tiles on the main walkways in first & second floor of the administration building.*

15) **PROJECT:** *Administration Building Men's 1st Floor Rest Room Upgrade*
IFB NUMBER: *PAG-013-00_*
CONTRACTOR: *N/A*
PROJECT AMOUNT: *\$15,000.00 (Conservative estimate)*
FUNDING SOURCE: *Port Authority of Guam*
NOTICE TO PROCEED: *N/A*
COMPLETION TIME: *2 Months after NTP*
PAYMENT TO DATE: *N/A*
WORK STATUS: *N/A*
Construction Manager: *Port Engineering/CIP Division*
NOTE: *Draft the technical provision scope for bid packet & will request for funding. This work is to upgrade the first floor men's restroom floor & wall tiles.*

These are projects on-going and planning stage aside from the Guam Commercial Port Improvement Program. On the Port Improvement Program my division continues coordinating with EA Engineering and PB Consultants & other assessments, including the review of Task Orders for payments. Should you have any question, please call my office.

***COMPLETED PROJECTS:**

1) **PROJECT:** **GDP Marina Renovation & Site Improvement Project, Phase I**
IFP NUMBER: PAG-010-002
CONTRACTOR: Black Construction Corporation
PROJECT AMOUNT: \$1,252,000.00
FUNDING SOURCE: Department of Interior Office of Insular Affairs Grant # 670090 & 770061
NOTICE TO PROCEED: May 2, 2011
COMPLETION TIME: March 12, 2012
CHANGE ORDER: 1) \$234,616.00 (C.O. #1, Channel widening)
2) \$11,576.17 (C.O. #2, Demobilization)
TOTAL AMOUNT: \$1,498,192.20
PAYMENT TO DATE: \$1,498,192.20
NOTE: 100% Complete

2) **PROJECT:** **10" Waterline Break Repair @ F5, Sta.15+45**
P.O. NUMBER: P.O. # 10072-OF
CONTRACTOR: Barrett Enterprises
PROJECT AMOUNT: \$11,852.00
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: August 27, 2012
COMPLETION TIME: September 27, 2012
PAYMENT TO DATE: \$11,852.00
Construction Manager: Port Engineering/CIP Division & Facility Maintenance
NOTE: 100% Completed

- 3) **PROJECT:** **Troubleshoot Cathodic Protection System**
P.O. NUMBER: 9799 OF
CONTRACTOR: CORRPRO
PROJECT AMOUNT: \$3,250.00
FUNDING SOURCE: Port authority of Guam
NOTICE TO PROCEED: May 5, 2012
COMPLETION TIME: 90 Calendar days
PAYMENT TO DATE: \$3,250.00
Construction Manager: Port Engineering /CIP Division
NOTE: 100% Completed. CORRPRO repaired all the zero readings which was in the corroded splice joints.
- 4) **PROJECT:** **Port CY Lighting Upgrade Project**
IFB NUMBER: PAG-CIP11-001
CONTRACTOR: DCK Pacific Guam
PROJECT AMOUNT: \$748,412.00
FUNDING SOURCE: Homeland Security Grant # PSGP 2007-GB-T7-0437
NOTICE TO PROCEED: January 24, 2012
COMPLETION TIME: Nov. 19, 2012 (300 CD)
BALANCE PAYMENT: \$0
CHANGE ORDER: \$56,867.64
TOTAL AMOUNT: \$805,279.64
PAYMENT TO DATE: \$805,279.64
Construction Manager: AmOrient Engineering & PAG Engineering/CIP Division
Work Status: 100% Completed
NOTE: This project was incorporated with the Port Modernization under MARAD & selected EA Engineering, Science & Technology, Inc. as the prime engineer.
- 5) **PROJECT:** **GDP Marina Dock "B" Repairs**
IFB NUMBER: PAG-011-001
CONTRACTOR: GEMCCO
PROJECT AMOUNT: \$318,000.00
FUNDING SOURCE: Department of Agriculture, Sport Fish Restoration/Boating Access Grant # F-21-B1, & Port Authority of Guam
BID OPENING DATE: November 23, 2010
NOTICE TO PROCEED: April 25, 2012
COMPLETION TIME: August 24, 2012 (122 CD), extended to December 3, 2012
PAYMENT TO DATE: \$318,000.00
Construction Manager: Port Engineering/CIP Division
Work Status: 100% Completed
NOTE: This is a cost sharing project between Department of Agriculture & PAG.

- 6) **PROJECT:** **Electrical Upgrade on Building's Secondary Distribution Sub-Panel Boards**
 IFB NUMBER: PAGCIP-011-002
 CONTRACTOR: M.D. Crisostomo, Inc.
 PROJECT AMOUNT: \$60,874.00
 CHANGE ORDER: \$20,857.03
 TOTAL AMOUNT: \$81,731.03
 FUNDING SOURCE: Port Authority of Guam
 NOTICE TO PROCEED: May 21, 2012
 COMPLETION TIME: Oct. 20, 2012, extended to Dec. 19, 2012
 PAYMENT TO DATE: \$81,731.03
 Construction Manager: Port Engineering/CIP Division
 WORK STATUS: 100% Complete
- 7) **PROJECT:** **GDP Marina Dock A & B Pile Extension**
 IFB NUMBER: PAG-012-003
 CONTRACTOR: BME & Sons, Corp.
 PROJECT AMOUNT: \$96,230.00
 FUNDING SOURCE: Department of Agriculture, Sport Fish Restoration/Boating Access Grant # F-21-B1
 NOTICE TO PROCEED: September 20, 2012
 COMPLETION TIME: January 20, 2013
 PAYMENT TO DATE: \$96,230.00
 Construction Manager: Port Engineering/CIP Division
 WORK STATUS: 100% Complete
 NOTE: This is a cost sharing project with DoAg & PAG
- 8) **PROJECT:** **GDP Marina Dock C Repair**
 IFB NUMBER: PAG-012-004
 CONTRACTOR: Black Construction Corp.
 PROJECT AMOUNT: \$278,700.00
 FUNDING SOURCE: Department of Agriculture, Sport Fish Restoration/Boating Access Grant # F-21-B1 & Port Authority of Guam
 NOTICE TO PROCEED: September 10, 2012
 COMPLETION TIME: January 10, 2013
 PAYMENT TO DATE: \$278,700.00
 WORK STATUS: 100% Complete
 NOTE: This is a cost sharing project with DoAg & PAG
- 9) **PROJECT:** **Wharf F1 Catwalk Repair**
 RFP NUMBER: TRISTAR
 CONTRACTOR: Rico's General Construction
 PROJECT AMOUNT: \$413,419.00
 FUNDING SOURCE: Port Authority of Guam
 NOTICE TO PROCEED: March 9, 2012
 COMPLETION TIME: February 11, 2013
 PAYMENT TO DATE: \$413,419.00
 Construction Manager: NET Guam Inc. & Port Engineering/CIP Division
 WORK STATUS: 100% Complete
 NOTE: Tristar to pay contractor up-front & off-set with rentals.

- 10) PROJECT: Demolition & Fabrication of Two Concrete MH Covers & Concrete Collar Frame**
P.O. NUMBER: 9663-OF
CONTRACTOR: Santiago Corporation
PROJECT AMOUNT: \$12,776,78
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: February 9, 2012
COMPLETION TIME: March 23, 2012
PAYMENT TO DATE: \$12,776.78
WORK STATUS: 100% Complete
Construction Manager: Port Engineering/CIP Division
- 11) PROJECT: GDP Marina New Water Line**
IFB NUMBER: PAG-012-005
CONTRACTOR: MAEDA Pacific Corp.
PROJECT AMOUNT: \$119,600.00
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: December 10, 2012
COMPLETION TIME: May 10, 2013 (153 CD after NTP)
PAYMENT TO DATE: \$119,600.00
WORK STATUS: 100% complete.
Construction Manager: Port Engineering/CIP Division
NOTE: MAEDA secured the DPW Building Permit (3/8/2013). Mobilization to start by 3/13/2013. Pre-final inspection was conducted on May 3, 2013 & final inspection on May 10, 2013. Punch list correction done on May 21, 2013
- 12) PROJECT: Secondary Feeder Lines Installation in LC-4**
RFQ NUMBER: P.O. # 10510-OF
CONTRACTOR: DCK/BCS
PROJECT AMOUNT: \$78,000.00
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: June 3, 2013
COMPLETION TIME: June 7, 2013
PAYMENT TO DATE: \$78,000.00
WORK STATUS: 100% Complete
Construction Manager: Port Engineering/CIP Division
NOTE: This project was prioritized due to emergency in nature.

Cc: Deputy General Manager
Engineer Manager



VIA E-MAIL

July 9, 2013

Joanne M.S. Brown
General Manager
Port Authority of Guam
1026 Cabras Highway, Suite 201
Piti, Guam 96915

Re: Cementon Micronesia LLC – Lease of Parcel 3-1


Dear Ms. Brown,

Buenas! Thank you for continuing the support that the Port has always given us. As you are aware, because of various requests by Mobil, such as the installation of automatic safety valves to Mobil's receiving pipes, we have been unable to complete our own transfer pipes and to commence operations. The Port has been very understanding about our predicament and has previously agreed to defer our rent. We humbly ask that the deferment be extended to when Cementon Micronesia is operational - which appears to be only a few months away, given the safety valves installation is completed per construction schedule.

Thank you for your time and consideration. Please feel free to call me at anytime should you have any questions, comments or concerns.

Sincerely,

CEMENTON MICRONESIA LLC

By: 
John D. Perez
Chief Executive Officer

cc:
Ms. Joanne M.S. Brown, PAG General Manager (jbrown@portguam.com)
Senator Tom Ada, (tom@senatorada.org)
Atty. Mike Phillips, PAG Legal Counsel (kotla@netpci.com)
Port Authority Board of Directors
Mr. D.Tydingco (ditydingco@gta.net);
Mr. M.Benito (mbenito@paylessmarkets.com);
Ms. C.Baleto (cbaleto@marketwholesale.com);
Mr. E.Ilao (edilao@jmiguam.com); and
Ms. S.Gibson (sgibson@ite.net)

**Port Authority of Guam
Board of Directors Regular Meeting
July 22, 2013**

**Executive Summary
Ten Million (\$10M) Dollar Loan Agreement**

PURPOSE: Request for the Board of Directors (BOD) to approve the terms and conditions of the Loan Agreement with Bank of Guam for the \$10 Million Commercial Loan.

BACKGROUND:

During an underwater inspection program of the Port's wharfs in 2010, it was observed that the bulkhead sections of the cargo berths exhibit deterioration of concrete elements in the form of concrete spalls and cracks at the capping beam, settlement and associated separation of concrete storm water drain pipes, complete consumption of cathodic protection anodes, and an accumulation of bottom debris in the berthing area consisting of complete fender units, tires, boulders, and other miscellaneous items.

In a meeting with the Department of Transportation and Maritime Administration in February 2012 at Washington, DC, the Guam Delegates and Port representatives presented its desired plan of action to repair the Port's wharfs, as now referred to as the Service Life Extension (SLE) Project. In March 30, 2012, the PAG Board of Directors (BOD) authorized the loan facility procurement process with GEDA for the procurement of a loan up to \$15M to fund the SLE project to bring the facility back to a state of good repair. In June 28, 2012, BOD approved the issuance of GEDA's RFP for the purpose of financing the SLE repairs on wharfs up to \$10M and directed Management to look into adding miscellaneous critical capital improvement projects (perhaps, a financial management system) in the event there are remaining funds from \$10M loan proceeds.

On September 14, 2012, GEDA issued RFP No. 12-014 for the financing of PAG's SLE, FMS Upgrade and Top Lifter up to \$10 Million Dollars and in November 6, 2012, GEDA awarded Bank of Guam as the lending institution to finance the \$10M loan. On January 22, 2013, the Port was advised by Bank of Guam to waive its sovereign immunity from any suit or action in contract on any indebtedness through a legislative action. Through Board Resolution No. 2013-02 dated February 15, 2013, the BOD approved to waive the Port's sovereign immunity as a condition to close the \$10M loan and agreed to the commitment terms of Bank of Guam.

On July 2, 2013, Public Law 32-42 was enacted authorizing the Port to waive its sovereign immunity. Most recently through coordination with GEDA, Bank of Guam presented the following draft Loan Documents for review and acceptance: Loan Agreement, Pledge and Assignment, Promissory Note, draft Attorney General's Opinion and draft Port's Legal Counsel's Opinion; copies are available for reference. The overview of the commitment terms from Bank of Guam is attached for reference.

LEGAL REVIEW

The draft Loan Agreement, Pledge and Assignment, Promissory Note, draft Attorney General's Opinion and draft Port's Legal Counsel's Opinion and the attached overview of the commitment terms by Bank of Guam have been forwarded to Port's Legal Counsel for review and approve as to form.

RECOMMENDATION

Management requests the Board of Directors motion to approve and accept the terms and conditions of the \$10 Million Dollar Loan presented by Bank of Guam.

BANK OF GUAM		
	TERMS SUBMITTED	TERMS NEGOTIATED
<i>Amount</i>	\$10,000,000.00 plus 10% of the loan amount for construction contingency	\$10,000,000.00 only
<i>Term</i>	Monthly Payments of P&I	Interest only for the first two years (during the construction period) with the remaining 8 years with P&I
<i>Maturity</i>	5 year maturity with 20 year amortization	10 year maturity with 20 year amortization with an option to renew for 5 years every 5 years
<i>Rate</i>	<ul style="list-style-type: none"> * Fixed at 2.55 over the FHLB 5 year fixed rate * Minimum rate of 3.75% * Fixed for the first 5 years, adjusted every 5 years thereafter * FHLB rate is 1.19% * Initial rate would be 3.75% * Interest calculated actual / 365 method 	
<i>Fee</i>	None	
<i>Prepayment Penalty</i>	None Stated	
<i>Security</i>	UCC-1 and General Security Agreement on PAG's Assets	
<i>Guarantor</i>	None	
<i>Debt Service Ratio</i>	1:20 to 1:00	
<i>Other Terms</i>	PUC approval of tariff rate adjustments with the increase to be sufficient to meet all required loan covenants and debt service ratios	Request to waive this requirement granted after PAG provided clarification
	Interest on the loan to be Tax-exempt	GEDA and PAG reaffirm that the loan is Income Tax-exempt only
	Borrower must maintain a Reserve Account of Three months of monthly payments on the loan	PAG's request for 6 month time period to allow the Port Authority of Guam to fully fund the account was granted by BOG
	Audited Financial Statements of the Port Authority of Guam are to be submitted annually & no later than 120 days after the fiscal year end	PAG's request for 140 days to comply was granted by BOG
	Fiscal Year 2013 budget of the Port Authority of Guam to be submitted 45 days after budget is approved	BOG agreed to allow PAG to submit their 2013 budget once it has been approved in its entirety
	All costs of this transaction including attorney fees & recording fees are to be covered by the Port Authority of Guam	BOG has agreed to cap these fees at \$12,500.
	Port Authority of Guam to maintain all accounts with the Bank of Guam	PAG will maintain its current accounts with Bank of Guam. BOG Acknowledges that PAG must comply with Title GCA § 21111 (b) Procurement Requirements. Government funds shall be deposited in eligible banks in pro-rata as those eligible banks meet the long term capital credit needs of Guam. "Capital credit" is defined to include loans made for equity investments, purchase of real estate, & other payables in not less than five (5) years. The provisions of the Guam Procurement law (§ 5001, et seq., Title 5 Guam Code Annotated) shall be applicable to deposit funds, to the extent that such funds shall be deposited in a bank most qualified, most responsible, considering local preference laws, and submitting the lowest cost or pricing in maintaining such deposits.

BOARD OF DIRECTORS
Daniel J. Tydingco, Chairman
Christine Won Pat Baleta, Vice Chairperson
Mary Michelle Gibson, Secretary
Michael T. Benito, Member



Resolution No. 2013-07

**RELATIVE TO THE APPROVAL AND ACCEPTANCE OF THE TERMS
AND CONDITIONS FOR THE \$10 MILLION COMMERCIAL LOAN
WITH BANK OF GUAM**

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

WHEREAS, on March 30, 2012, the Board of Directors authorized the Port Authority of Guam (PAG) to initiate the procurement process with the Guam Economic Development Agency (GEDA) to solicit financial assistance in an amount of up to \$15M to fund the service life extension repairs for the wharfs; and

WHEREAS, the Board of Directors at its June 28, 2012 regular board meeting concurred with the issuance of the Request of Proposal (RFP) No. 12-014 for a commercial lending institution for the proposed financing of the Port's service life extension repairs on the Port's wharf; financial management system and top lifter with the total amount not to exceed Ten Million Dollars (\$10,000,000.00); and

WHEREAS, GEDA issued the RFP on September 14, 2012 and received three responses to the proposal. Two of the responses were deemed acceptable and the third withdrew its interest; and

WHEREAS, on October 26, 2012, the Negotiation Team met with Bank of Guam and was able to successfully negotiate the terms and conditions; and

WHEREAS, on November 6, 2012, GEDA issued the Notice of Award to Bank of Guam (BOG) as the financial institution to provide the services as outlined in the RFP; and

WHEREAS, on January 22, 2013, it was made known to PAG that BOG had expressed that the condition on closing the loan was for PAG to waive its sovereign immunity; and

WHEREAS, PAG, GEDA, BOG and the Committee Chairman on Maritime Transportation of the 32nd Guam Legislature, in a collaborative effort, produced legislative language agreeable to all interested parties that resulted in Bill No. 86-32, relative to authorizing the PAG to waive sovereign immunity to satisfy a prerequisite for approval of a \$10M commercial loan; and

WHEREAS, on June 28, 2013, the Governor of Guam enacted into law Public Law 32-42, relative to authorizing the PAG to waive sovereign immunity to satisfy a prerequisite for approval of a \$10M commercial loan; now therefore be it

RESOLVED, the Board of Directors accepts the commercial loan terms and conditions to be executed between the Port Authority of Guam and Bank of Guam in the amount of \$10 Million Dollars for purposes of financing the service life extension repairs for the wharfs; financial management systems and top lifter, and authorizes management to formally petition the Public Utilities Commission for approval; and be it further

RESOLVED, the Chairman certify to and the Secretary attest the adoption hereof and that a copy of the resolution be transmitted to the Public Utilities Commission.

**PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF
DIRECTORS THIS 25th DAY OF JULY, 2013.**

DANIEL J. TYDINGCO
CHAIRMAN, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM

MARY MICHELLE GIBSON
SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM

PORT AUTHORITY OF GUAM
PROJECT SUMMARY BRIEF TO THE BOARD OF DIRECTORS
SUBJECT: AGAT MARINA

July 23, 2013

1. Facility Overview

Agat Small Boat Marina was built by the Army Corps of Engineers and completed in 1989. It was built to accommodate 163 vessels with shore side facilities for fuel, loading, car and trailer parking. Agat Marina is one of only two public small-boat marinas that support the approximate 5,400 boats used by the island's recreational commercial boating communities. In addition, Agat Marina was seen as a means of stimulating growth in boating activities with emphasis on fisheries, allowing improved access to fishing grounds in the south, addressing the demand for permanent dockage space, providing additional safe harbor in bad weather, and facilitating search and rescue activities for the area.

Since its completion, there has been no major infusion of capital for improvements at the Agat Marina, primarily due to insufficient funding levels from marina revenues to sustain its operations. The continued lack of suitable infrastructure and equipment has been identified as a major obstacle to the growth of Guam's commercial, recreational and charter fishing operations. According to the Guam's Marine Conservation Plan (MCP), the need to undertake major upgrades to the Agat Marina's facilities is approaching a critical point.

2. Project Description

The project is hereby presented to the Board of Directors in two (2) approaches for consideration purposes.

1. Outright replacement of the Agat Marina Dock A facility with aluminum frame, composite top decking; or
2. Outright replacement of the Agat Marina Docks A & B facilities with wood frame, composite top decking.

3. Project Scope

This project will be Design-Built package reflecting one of the description options previously noted and through an award resulting from a competitive bidding. The preferred method of procurement for the project will be via an Invitation for Bid. Duration of this project is Ten (10) Months from the issuance of Notice to Proceed, beginning of the A/E Design to ending of construction and acceptance of the project by the Port Authority of Guam.

The contractor must be the prime bidder for this project or a single construction company may also bid for this project with an in-house design team that meets the PAG's requirement. PAG will not accept any bid from the A/E firm, or A/E firm in joint venture with other construction company. Bid will be lump sum cost, which will include A/E cost for the design and construction cost.

4. Project Estimates

CIP estimates are provided two fold in nature; [1] Unit cost per foot for aluminum frame, composite decking is \$151 and [2] unit cost per foot for wood frame, composite decking is \$97.

The square footage and corresponding CIP cost estimates to replace each of the dock facilities at the Agat Marina is as follows.

Dock	Square Footage	Aluminum	Wood
A	4,852	\$732,652	\$470,644
B	4,459	\$673,309	\$432,523
C	4,459	\$673,309	\$432,523
D	5,219	\$788,069	\$506,243

5. Funding

As mandated by the Magnuson Stevens Fishery Conservation and Management Act, the Honorable Governor of Guam submitted Guam's MCP to the Western Pacific Regional Fishery Management Council in June 2011. One component of the MCP was the Rehabilitation and Improvements to the Agat Small Boat Marina for which a grant of \$250K was approved.

It was in October 2012, wherein representatives from WestPac presented the \$250,000 check to the Board of Directors and PAG Management. Since then, the Port Authority of Guam has deposited the check into the Port coffers pending the commencement of the project and request for reimbursements by the successful Offeror. It is important to note that this grant is set to expire on September 30, 2013.

The second funding source thought critical to support this endeavor was the reimbursement still due the Port from the Department of Agriculture for certain GDP Marina projects that have long since been completed. The amount of the reimbursement is \$509K. Presently, this reimbursement is not identified within the construct of the approved FY 2013 budget.

6. Discussion

On June 5th, the DGMO facilitated a meeting with the Port Team to discuss the deteriorating state of the docks at the Agat Marina and the increased liability with continuing to operate the facilities in such condition considering the number of commercial traffic and instances of slips and falls resulting from rotten planks.

Also centered on this discussion was the issue of exploring a staff initiative aimed to encumber or secure a contract for the \$250K WestPac award by 9/30/13. To do so was to consider soliciting a design build IFB using the \$250K as basis for procurement, with understanding that the true amount needed will be known when proposals are submitted because obviously government estimates exceed the available funding.

We further agreed that an effort to recover reimbursement from Agriculture was critical to seek favorable support from management and the Board to proceed with this endeavor.

While initial efforts for the IFB were for basic bids with an option (ie. aluminum with option for wood), based on a recommendation of Procurement we have since decided that the best course to pursue is a standalone basic bid to avoid potential protests that may arise from receipt of multiple cost structures.

7. Action Items and Responsible Parties

The following action items outgrew from the meeting. It details description of duty and responsible party.

<u>Description</u>	<u>Responsible Parties:</u>	<u>Due Date:</u>
Develop Invitation for Bid	Procurement	Completed
Develop Scope of Work / Services	CIP/Engineering	Completed
Perform immediate repairs to docks	Facility Maintenance	Ongoing
Develop Marina Development Plan	Commercial	Ongoing
Identify Potential / Future Funding Source	Strategic Planning	Ongoing
Request for Extension	Strategic Planning	Pending Board Concurrence

8. Recommendation(s)

- a. Short Term - Staff recommends immediate replacement of the Dock A facility utilizing WestPac Fisheries Funds and PAG Matching with plus up, if necessary, as well as to continue immediate repairs to other dock facilities as necessitated by critical need and funding.
- b. Long Term - Suggested Implementation Strategy as indicated in the Analysis of Alternate Management Regimes Gregorio D. Perez Marina and Agat Marina Island of Guam for Port Authority of Guam, May 2011 Report.

Board of Directors where provided the Management Regime Analysis however, pending ratification and approval to proceed with process to revisit rate structure in manner as reflected in the study.

In recent discussions with Agriculture, under the Sport Fishing Restoration Grant Program, their new position is that PAG is to set aside 100% of Marina revenues for the maintenance and upkeep of the facilities for which such grants are used. Obviously, this is up for more discussion in that realistically revenues for this

application will be from a net perspective versus gross which is again the route Agriculture is trying to pursue.

Establish a sub-account to capture the revenues for the Marinas and to establish an Operations & Maintenance Budget to ensure that the facility is upgraded and justifies the rate increases.

9. Implementation Plan

Regardless of Option pursued, the timeline to implement remains constant. The proposed timeline is as follows.

<u>Item:</u>	<u>Description / Task</u>	<u>Tentative Timeframe</u>
Invitation for Bid	Develop Scope of Work / Services	6/12/2013
	Publication in Marianas Variety	8/2/2013
	Pre-Bid Conference, 10am Board Room – Site visit to follow	8/16/2013
	Bid Due, 2pm	8/29/2013
	Abstract, Notice of Award, Pre-Construction Conference, Legal Review, If over \$500K requires Special AG review; Notice to Proceed, Permits, Performance Bond, Etc...	
Board of Directors Meeting	Request for Supplemental Funding	7/25/2013
Completion Date	10 months or 300 days	6/2014

APPROVAL AND AUTHORITY TO PROCEED

Request approval for Management to proceed with the solicitation of the preferred dock system option as determined by the Board as well as approve to earmark the balance of the reimbursement expected from the Department of Agriculture to finance the project and create a CIP account specific to this endeavor.

PORT AUTHORITY OF GUAM
ATURIDAT I PUETTON GUAHAN
Jose D. Leon Guerrero Commercial Port
Government of Guam
1026 Cabras Highway, Suite 201
Piti, Guam 96915

July 23, 2013

MEMORANDUM

TO: Board of Directors
FROM: General Manager
SUBJECT: USDA \$2M CF Direct Loan
: Equipment Plan

As directed at the previous meeting, management was tasked to prepare an equipment plan justifying the critical need for possible acquisition utilizing the USDA \$2M direct loan. The Equipment Plan is attached for Board consideration.

I am available should you have any questions.


JOANNE M.S. BROWN

Attachment

Equipment info and Justification

- Terminal Yard Tractors(8 each) \$ 900,000.00
To replace Tractors Purchased 1998 – 7 planned for survey
Life Span – 10 years
JUSTIFICATION – units have severe corrosion, parts are obsolete and beyond economical repair. Unsafe to operate
- Telescopic Boom Lift(126ft) \$ 340,000.00
To replace unit Purchased 1998 planned for survey
Life Span – 10 years
JUSTIFICATION – units have severe corrosion, parts are obsolete, beyond economical repair and no longer safe to work at extreme heights. To Support Corrosion Control and Maintenance on all Cargo handling Equipment
- Portable utility air compressor 375 CFM \$ 40,000.00
To replace unit Purchased 2003
Life Span – 10 years
JUSTIFICATION – units have severe corrosion, parts are obsolete and beyond economical repair. Increased work load with the addition of 3 Gantries. To Support Corrosion Control and Maintenance on all Port Cargo Handling Equipment
- Compact Articulated Boom Lift(33') \$ 95,000.00
New Acquisition Expected Life Span – 10 years
Justification - To support Facility Maintenance with repairs to container yard and administrative buildings. Support Corrosion Control and Maintenance on all Port Cargo Handling Equipment
- Industrial Street Sweeper \$ 250,000.00
New Acquisition Expected Life Span – 10 years
To support container yard maintenance, reduce flats and excessive tire damage to yard equipment and dust control in container yard
- Portable dual operation welding machine (2) \$ 100,000.00
To replace welder Purchased 2005
JUSTIFICATION – units have severe corrosion, Increased work load with 3 additional gantry cranes.
- 5ton Fork Lift (3) \$ 240,000.00
To replace Forklifts Purchased 1998 – planned for survey
Expected Life Span – 10 years
JUSTIFICATION – units are beyond useful life, have severe corrosion, parts obsolete and to support Operation and Maintenance in container yard

TOTAL \$ 1,965,000.00

BOARD OF DIRECTORS
Daniel J. Tydingco, Chairman
Christine Wen Pat Baleta, Vice Chairperson
Mary Michelle Gibson, Secretary
Michael T. Benito, Member



Resolution No. 2013-06
RELATIVE TO RECOGNIZING LEN ISOTTOFF
FOR HIS SERVICE AND CONTRIBUTIONS TO THE PORT AUTHORITY OF GUAM
AND THE ISLAND COMMUNITY

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

WHEREAS, Mr. Len Isotoff's first assignment with Matson Guam was in 1999 as Matson Logistics Solutions Project Manager overseeing the Palau Road Project; and

WHEREAS, in 2000, Mr. Isotoff transferred to Matson Navigation Company where he was promoted to Manager of Sales/Customer Service, Guam; and

WHEREAS, this marked the beginning of a fruitful venture in the maritime industry for Mr. Isotoff as he rose up the ranks of Manager of Sales for the Pacific Northwest in 2003 and again promoted to Manager of Container Operations for Hawaii in 2006; and

WHEREAS, with his immeasurable display of dedication and commitment, Mr. Isotoff made his journey back to Guam in April 2008 as the General Manager of Matson Navigation Company; and

WHEREAS, Mr. Isotoff continues to thrive in this maritime profession as evident in Matson Navigation Company again promoting him to his new position as the of Director of Sales, Pacific Region, Matson Headquarters in Hawaii where he will be responsible for the day-to-day sales execution for Guam/Micronesia and the South Pacific services; and

WHEREAS, during his tenure of service on Guam and in the region, Mr. Isotoff has forged a strong relationship between Matson Guam and the Port Authority of Guam, as well as throughout the Western Pacific region with valuable assistance, support and guidance to ensure sustained flow of goods and commodities for island consumers; and

WHEREAS, Mr. Isotoff, in his personal and corporate capacities has heeded the call of requests for support by Port users and countless civic organizations; and

WHEREAS, Mr. Isotoff has always maintained a close working relationship with the Port Authority of Guam and has contributed his dedicated efforts to improving shipping services to the entire island; now therefore be it

RESOLVED, that the Board of Directors on behalf of the employees and management of the Port Authority of Guam commend Mr. Len Isotoff for his service on Guam, his contributions to the community and port operators throughout the region and the island communities; and be it further

RESOLVED, that the Chairman certify to and the Secretary attest the adoption hereof and that copies of the same be thereafter transmitted to Mr. Len Isotoff and Matson Corporate Offices.

PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF
DIRECTORS THIS 25th DAY OF JULY, 2013.

DANIEL J. TYDINGCO
CHAIRMAN, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM

MARY MICHELLE GIBSON
SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM

**Port Authority of Guam
Board of Directors Regular Meeting
July 25, 2013**

**Executive Summary
Request For Proposal (RFP) No. PAG-012-003
Performance Management Services for Port's Cranes**

PURPOSE: Request for the Board of Directors (BOD) to approve the contract award for the Performance Management Services for the Port's Cranes through RFP No. PAG-012-003.

BACKGROUND:

Public Law 31-145 which was signed into law on November 2011, amended PL 30-57 and authorizes PAG to enter into negotiations with Matson & Horizon for the specific purpose of acquiring the Port of Los Angeles (POLA) gantry cranes and mandates the Port to contract the services of a Performance Management Contractor (PMC) to manage the performance, operation and maintenance of the POLA cranes and other cranes used in support of Port operations.

On June 29, 2012, a Request For Proposal No. PAG-012-003 was issued to solicit interests to provide professional and technical services of a PMC for the Port's cranes. Ten (10) firms expressed their interest by purchasing the RFP package. Two (2) firms submitted their proposal in response to the RFP prior to the established deadline of September 14, 2012. The established Evaluation Committee completed the evaluation of the technical proposals received from Shaw GBB, LLC and Marine Technical Services (MTS). As a result of the evaluation, **Marine Technical Services** was deemed to be the highest ranked and the best qualified firm to perform the required services.

On October 26, 2012, MTS was notified of the evaluation results and was invited to enter cost negotiations with the Port. Meanwhile, the General Manager established the following individuals to serve as the Cost Negotiations Committee:

1. Ernest Candoleta, Maintenance Manager
2. John B. Santos, Operations Manager
3. Joaquin P. Pangelinan, Equipment & Support Manager
4. Glenn Nelson, Commercial Manager
5. Joann Conway, Acting Financial Affairs Controller
6. Alma Javier, Procurement & Supply Manager

The initial fee proposal dated December 7, 2012 submitted by MTS identified a multi-approach compensation structure made up of four components: fixed fee, time and materials, lump sum and reimbursement method. The initial fee proposal highlights the following:

- Schedule A, On-site Management: Time & Materials (T&M) for PMC Manager and 2- Technical Engineers, relocated to Guam, with hourly rates of \$130 and \$108, respectively.
- Schedule B, Planned and Unplanned Maintenance/Repair Work: T&M for PMC Manager and 2- Technical Engineers, relocated to Guam, with hourly rates of \$130 and \$108, respectively.
- Incidentals: Direct Cost plus 18% for materials, tools, equipment, computers, transportation, fuel, airfare, per diem, housing, utilities, telephone, etc.
- Schedule C, Off-site support services: Fixed fee rate of \$7,500 per month
- Schedule D, Parts Acquisition and handling: Direct Cost plus 18%
- Schedule E, CIP Work: lump sum to be negotiated or performed on time & materials at same hourly rates above
- Schedule F, Inspections and Certification compliance requirements: Reimbursement of all cost plus 18%
- Schedule G, Training: T&M rate of \$108 per hour for a Technical trainer on a 6-month duration

The Negotiation Committee met regularly for months and conducted several Cost Negotiations Meetings via teleconference with MTS Team. During these meetings, the Committee gathered and reviewed data, records, and information from several sources, including crane maintenance expenditure data obtained from Matson/Horizon as previous owners of the POLA cranes.

As a result of the recent teleconference meeting held on July 8, 2013, the following key elements have been mutually agreed upon by both parties, subject to Port's BOD approval:

1. Schedule A & B (On-site management, planned and unplanned repair work)
 - a. Fixed Fee: \$19,615 weekly or \$85,000 monthly inclusive of the following:
 - 2-Technical Engineers to be relocated in Guam
 - 48 work-week per year, 4 weeks paid vacation
 - 55 hours maximum per week, any excess is charged on T&M
 - Includes 2-laptop computers, coveralls and safety supplies for Engineers, airfare, transportation, fuel, per diem, housing & utilities
 - Fixed rate is effective through September 30, 2014 and is subject to escalation due to any cost increase, such as wages, pension, insurance and taxes.
 - Firm to submit budget to Port for other incidentals, i.e. office support equipment, furniture, materials, tools, equipment, cell phones, etc.
2. Schedule C (Off-site home office support) i.e. technical support, accounting, parts procurement network, is billable based on time & materials
3. Schedule D (Parts Acquisition) - direct cost plus 15% (inclusive of taxes, shipping & handling), based on 30 day payment schedule
4. Schedule E (CIP) - Proposal on project by project basis to be presented to Port for consideration

5. Schedule F (Inspections and Certifications) – All cost associated with OSHA Inspection and certifications are to be invoiced at direct cost plus 15%.
6. Schedule G (Training) – Staff evaluation to be performed and recommendation of needed training in different levels to different personnel will be submitted to Port along with the budget. Training to be performed by 1-Technical Trainer for 6-month duration based on Time & Material rate. Technical Engineers located in Guam may and can provide hands-on training.

A copy of Procurement Record of Negotiations is attached for reference.

ANALYSIS

The Cost Negotiation Committee analyzed numerous factors and considerations, including but not limited to:

- FY2013 total approved budget under crane maintenance and services of \$2,645,500 (\$3,245,500 less: \$300K, \$250K, \$50K for fuel, G2-demo, OT-PAG Welders, respectively)
- The FY2013 estimated Operating Expense for Cranes reflects \$2,301,675 (\$3,801,666 less: \$759,991 for loan interest, \$600,000 for depreciation and \$140,000 for insurance)
- Matson's estimated annual budget for maintenance of 3-POLA Cranes total \$2,089,000 includes:
 - **\$1,157,000 for labor, technical support (subcontractors)**
 - \$84,000 for POLA parts & supplies
 - \$416,000 for fuel cost
- Gantry 3 repairs and maintenance actual expenditures:
 - \$2,109,001 - FY 2010
 - **\$1,198,906 for labor, technical support, subcontractors**
 - \$910,095 for parts and materials²
 - \$2,235,776 - FY 2011
 - **\$1,255,318 for labor, technical support, subcontractors**
 - \$288,355 for parts and materials
 - \$692,103 for CIP projects
 - \$2,106,646 - FY 2012
 - **\$1,751,813 for labor, technical support, subcontractors**
 - \$354,833 for parts and materials
 - \$946,785 – FY2013 (represents 3 quarters)
- POLA cranes maintenance expenditure from acquisition date (12/2012)
 - \$722,336 for 2 quarters of FY2013
- National Average Salary for Technical Engineers plus fringe benefits

Following review and analysis of such data and considerations, determinations were made:

1. Estimated annual cost for labor, technical support and outside labor (subcontractors) for four (4) cranes: \$2,559,012
 - a. \$1,402,012 annual average for Gantry 3
 - b. \$1,157,000 annual budget for 3-POLA cranes
2. Proposed Annual Fixed Fee under MTS – PMC : (\$85,000 @ 12) \$1,020,000
3. Estimated savings from labor costs, technical support, subcontractors: **\$1,539,012**
4. MTS' familiarity, technical and structural knowledge of the POLA cranes being the subcontractor of the former owners of the cranes
5. MTS maintains a local presence in Guam which will allow smooth transition with current maintenance provider thus will minimize disruption of service to Port's cranes or its operations.

LEGAL REVIEW

Complete review of the Procurement file has been performed by Legal Counsel. A draft agreement has been transmitted to Legal Counsel for review and approval as to form. Upon approval of contract award, a petition will be forwarded to the Public Utilities Commission for contract approval under the Contract Protocol Review process.

RECOMMENDATION

The Cost Negotiation Committee has determined that the negotiated rates and fees are fair and reasonable; therefore, requests the Board of Directors motion to approve the contract award to Marine Technical Services for the Performance Management Services for Port's Cranes to serve as the PMC. The contract term is for one year and may be renewed annually, for an additional one-year period, but not to exceed the total contract term of five (5) years.



PORT OF GUAM
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Website: www.portguam.com



Eddie Baza Calvo
Governor of Guam
Ray Tenorio
Lieutenant Governor

July 18, 2013

MEMORANDUM

TO: General Manager

FROM: Procurement & Supply Manger

SUBJECT: Record of Fee Negotiations
Ref: RFP No. 012-003, PMC for Ports Cranes

As a result of the RFP evaluation and ranking process, the Port Authority of Guam (Port) solicited cost proposal from **Marine Technical Services, Inc. (MTS)**, as the highest scored proposer to provide the professional and technical services of a Performance Management Contractor (PMC) to manage the performance, operation and maintenance of the Port's cranes. The established Cost Negotiation Committee (Team) consisted of the following:

- John Santos, Operations Manager
- Ernest Candoleta, Facilities Maintenance Manager
- Joann Conway, Acting Financial Affairs Manager
- Glenn Nelson, Commercial Manager
- Alma Javier, Procurement & Supply Manager
- Joaquin Pangelinan, Equipment Maintenance Manager

The initial fee proposal dated December 7, 2012 submitted by MTS identified a multi-approach compensation structure made up of four components: fixed fee, time and materials, lump sum and reimbursement method. The initial fee proposal (Attachment 1) highlights the following:

- Schedule A, On-site Management: Time & Materials (T&M) for PMC Manager and 2- Technical Engineers, relocated to Guam, with hourly rates of \$130 and \$108, respectively.
- Schedule B, Planned and Unplanned Maintenance/Repair Work: T&M for PMC Manager and 2- Technical Engineers, relocated to Guam, with hourly rates of \$130 and \$108, respectively.
- Incidentals: Direct Cost plus 18% for materials, tools, equipment, computers, transportation, fuel, airfare, per diem, housing, utilities, telephone, etc.
- Schedule C, Off-site support services: Fixed fee rate of \$7,500 per month
- Schedule D, Parts Acquisition and handling: Direct Cost plus 18%
- Schedule E, CIP Work: lump sum to be negotiated or performed on time & materials at same hourly rates above
- Schedule F, Inspections and Certification compliance requirements: Reimbursement of all cost plus 18%
- Schedule G, Training: T& M rate of \$108 per hour for a Technical trainer on a 6-month duration

The Port presented its First Counter Offer in January 29, 2013 to MTS which highlighted a 25% reduction rate on Time & Materials for all personnel and all direct costs plus 15%, see Attachment 2.

In February 7, 2013, a teleconference meeting was held with the MTS Team to discuss the Port's First Counter Offer. After lengthy deliberations, the Port Team ended the discussions with the following offer:

- Fixed Fee of \$85,000 per month inclusive of the following:
 - Schedule A (On-site Management), 1-PMC Manager and 1-Tech Engineer
 - Schedule B (Planned & Unplanned)
 - Schedule C (Off-site Support)
 - Schedule E (CIP Work)
 - All materials, tools, equipment, administrative, third party services, airfare, transportation, fuel, per diem, housing & utilities, telephone and shipping
- Schedule D (Parts Acquisition) and Schedule F (Inspection & Certification) – based on reimburse structure plus 15%
- Schedule G (Training): PAG agrees on 1-Technical Trainer – 6 months duration

In response to the Port's offer in February 7, 2013, MTS submitted its Counter Offer No. 1 dated February 13, 2013, copy attached as Attachment 3. Internal meetings amongst the Port Team were held. On February 20, 2013, the Port Team provided its 2nd Counter Offer (Attachment 4) to MTS followed by a teleconference in February 20, 2013.

On April 17, 2013, MTS submitted its 2nd Counter Offer to the Port, as well as their proposed changes to the Technical & Functional Requirements; copies are attached as Attachment 5. Discussions via teleconference with MTS regarding their offer took place on April 22, 2013, the transcribed minutes is in file for reference. The following major elements of cost have been mutually agreed:

1. Schedule A & B (On-site management, planned and unplanned repair work)
 - a. Fixed Fee: \$19,615 weekly or \$85,000 monthly inclusive of the following:
 - 2-Technical Engineers to be located in Guam
 - 48 work-week per year, 4 weeks paid vacation
 - 55 hours maximum per week, any excess is charged on T&M
 - Includes 2-laptop computers, coveralls and safety supplies for Engineers, airfare, transportation, fuel, per diem, housing & utilities
 - Fixed rate is effective through September 30, 2014 and is subject to escalation due to any cost increase, such as wages, pension, insurance and taxes.
 - Firm to submit budget to Port for other incidentals, i.e. office support equipment, furniture, materials, tools, equipment, cell phones, etc.
2. Schedule C (Off-site home office support) i.e. technical support, accounting, parts procurement network, is billable based on time & materials
3. Schedule D (Parts Acquisition) - direct cost plus 15% (inclusive of taxes, shipping & handling), based on 30 day payment schedule
4. Schedule E (CIP) - Proposal on project by project basis to be presented to Port for consideration
5. Schedule F (Inspections and Certifications) – All cost associated with OSHA Inspection and certifications are to be invoiced at direct cost plus 15%.

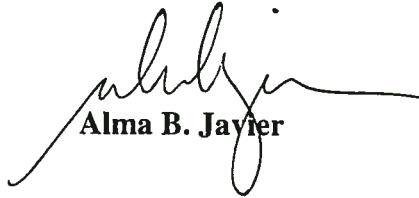
6. Schedule G (Training) – Staff evaluation to be performed and recommendation of needed training in different levels to different personnel will be submitted to Port along with the budget. Training to be performed by 1-Technical Trainer for 6-month duration based on Time & Material rate. Technical Engineers located in Guam may and can provide hands-on training.
7. It was agreed that a mark-up draft copy of the contract will be provided to Port for submittal to Port's Legal Counsel for review in the next coming weeks.

In May 2013, internal meetings and discussions between Procurement & Supply Manager and Legal Counsel took place, as well as Legal Counsel's complete review of the Procurement file.

On July 8, 2013, the final teleconference meeting was held with MTS and the Port Team. The summation of items discussed in the meeting of July 8, 2013 is detailed in the attached correspondence by MTS as attached (Attachment 6).


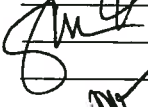
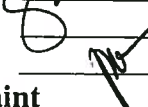
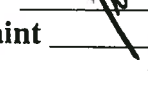

The Cost Negotiation Committee has determined that the above fees are fair and reasonable; therefore, recommends the approval and acceptance of the agreed fee schedule, as well as the terms and conditions of the contract for the Performance Management Contract for Ports Cranes.

Should you have any questions or need to discuss the above matter further, I am available at your request.



Alma B. Jayier

Concurred by Negotiations Committee:

Joann Conway, Finance		_____
Glenn Nelson, Commercial		_____
John Santos, Operations		_____
Ernest Candoleta, Facility		_____
Kin Pangelinan, Equip. Maint		_____

APPROVED:

JOANNE M.S. BROWN, General Manager

Attachments
 cc: DGM, Admin/Finance
 Procurement File

PORT AUTHORITY OF GUAM
ATURIDAT I PUETTON GUAHAN
Jose D. Leon Guerrero Commercial Port
Government of Guam
1026 Cabras Highway, Suite 201
Piti, Guam 96915

July 19, 2013

MEMORANDUM

TO: Board of Directors

FROM: General Manager

SUBJECT: **Capital Improvement Projects – Facility Upgrade
Facility Maintenance Fee**

As you are aware, the Public Utilities Commission approved the Port Authority of Guam's Facility Maintenance Fee (FMF) policy through Port Docket 09-02 to provide funding for the maintenance, replacement and repair of port facilities. This fee is assessed to port users utilizing the facilities in the receipt and delivery of cargo.

Management has identified critical areas within the terminal yard that requires significant renovations for employee safety and terminal operation efficiency.

Identified areas include the following and the estimated cost per project:

- | | |
|----------------------------|---------------------|
| 1. High Tower | \$25,000.00 |
| 2. Lower Tower | \$65,000.00 |
| 3. Container Yard Striping | <u>\$235,000.00</u> |

Total: \$325,000.00

It is therefore being requested to authorize management to use the FMF funds to support the development of these critical areas.

I am available should you have any questions.


JOANNE M.S. BROWN

PORT AUTHORITY OF GUAM
ATURIDAT I PUETTON GUAHAN
 Jose D. Leon Guerrero Commercial Port
 Government of Guam
 1026 Cabras Highway, Suite 201
 Piti, Guam 96915

July 24, 2013

MEMORANDUM

TO: Board of Directors

FROM: General Manager

SUBJECT: Recruitment of Critical Positions

Listed below are critical positions requested by Division Managers that I am submitting for your approval. The funds for these positions are from the anticipated lapse in salaries due to resignations, terminations and recent retirement of Port staff.

Division	Position	Qty	Annual Salary Min – Max	Funding source for FY13	Amount
Port Police	Security Guard (Armed)	2	\$21,785.00 - \$25,292.00	Anticipated lapse in salaries Convert Port Police II	\$24,300.00
	Security Guard (Armed)	1			
Crane Mechanic	Crane Mechanic II	1	\$33,978.00 - \$39,448.00	Anticipated lapse in salaries	\$ 6,000.00
Terminal	Cargo Checker	1	\$27,433.00 - \$31,849.00	Resignation	\$ 4,900.00
Finance	Accounting Technician I	1	\$20,935.00 - \$24,305.00	Resignation of Claims Officer – position to be converted	\$ 5,000.00
			Annual Max Total: \$171,478.00	Total needed for remainder of FY13	\$40,200.00

I am available should you have any questions.


 JOANNE M.S. BROWN

PORT AUTHORITY OF GUAM
ATURIDAT I PUETTON GUAHAN
Jose D. Leon Guerrero Commercial Port
Government of Guam
1026 Cabras Highway, Suite 201
Piti, Guam 96915

July 24, 2013

MEMORANDUM

TO: Board of Directors
FROM: General Manager
SUBJECT: **Budget Adjustment Request**

The Occupational Health and Safety Division has exhausted their FY13 approved budget funding for the purchase of safety shoes.

The following is a breakdown of quantities required:

Position	Count	Maximum Dollar Amount	Total
Welders	5	\$140.00	\$ 700.00
Stevedore	11	\$140.00	\$1,540.00
Regular safety shoes	10	\$125.00	\$1,250.00
		Total:	\$3,490.00

I am requesting approval to transfer **\$3,500.00** from Marketing Division to Safety Division in order to cover the purchase of these safety shoes.


JOANNE M.S. BROWN