

Messages and Communications

Speaker Won Pat <speaker@judiwonpat.com>  
To: Guam Legislature Clerks Office <clerks@guamlegislature.org>

Fri, Oct 24, 2014 at 8:57 AM

10/24/2014 10/17/2014 Port of Guam Agenda - Regular Meeting of the Board of Directors - Oct. 17, 2014 32-14-2180

----- Forwarded message -----  
From: **Marge Duenas** <mduenas@portguam.com>  
Date: Thu, Oct 23, 2014 at 4:59 PM  
Subject: 101714-PAG Board Meeting Materials  
To: Speaker Won Pat <speaker@judiwonpat.com>

32-14-2180  
Office of the Speaker  
Judith T. Won Pat, Ed.D

Date: 10-24-14  
Time: 8:59am  
Received By: JS

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 October 17, 2014 board meeting materials.

Regards - Marge

*Ufisinan I Etmås Ge'helo'Gi Liheslaturan Guåhan*  
**Office of Speaker Judith T. Won Pat Ed.D.**  
*Kumiten Idukasion yan Laibirihan Publeko*  
**Committee on Education and Public Libraries & Women's Affairs**

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 101714PAGBoardMeetingMaterials.pdf  
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2014 OCT 24 AM 9:04



**PORT OF GUAM**  
ATURIDAT I PUETTON GUAHAN  
**Jose D. Leon Guerrero Commercial Port**  
1026 Cabras Highway, Suite 201, Piti, Guam 96925  
Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445  
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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  
Friday, October 17, 2014  
**11:45am**

**AGENDA**

- I. CALL TO ORDER
- II. APPROVAL OF MINUTES
  - a. September 24, 2014 – Regular Board Meeting
- III. PUBLIC COMMENT:
  - a. Public Comments
  - b. Employee Comments
  - c. PAGGMA Association
- IV. OLD BUSINESS
  - a. Mobile Harbor Crane
  - b. Fiscal Year 2015 Proposed Budget
  - c. Board Resolution No. 2014-15 – Mary Michelle Gibson
  - d. RFP No. PAG-013-004 Implementation & Integration Services TOS, Task Order No. 2
  - e. Port Week Funds
- V. NEW BUSINESS
  1. RFP No. PAG-014-006 Web Design
  2. Travel Accommodations:
    - a. 103<sup>rd</sup> AAPA Annual Convention, November 9-13, 2014, Houston, Texas
    - b. FEMA Emergency Management Institute Training, December 15-18, 2014, Emmitsburg, Maryland
- VI. ADJOURNMENT



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Eddie Baza Calvo  
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**MINUTES OF THE  
REGULAR MEETING OF THE BOARD OF DIRECTORS  
Wednesday, September 24, 2014**

**I. CALL TO ORDER**

There being a quorum, the regular meeting of the Board of Directors was called to order at 11:50 a.m., Wednesday, September 24, 2014. Present at the meeting were:

Francisco Santos, Chairman  
Christine Baletto, Vice Chairperson  
Timothy Kernaghan, Member  
Oscar Calvo, Member  
Joanne M.S. Brown, General Manager  
Felix R. Pangelinan, Deputy General Manager (Operations)  
Maria D.R. Taitano, Deputy General Manager (Admin/Finance)  
Atty. Darleen Hiton, Legal Counsel's office

Also present were Office of Senator Tom Ada-Blaine Dydasco; Pacific Daily News-Malorie Paine; Marianas Variety-Jasmine Stole and Port Management staff.

**II. ELECTION OF OFFICERS – Board Secretary**

Mr. Calvo made motion to nominate Mr. Timothy T. Kernaghan as Board Secretary of the Port Authority of Guam Board of Directors, seconded by the Vice Chairperson. Motion was unanimously approved.

**III. APPROVAL OF MINUTES**

a. **August 8, 2014 – Regular Board Meeting:** The Vice Chairperson made motion to approve the minutes of August 8, 2014 subject to correction. The motion was seconded by Mr. Kernaghan and was unanimously passed.

**IV. PUBLIC COMMENT**

- a. **Public Comment:** None.
- b. **Employee Comment:** None.
- c. **PAGGMA Association:** Mr. Raymond B. Santos, PAGGMA President thanked everyone for their contribution to the Labor Day picnic as it was a success. The association is

preparing for the Port Week festivities, Halloween costume contest and PAGGMA Christmas Party.

## V. GENERAL MANAGER'S REPORT

The General Manager's report was provided for Board's information. Following key items were noted as follows:

1. **Earth Quake Assessment:** The island suffered from a 6.7 earthquake on September 17, 2014. The Port's Engineering and Safety divisions immediately initiated an inspection and assessment of the Port structures to include pier F-5 and found no new visible cracks. However, due to procurement constraints from General Services Agency (GSA), piers F-3, F-4 and F-6 assessment will be performed next fiscal year. As concerns were expressed because of procurement limitations, discussion took place on procurement methods appropriate for natural disasters moving forward.
2. **Purchase Order Issued for Port Generators:** GSA released the purchase order for the procurement of Prime Power Tier 4i generators, ATS and external day tanks. Anticipated delivery date is January 2015.
3. **Mobile Cargo and Vehicle Screening System:** GSA released the purchase order for the mobile cargo and vehicle screening system. Anticipated delivery date is March 2015.
4. **Port Visit with Deputy Assistant of the Navy:** On August 15, 2014, the Port provided a briefing update and conducted a port tour for Deputy Assistant Joe Ludovici. Accompanying parties included JGPO Director Captain Philip Old and Major Darren Alvarez. Maritime Administration representative Brian Varney also provided a presentation on all Department of Defense funded projects that MARAD administers under the Guam Commercial Port Improvement Program.
5. **Port Visit with Deputy Secretary of Defense:** The Port provided a briefing update and conducted a port tour on August 19, 2014 for Deputy Secretary Robert Work and his delegation members to include USMC Senior Military Assistant Brigadier General Eric Smith as well as representatives of the Joint Region Marianas, JGPO. Joining Guam dignitaries included Governor Eddie Calvo, Congresswoman Madeleine Bordallo and their staff.
6. **Ground Breaking Ceremony for Agat Marina Dock C & D and Floating Dock Improvement Project:** On September 19, 2014, the Port held a ground breaking ceremony for the Agat Small Boat Marina on the replacement of docks C & D and floating dock. The project is at \$1.5M plus through federal grant and \$653,724.00 of Port funds.
7. **Meeting with U.S. Coast Guard District 14 Pacific Region:** The Port conducted a briefing update and port tour on September 9, 2014 for USCG District 14 Pacific Region Captain James Jenkins along with USCG Captain of the Port James Pruett.

8. **Meeting with Office of Economic Adjustment:** The Port met with Western Regional Director Gary Kuwabara on August 22, 2014 to discuss possible future Port Owner Agent Engineering (OAE) services as the existing OAE with Parsons Brinckerhoff will conclude at the end of 2014.

9. **Port Finance Services Center:** An announcement was made to all Port customers on the opening of the Port Finance Services center located at the first floor of the Port Administration Building. The center is to provide customer convenience to a 'one-stop' finance service. The effective date is October 1, 2014.

10. **Underground Storage Tank (UST), discovered behind wharf F-6:** On September 18, 2014, the Port provided notice to Guam Environmental Protection Agency regarding the uncovered underground storage tank behind wharf F-6. This was revealed as part of the Guam Commercial Port Improvement Program construction activity during the removal of the old Feed Mill's foundation. The Feed Mill was built in the 1960s and operated at the Port until the late 1970s. The Port is currently working with its OAE Consultant and EA Engineering to address proper removal of the UST.

## VI. OLD BUSINESS

a. **Port Modernization Program – Implementation Plan:** The port modernization program continues with Phase III construction.

b. **Mobile Harbor Crane:** As reported at the previous meeting, GSA is in the process of issuing an independent government-wide bid on this equipment.

c. **Charge Account Card:** As directed at the previous meeting, the policy memorandum on acquiring a Port credit card was presented to the Board for approval. The Vice Chairperson made motion to approve Board Policy Memorandum No. 2014-01 Credit Card Policy, seconded by Mr. Kernaghan. Motion was unanimously approved.

## VII. NEW BUSINESS

1. **Fiscal Year 2015 Proposed Budget:** As discussion continues on the fiscal year 2015 proposed budget, this item will be addressed at the next meeting. However, in the interim and to avoid any disruption to Port administration and operation, the Vice Chairperson made motion to authorize a continuing budget using fiscal year 2014 for the first quarter of fiscal year 2015 until such time the fiscal year 2015 budget is approved, this to include authorization for management to proceed with any and all continuing contracts. Motion was seconded by Mr. Calvo and was unanimously approved.

2. **Board Resolution No. 2014-13 Merchant Services:** The Vice Chairperson made motion to approve Board Resolution No. 2014-13 relative to authorizing the Port Authority of Guam to enter into a merchant agreement with a banking institution. Motion was seconded by Mr. Kernaghan and was unanimously approved.

3. **Board Resolution No. 2014-14 Service Life Extension Loan Distribution:** The Vice Chairperson made motion to approved Board Resolution No. 2014-14 relative to approving the reprogramming of \$10M commercial loan with Bank of Guam, seconded by Mr. Kernaghan. Motion was unanimously approved.

**RECESSED**

At this time, the members agreed to take a break. The meeting recessed at 1:00 p.m.

**RECONVENED**

The members reconvened the meeting at 1:30 p.m.

4. **Board Resolution No. 2014-15 Mary Michelle Gibson:** Tabled, until the next Board meeting.

5. **Board Resolution No. 2014-16 Credit Card Services:** Mr. Calvo made motion to approve Board Resolution No. 2014-16 relative to authorizing the use of credit card services for on-line purchasing, seconded by Mr. Kernaghan. Motion was unanimously approved.

6. **Board Resolution Nos. 2014-17 thru 2014-25:** Mr. Calvo made motion to approve Board Resolution Nos. 2014-17 thru 2014-25 relative to extending best wishes to retirees of the Port Authority of Guam on the occasion of their retirement. Motion was seconded by Mr. Kernaghan and was unanimously approved.

7. **Commitment of Funds:**

a. **F1, F3 and Container Yard Southside Perimeter Fence Replacement Project:** Mr. Felix R. Pangelinan, Deputy General Manager, Operations (DGMO) said the Port is prepared to commence the replacement of F-1, F-3 and container yard perimeter chain link fence and in order to proceed with the project, Board approval is being requested to commit funds in the amount of \$296K. Funding source is through Homeland Security Grant.

Mr. Calvo made motion to approve the commitment of funds from the Homeland Security Grant in the amount of \$296,000.00 for the replacement of F-1, F-3 and container yard southside perimeter chain link fence, seconded by Mr. Kernaghan. Motion was unanimously approved.

b. **Phase 2 Supplemental Funding for A/E Design & Pump-out System: Harbor of Refuge:** The DGMO requested Board approval to include as a line item budget Phase 2 supplemental funding for A/E design, environmental studies and acquisition of a pump-out system. The federal grant award is \$86,181.00 and Port's cost share is \$23,750.00. The DGMO informed the Board that the pump-out system is mandated by the Clean Water Act and

once completed a policy on enforcement and use of the facility will be in place for vessel compliance.

The Vice Chairperson made motion to approve the commitment of funds and include as a line item budget the amount of \$109,931.00 for the supplemental funding of Phase 2 renovation of the Harbor of Refuge architecture and engineering design, environmental studies and acquisition of a pump-out facility. Motion was seconded by Mr. Kernaghan and was unanimously approved.

c. **35-Ton Shore Bases Aft Mooring Dolphin Repair:** The DGMO said the Port received a letter of concern from the U.S. Coast Guard regarding the dilapidated condition of the mooring dolphins located at Mobil pier which is used for vessel tankers calling Port of Guam. In communications with Mobil who is the Manager of the Port asset, arrangements were made for Mobil to repair the mooring dolphins. Mr. Glenn B. Nelson, Commercial Manager mentioned that the repair work is for the inside bollards that services Golf pier. He said based on the Management Agreement by and between the Port Authority and Mobil and by mere fact that the bollard function is an extension of Golf pier, Mobil was issued a notice to proceed under those circumstances. At this time, the DGMO request for Board approval to commit funds for the mooring dolphin repair not to exceed \$50K. The identified funding source for this project is through the Mobil Fuel Line Repairs account.

The Vice Chairperson made motion to approve the commitment of funds from the Mobil Fuel Line Repairs account in the amount of \$47,924.15 for the 35-Ton Shore Based Aft Mooring Dolphin at Golf Pier repair, seconded by Mr. Kernaghan. Motion was unanimously approved.

d. **Legal Services:** Mrs. Maria D.R. Taitano, Deputy General Manager of Admin/Finance (DGMA) said during the mid-year budget session and based on trend, management had presented a budget adjustment for legal services for the remainder of fiscal year 2014; however, the decision at that time was to remain with the original budgeted amount. She said to date, and in review of legal services Port is able to support services up to July 2014. Based on this, Board approval is being requested to commit additional funds in the amount of \$110K that would support legal services through the remainder of fiscal year 2014. Funding source is through the accounts of G2 demolition and equipment rental.

Mr. Calvo made motion to authorize the commitment of funds for legal services from the accounts of G2 Demolition at \$54,000.00 and Equipment Rental at \$56,000.00; totaling \$110,000.00 to support legal services through the end of Fiscal Year 2014. Motion was seconded by Mr. Kernaghan and was unanimously approved.

8. **RFP No. PAG-011-004 Replacement of Welded Steel Petroleum Distribution Pipelines & Appurtenances:** Mr. Simeon S. Delos Santos, Engineer Manager said the Mobil pipeline replacement project is currently underway which is funded by the Federal Highway Administration (FHWA) in conjunction with Department of Public Works (DPW). The construction management service is paid for by the Port in accordance with the memorandum of understanding between the Port and DPW. He mentioned that FHWA requires a special

inspection of the pipe weldings and epoxy coating to be performed by the construction manager; however, the inspection is not part of the original scope of work. Mr. Kernaghan asked whether FHWA would reimburse the Port for the additional work. The General Manager said a request can be made, but understands that the inspection is a requirement for the construction manager to perform the work where the cost would be borne by the Port and actual construction work would be paid by federal funds.

The Vice Chairperson made motion to approve additional work required which are the welding inspection at \$55,968.00 as well as the epoxy inspection at \$40,455.00 to be included in the Port Authority fiscal year 2015 budget. Motion was seconded by Mr. Calvo and was unanimously approved.

9. **RFP No. PAG-014-003 Construction Management Services: Marine Service Life Extension:** Mrs. Alma B. Javier, Procurement Manager said after having gone through the procurement process for the construction management services, it has been determined that EMPSCO Engineering Consultants has met all the requirements set forth in the request for proposal which is now being presented for Board approval. She mentioned that the construction manager will oversee the F-5 wharf repair project which is funded through the \$10M loan proceeds from Bank of Guam.

The Vice Chairperson made motion to approve the award of EMPSCO Engineering Consultant for RFP No. PAG-014-003 Construction Management Services in the amount of \$459,724.54, subject to legal review and approval. Motion was seconded by Mr. Kernaghan and was unanimously approved.

10. **RFP No. PAG-014-005 Risk Management Consultant Services:** Mrs. Javier said as a result of a competitive solicitation for Risk Management Services, IRIS, Ltd, has been selected as the most qualified and highest ranked offeror. As such, Board approval on the award is being requested. Mr. Kernaghan made motion to approve the award of IRIS, Ltd. for RFP No. PAG-014-005 Risk Management Consultant Services in the amount of \$42,000.00 annually, payable at \$3,500.00 per month plus travel cost co-shared with other local clients of the government agencies. Motion was seconded by Mr. Calvo and was unanimously approved.

11. **RFP No. PAG-013-004 Implementation & Integration Services TOS, Task Order No. 2:** For Board's information, Mrs. Javier provided an update to the progress of the implementation and integration services of the terminal operating system, particularly on Task Order No. 2. Task Order No. 2 includes the following phases: system development which includes the hardware, software, network design, application design and built up; testing and training; implementation and system transition. To date, G4S is to submit a final proposal relative to a payment structure. Based on G4S's proposal, the firm is prepared to finance the project subject to the current prevailing interest rate.



12. **Workers Compensation Insurance:** By way of background, the General Manager said the Port acquired workman's compensation insurance back in October 2013 in accordance with Section 10111(e), Chapter 10, 12 GCA. The insurance premium is \$75K per annum with a deductible of \$150K per occurrence. To date, the Port has expended \$7,366.29 in work related injuries. Prior to acquiring workers compensation insurance, she recalled that discussions were held last year on this matter and had attempted numerous times with the Port Oversight Chair to amend the existing law specific to Section 10111(e), Chapter 10, 12 GCA from 'shall' to 'may' to allow the Port to self-insure workman's compensation, but unfortunately, the response was not favorable in spite of providing information on workers compensation insurance that would be without much benefit to the Port.

The General Manager said in prior years the Port was self-insured and just based on the last three years of workers compensation claims/expenditures under self-insurance shows the following:

- Fiscal Year 2010: \$109,903.06
- Fiscal Year 2011: \$128,654.06
- Fiscal Year 2012: \$101,017.04

She mentioned that while the Port paid the \$75K insurance premium the only time an insurance claim can be made is if an employees' work injury extends over \$150K which is per occurrence and not an accumulation of all work related injuries of port employees. The General Manager commented that what the Port has done during this past year is cover all port employees work related injury expenses which the insurance program does not cover unless the deductible is met, so essentially the Port paid \$75K of insurance premium for nothing. She recalled expressing this concern last year prior to obtaining workers compensation insurance in that it is not a cost effective avenue for the Port and that the law is not functional for the Port of Guam. The General Manager mentioned that the \$75K could have gone towards purchasing equipments or against its repairs and maintenance. The Chairman asked for recommendations. The General Manager requested for the Board to seek legislative amendment with the Guam Legislature. The Vice Chairperson recalled that in prior year discussion the work related injuries did not exceed \$150K in any given year, but unfortunately the Port could not knowingly violate the law. The General Manager commented that unless the Legislature wants to challenge the Port on this issue because literally the Port is spending money for nothing. Mr. Kernaghan agrees with the General Manager, but felt the Port needs to abide by the law. The Vice Chairperson asked that perhaps the Chairman and director Kernaghan meet with the Port Oversight Chair on this matter. In the meantime, Mr. Kernaghan made motion for the Port to abide by the law specific to Section 10111(e), Chapter 10, 12 GCA and that management move forward and rebid the workers compensation insurance, seconded by the Vice Chairperson. Motion was unanimously approved.

13. **Performance Evaluation – Deputy General Manager:** The General Manager requested concurrence on the performance evaluation of Mrs. Maria D.R. Taitano, Deputy General Manager of Admin/Finance for proper compensation of the evaluation period. The Chairman said he had the opportunity to review the evaluation and does not have any issues. Mr. Kernaghan made motion to concur with the General Manager's performance evaluation of Mrs. Maria D.R. Taitano as Deputy General Manager of Admin/Finance and that Mrs. Taitano is

compensated according to the performance evaluation dates. Motion was seconded by Mr. Calvo and was unanimously approved.

14. **Port Week Funding:** The DGMO recalled that a determination was made by legal counsel that it would not be appropriate to fund this event using Port funds. After discussion in the use of public funds, it was decided that this item be tabled until the next meeting.

15. **Travel Accommodations:**

1. **103<sup>rd</sup> AAPA Annual Convention, November 9-13, 2014, Houston, Texas:** Mr. Calvo made motion to authorize travel for the Chairman to attend the 103<sup>rd</sup> AAPA Annual Convention on November 9-13, 2014 at Houston, Texas. Motion was seconded by the Vice Chairperson and was unanimously approved.

2. **Homeland Security Trainings, October-November 2014:** Mr. Calvo made motion to authorize travel for port personnel to attend Homeland Security Trainings as presented, seconded by Mr. Kernaghan. Motion was unanimously approved.

#### VIII. EXECUTIVE SESSION

No executive session matters discussed.

#### IX. ADJOURNMENT

There being no further business to discuss, it was moved by the Vice Chairperson and seconded by Mr. Calvo to adjourn the meeting at 2:30 p.m. The motion was unanimously passed.

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TIMOTHY T. KERNAGHAN, Board Secretary  
Board of Directors

APPROVED BY:

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FRANCISCO G. SANTOS, Chairman, Board of Directors



**BOARD OF DIRECTORS**

*Francisco G. Santos, Chairman  
Christine Won Pat Baleta, Vice Chairperson  
Timothy T. Kernaghan, Board Secretary  
Oscar A. Calvo, Member*



**Resolution No. 2014-15**

**RELATIVE TO RECOGNIZING AND APPRECIATING MS. MARY MICHELLE GIBSON  
FOR HER CONTRIBUTIONS AND SERVICE TO THE PORT AUTHORITY  
OF GUAM AS A MEMBER OF THE BOARD OF DIRECTORS**

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

**WHEREAS**, it is fitting that the Jose D. Leon Guerrero Commercial Port (also known as Port Authority of Guam) Board of Directors, management and employees pause to recognize those estimable citizens who have dedicated themselves to improving the quality of life for its employees and the citizens of Guam; and

**WHEREAS**, Ms. Mary Michelle Gibson, also affectionately known by the employees as *Shelly*, is one such venerable citizen who is richly deserving of this recognition; and

**WHEREAS**, the Port also desires to recognize Shelly for her distinguished contribution as one of its members on the occasion of the conclusion of her term of service as a member of the Port Board; and

**WHEREAS**, Shelly was appointed as a member of the Board on May 16, 2011 by the Governor of Guam; confirmed on August 3, 2011 by the Guam Legislature; and served as Board Secretary from December 22, 2011 to June 30, 2014; and

**WHEREAS**, during the two and half years which she served as an active member of the Board, Shelly was a positive force for change and growth for the Agency; very instrumental in assisting the Port in the planning for the military build-up in Guam and Marine relocation from Okinawa to our island; and

**WHEREAS**, Shelly was instrumental in the development and progress of the Port's mission to continue to move forward as a first class seaport including unswerving participation at regional Maritime meetings, Cruise Development efforts, and establishing friendly relations with Ports in Hong Kong, Philippines, Japan, Taiwan and Korea in an effort to invite new shipping companies to the island; and

**WHEREAS**, Shelly meticulously forged an excellent relationship with local and federal partners, such as the Guam Legislature's leaderships, Small Business Administration, U.S. Department of Agriculture (USDA), U.S. Department of Defense - Office of Economic Adjustment by promoting the Port's potential, abilities and capabilities, which were factors in securing federal grant funding to support the Port's endeavors and enabling expertise provided by the Port's Owner's Agent Engineer (Parsons Brinkerhoff); and

**WHEREAS**, Shelly, through her professionalism and managerial expertise, she was intimately involved in:  
(a) the Port's financial budget--making sure that the Port is fiscally responsible; (b) installation of the motorized values at Golf Pier--which allowed Cementon to use this facility to off-load their cement products; (c) the acquisition of the financial management and terminal operating information technology systems; (d) crane purchase negotiations; (e) submission of the Agat Marina Recovery Plan, prepared by Corporate/Commercial divisions, to Public Utilities Commission (PUC); (f) collaborating on the standard fishing rules and regulations; and

**WHEREAS**, Shelly's participation in the U.S. Maritime Administration (MARAD) IP and TDT planning meetings not only helped the Port remain focus on its projects and programs but also protected the integrity and accountability of the Port Modernization Plan process and the successful legislative passage of the Master Plan Update; and

**WHEREAS**, Shelly as a professional business executive and her involvement in the community, has always taken the time to avail herself to the Port employees and listen to their suggestions to help improve their work life; her continuing efforts to ensure that the employees have the necessary tools and equipment and providing encouraging words of wisdom to boost their morale and confidence; and

**WHEREAS**, during her tenure with the Port Authority Board, and with her astute knowledge in the maritime and commerce industry, Shelly was elected as Regional Representative of the Association of Pacific Ports Executive Committee; and

**WHEREAS**, Shelly is wholly committed to the noble precepts of public service that has earned her the respect amongst the employees and her presence and participation in the evolution of the Port Authority of Guam will be greatly missed; now therefore be it

**RESOLVED**, that the employees, Management, and Board of Directors extend their deepest appreciation to Shelly for her dedication and service to the Port and her efforts to assist us in carrying out its modernization vision and its mission to provide first class service to Guam and the Micronesian region; be it further

**RESOLVED**, that the Chairman certify to and Board Members attest the adoption hereof and that copy of the same be thereafter transmitted to Ms. Mary Michelle Gibson.

**PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF  
DIRECTORS THIS 17<sup>th</sup> DAY OF OCTOBER, 2014.**

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

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**CHRISTINE WON PAT BALETO  
VICE CHAIRPERSON, BOARD OF DIRECTORS  
PORT AUTHORITY OF GUAM**

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

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**OSCAR A. CALVO  
MEMBER, BOARD OF DIRECTORS  
PORT AUTHORITY OF GUAM**



**PORT OF GUAM**  
*ATURIDAT I PUETTON GUAHAN*  
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Eddie Baza Calvo  
Governor of Guam  
Ray Tenorio  
Lieutenant Governor

October 15, 2014

**MEMORANDUM**

**TO:** Board of Directors  
**FROM:** General Manager  
**SUBJECT:** Budget Request for Port Week 2014

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Port Week 2014 is slated for October 20-24, 2014 celebrating 39 years of serving as Guam's Lifeline. To assist in the success of Port Week, several committees have been established to take lead on a variety of functions and activities which include the Opening Ceremony, Grand Finale, and other related expenses.

For this year's upcoming event, a budget of \$5,000.00 is being requested. As practiced in prior years, PAGGMA will handle the disbursement of funds to the committees. A financial report accounting for such funds will be submitted to the Finance Division.

Your approval is greatly appreciated. I am available should you have any questions.

  
JOANNE M.S. BROWN

**Port Authority of Guam  
Board of Directors Regular Meeting  
September 24, 2014**

**Executive Summary**

**Request for Proposal (RFP) 014-003  
Web Development, Hosting, Maintenance & Support Services**

**PURPOSE:** Request for Board of Directors to approve the contract award to Guam WEBZ for the Web Development Services procured under the above referenced RFP.

**BACKGROUND:** The referenced RFP was advertised in the Marianas Variety on August 8, 2014. The deadline to submit proposals was on September 2, 2014. As a result of the evaluation process, Guam WEBZ has been selected as the most qualified and highest ranked offeror.

The Negotiation Committee selected by the General Manager initiated cost negotiations with Guam WEBZ on September 18, 2014. The initial cost proposal received was \$38,430.00. After review and discussions, the Cost Negotiations Committee has successfully negotiated \$21,000.00 which represents a 45% reduction from the original cost. Copy of the Record of Negotiations is attached for reference.

The cost breakdown is as follows:

- |                                    |  |
|------------------------------------|--|
| 1. Website Design and Development: | <b>\$ 9,000.00 (one time cost)</b>             |
| 2. 360-Degree Website Management:  | <b><u>\$12,000.00</u> (\$1,000.00 monthly)</b> |
| Total:                             | <b>\$21,000.00</b>                             |

The term of the contract was programmed for three (3) years with two (2) options to renew each year, not to exceed total contract term of five (5) years.

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

**FINANCIAL REVIEW:** The funding for this project will be drawn from the approved Fiscal Year 2015.

**RECOMMENDATION:** Management request the Board of Directors' motion to approve the award to Guam WEBZ for the Web Design and Management Services in the amount of Twenty One Thousand (\$21,000.00). The Guam WEBZ has been deemed to have met all the requirements set forth in the RFP and is consistent with the Guam Procurement Regulations.



**PORT AUTHORITY OF GUAM**  
ATURIDAT I PUETTON GUAHAN  
Jose D. Leon Guerrero Commercial Port  
**PROCUREMENT AND SUPPLY DIVISION**

October 14, 2014

**MEMORANDUM**

To: General Manager  
Via: Procurement and Supply Manager  
From: Buyer II  
Subject: Records of Fees Negotiations – Request For Proposal (RFP)  
**RFP-PAG-014-006 Web Development, Hosting, Maintenance, & Support Services**

As a result of the RFP evaluation process, the Port Authority of Guam (PAG) solicited cost proposal from **(1-A) Guam WEBZ**, who was selected as the firm to provide Professional Services for the Web Development, Hosting, Maintenance, & Support. The established Cost Negotiation committee consisted of the following:

1. Joann Conway, Finance Division
2. Dennis Perez, I.T. Division
3. Anthony Yatar, I.T. Division

In response to PAG's letter dated September 15, 2014 to Guam WEBZ, the initial fee proposal was received on September 18, 2014. The proposed fees are made up of two (2) parts (see **Attachment No.1**):

1. Website Design and Development, one-time cost of **\$16,230.00**.
2. 360-Degree Website Management, in the amount of **\$22,200 annually** (\$1,850.00 monthly) for a three (3) years contract term period.

The Committee reviewed and discussed the firm's proposal on September 23, 2014. After an exchange of information and clarifications between both parties, the Committee met with Mr. Rhaj Sharma from Guam WEBZ to discuss proposed fees and the details of the web design work. As a result, a revised fee proposal was submitted on October 9, 2014 which represents a 24% reduction of fees and as shown below (see **Attachment No.2**):

- |                                    |                           |                    |
|------------------------------------|---------------------------|--------------------|
| 1. Website Design and Development: | <b>\$14,230.00</b>        | (one time cost)    |
| 2. 360-Degree Website Management,  | <b><u>\$15,000.00</u></b> | (1,250.00 monthly) |
| <b>Total:</b>                      | <b>\$29,230.00</b>        |                    |

The Committee convened on October 13, 2014 and unanimously elected to submit a counter offer (see **Attachment No.3**). The PAG's counter offer as shown below represents a **28% reduction** from the revised fee proposal:

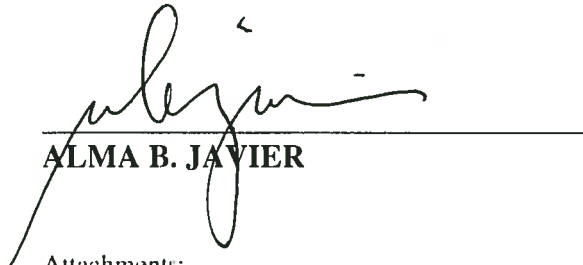
- |                                    |  |
|------------------------------------|--|
| 1. Website Design and Development: | <b>\$ 9,000.00</b>                             |
| 2. 360-Degree Website Management:  | <b><u>\$12,000.00</u> (\$1,000.00 monthly)</b> |
| Total:                             | <b>\$21,000.00</b>                             |

On October 13, 2014, Guam WEBZ has expressed their acceptance of PAG's counter offer as reflected in their email correspondence (see **Attachment No.4**). The Committee finds the negotiated cost to be fair and reasonable; therefore, recommends the contract award to Guam WEBZ.



**Eda Louise T. Nededog**

**Concurred:**



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**ALMA B. JAVIER**

**Approved:**



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**JOANNE M.S. BROWN**

Attachments:

- (No.1) - Guam WEBZ Fee Proposal
- (No.2) - Guam WEBZ Revised Fee Proposal
- (No.3) - PAG Counter Offer
- (No.4) - Email Acceptance of PAG Counter Offer

Cc: Procurement File





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



Eddie Baza Calvo  
Governor of Guam  
Ray Tenorio  
Lieutenant Governor

October 16, 2014

**MEMORANDUM**

**TO:** Board of Directors  
**FROM:** General Manager  
**SUBJECT:** FEMA Emergency Management Institute Training  
: E948 – Situation Awareness and Common Operating Picture

As you are aware, the Port Authority of Guam has in place an Incident Command Structure (ICS) as part of FEMA national security and FEMA Emergency Management Institute has scheduled a Situation Awareness and Common Operating Picture course for December 2014. With the completion of the Port Command Center, this course serves beneficial for two key Port personnel of the Port ICS Structure as it will help prepare these individuals to make prudent and structured decision-making through a series of emergency management planning and exercise session involving preparedness, response and recovery capabilities during natural and man-made incidents.

Board approval is hereby being requested to allow the following to attend the course.

**Purpose:** FEMA EMI Training  
: E948 Situation Awareness and Common Operating Picture  
**Travel Date:** December 15-18, 2014  
**Place:** Emmitsburg, Maryland  
**Participants:** Raymond B. Santos, Transportation Superintendent (ICS Deputy  
Operation Section Chief)  
Janice H. Flores, Planner Work Coordinator (ICS Situation Unit Leader)  
**Travel Cost:** 100% federally funded

I am available should you have any questions.

  
JOANNE M.S. BROWN