

**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM**

**Thursday, July 26, 2018, 3:00 p.m.
GIAA TERMINAL CONFERENCE ROOM #3**

1. CALL TO ORDER AND ATTENDANCE

The July 26, 2018 regular meeting of the Board of Directors of the A.B. Won Pat International Airport Authority, Guam ("GIAA" or the "Authority") was called to order by Chairman Duenas at 3:05 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:

Ricardo C. Duenas
Katherine C. Sgro
Gurvinder "Bic" Sobti
Martin J. Gerber
Lucy M. Alcorn
Rosalinda A. Tolan

Offices or positions:

Chairman

Board Secretary

Directors Absent:

Deedee S. Camacho (Excused)

GIAA Officials:

Pedro R. Martinez
Jean M. Arriola
Antonio Taitingfong
Edward Muna
Victor Cruz
Antoinette Bautista
Joseph Javellana
Henry Cruz
Elfrieda Koshiba

Deputy Executive Manager
Airport Services Manager
Assistant Chief, Airport Police
Superintendent of Operations
Engineering Supervisor
General Accounting Supervisor
Program Coordinator IV
Management Analyst I
Program Coordinator IV

Janalynn C. Damian, Esq.
Thomas J. Fisher, Esq.
Frank R. Santos

GIAA Legal Counsel
GIAA Conflicts Counsel
GIAA Consultant

Chairman Duenas welcomed Airport tenants, stakeholders, and members of the public who are noted in a sign-in sheet attached to these minutes.

2. APPROVAL OF AGENDA

Motion to approve the agenda as presented duly made by Director Tolan, seconded by Director Sobti; motion unanimously passed.

3. APPROVAL OF MINUTES

A. June 28, 2018 Regular Meeting

No corrections or changes recommended. On motion duly made by Director Alcorn, seconded by Director Gerber, the following resolution was unanimously passed:

Resolution No. 18-36

The Board hereby approves the minutes of the June 28, 2018 regular meeting, subject to corrections.

4. CORRESPONDENCE

Deputy Executive Manager Martinez had no Correspondence to report.

5. OLD BUSINESS

A. Status Updates of Capital Improvement Projects ("CIP")

Mr. Frank Santos, Consultant, provided brief highlights on Capital Improvement Projects for FY2018.

- International Arrivals Corridor with Building Seismic Upgrades: In regard to construction work on the specialty retail areas, the contractor has completed work on the Gucci boutique, and on August 1, 2018 will begin construction on the watches boutique. The watches boutique shutting down in August for a 3-4 week period will allow for a four (4) month construction period of the bridge between the two (2) buildings, instead of six (6). Heritage closure for bridge work delayed until the end of the year because of structural steel issues. Closure would have been six (6) months, but reduced two (2) months because addressing related issues in watches boutique now.
- ARFF Facility-Design/Construction Phase 1: Demolition of all vertical buildings is complete, the entire Hangar is down. Once all cleaned up, Phase II may begin.

6. NEW BUSINESS

A. Approval of Award for GIAA Aircraft Rescue Fire Fighting (ARFF) Facility Phase II - Construction - IFB No. GIAA-C03-FY18

Deputy Executive Manager Martinez provided background information to the Board on the referenced IFB. Forty-six (46) firms/individuals purchased bid packages and two (2) firms submitted a bid before the submission deadline. The two (2) firms were evaluated and determined to be acceptable. As required by the Guam Procurement Regulations, the bid was publicly opened and read aloud in the presence of the bidder. The bid price submittals are as follows:

Bidder/Firm's Name	Amount:
BME & Sons Inc.	\$18,113,152.00
ORION Construction Corporation, Guam	\$11,524,133.12

Deputy Executive Manager Martinez informed the Board that the lowest total bid amount received was from ORION at \$11,524,133.12, 51% below the government estimate of \$23,596,380.00. Because ORION's bid offer was so low as to appear unreasonable, the GIAA procurement office sought confirmation of the bid amount from ORION.

On July 13, 2018 GIAA sent a letter to ORION officially requesting that they confirm their total bid price amount. On July 13, 2018, ORION responded stating that after reviewing that the various pricing elements of the bid submitted that they were unable to confirm that number as they have discovered that the bid contains clerical errors and omissions. This involves an increase in the original bid price, but still leaves ORION as the lowest bidder. The firm provided an outline of the errors and omissions in the bid. ORION further requested to modify its bid to \$13,647,673.10 after bid opening.

Pursuant to law and regulation, ORION may not correct its bid and it has indicated it will not perform at their original offered amount. Accordingly, the GIAA procurement office should reject ORION's bid, and deemed the firm non-responsive.

Therefore, the lowest responsive total bid amount received was \$18,113,152.00, 23% below the government estimate. Funding for this project is available under an AIP Grant. Management recommends the contract award of \$18,113,152.00 to BME & Sons Inc., who has been determined to have met the standards of responsibility and responsiveness outlined in Guam Procurement Regulation.

Vice Chairperson Sgro inquired if legal counsel had reviewed the entire procurement process to ensure that the Airport has followed the procurement guidelines. Legal Counsel, Ms. Janalynn C. Damian informed the Board that Calvo Fisher & Jacob (CFJ) is recused from further working on this IFB due to a conflict of interest, and directed the Board to Mr. Thomas Fisher, GIAA Conflicts Counsel. Mr. Fisher informed the Board that the bid had been reviewed by CFJ up until the firm had realized the conflict of interest, who then referred the bid to Fisher & Associates. He added that Fisher & Associates have reviewed the bid from that point on.

Chairman Duenas clarified for the record that based on the review by the procurement office and conflicts counsel it was determined that ORION was non-responsive based on the material omissions made in their initial bid and procurement law does not allow for material changes to the bid after the bid opening, therefore ORION is considered non-responsive and not responsible. Brief discussion followed.

After further discussion, on motion duly made by Director Gerber, seconded by Director Alcorn, the following resolution was unanimously approved:

Resolution No. 18-37

The Board hereby approves the contract award for GIAA Aircraft Rescue Fire Fighting (ARFF) Facility Phase II - Construction - IFB No. GIAA-C03-FY18 to BME & Sons Inc. for a total contract amount of \$18,113,152.00, subject to review by legal counsel.

B. Ratification of Quarterly Travel

Deputy Executive Manager Martinez presented the quarterly travel from April to June 2018 for ratification by the Board.

After further discussion, on motion duly made by Director Gerber, seconded by Director Sobti, the following resolution was unanimously approved:

Resolution No. 18-38

The Board hereby ratifies the FY2018 3rd quarter travel report from April to June 2018 as presented.

At this time, Chairman Duenas announced that due to the lapse in term of the Vice Chairperson, Katherine Sgro, an election for the Vice Chair position should take place to formalize the process, and called for nominations.

Director Alcorn announced that she would like to nominate Director Sgro to the position of Vice Chairperson.

After further discussion, on motion duly made by Director Alcorn, seconded by Director Tolan, the following resolution was unanimously approved:

Resolution No. 18-39

The Board hereby approves the nomination of and elects Director Sgro to the position of the Vice Chairperson of the A.B. Won Pat International Airport Authority, Guam Board of Directors.

7. REPORT OF THE EXECUTIVE MANAGER

Reference is made to the Executive Manager's Report included as part of the Board's packet, which was presented by Deputy Executive Manager Martinez.

8. REPORT OF THE COMPTROLLER

Ms. Antoinette Bautista reported on the revenues and expenses of the Authority as of **June 30, 2018**. Ms. Bautista reported that year-to-date Total Signatory Revenues are below budgeted revenues by **-8.1%**, year-to-date Total Concession Revenues and Passenger Facility Charges are above and below budget by **-0.2%** and **-14.8%**, respectively. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues are above the budget estimate by **26.1%**. Year-to-date Total Operating Revenues Actual of **\$57.2M** is **0.4%** above the budget estimate of **\$57.0M**. Year-to-date Total Operating Expenses are below budget by **-2.1%**. Components of this line item include a **-1.0%** decrease in Personnel Service, a **4.2%** increase in Contractual Services, a **-70.6%** decrease in Materials & Supplies and a **45.8%** increase in Equipment/Furnishings from budgeted amounts for these respective categories. The actual year-to-date Net Revenues from Operations of **\$21.4M** reflects an increase of **4.8%** over the year-to-date budgeted amount of **\$20.4M**. Ms. Bautista reported that the year-to-date Debt Service Coverage is at **1.39** versus the requirement of **1.25**.

9. EXECUTIVE SESSION

The next item on the agenda was Executive Session.

Upon written recommendation of counsel, on motion duly made by Director Tolan, seconded by Director Gerber, and unanimously approved, the Board recessed to convene into Executive Session at 3:38 p.m.

The Board convened into Executive Session at 3:50 p.m. to discuss pending or threatened litigation to which GIAA is or may be a party. Attending Executive Session were Directors Duenas, Sgro, Sobti, Gerber, and Alcorn, Deputy Executive Manager Martinez, and Legal Counsel, Janalynn C. Damian, Eduardo Calvo and Genevieve Rapadas. Also present was the court reporter who will prepare a transcript of the Executive session.

On motion duly made by Director Alcorn, seconded by Vice Chairperson Sgro, Executive Session adjourned at 4:05 p.m., at which time the Board reconvened regular session.

Chairman Duenas announced for the record that Director Tolan did not participate in Executive Session due to conflicts of interest and was excused from the Board meeting at 3:50 p.m.

As a result of discussion during Executive Session, Chairman Duenas announced that there was a matter for board approval, and presented the matter to the Board.

After further discussion, on motion duly made by Vice Chairperson Sgro, seconded by Director Sobti, the following resolution was unanimously approved:

Resolution No. 18-39

The Board hereby approves and ratifies the filing of the appeal of the amended judgment and motion to expedite the appeal with regard to CV0943-14 and authorizes Management and Legal Counsel to engage the Attorney General about filing an amicus brief for taking any other action in support of GIAA's position.

10. PUBLIC COMMENTS

There were no Public Comments.

11. ADJOURNMENT

Motion to adjourn duly made by Director Alcorn, seconded by Director Sgro; motion unanimously passed. The meeting was adjourned at 4:07 p.m.

Dated this 30th, day of August, 2018.



Ricardo C. Duenas
Chairman

Attest:



Gurvinder Sobti
Secretary

Prepared and Submitted By:



Amanda O'Brien-Rios
Corresponding Secretary

BOARD OF DIRECTORS REGULAR MEETING
3:00 p.m., Thursday, July 26, 2018
GIAA TERMINAL CONFERENCE ROOM #3

Public Notice

First Notice:

Guam Daily Post–July 18, 2018

Notice to Media – July 18, 2018

Second Notice:

Guam Daily Post–July 24, 2018

Notice to Media –July 24, 2018

AGENDA


1. Call to Order and Attendance
2. Approval of Agenda
3. Approval of Minutes
 - A. June 28, 2018 Regular Meeting
4. Correspondence
5. Old Business
 - A. Status Updates of Capital Improvement Projects
6. New Business
 - A. Approval of Award for GIAA Aircraft Rescue Fire Fighting (ARFF) Facility Phase II - Construction - IFB No. GIAA-C03-FY18
 - B. Ratification of Quarterly Travel
7. Report of Executive Manager
8. Report of the Comptroller
9. Executive Session
10. Public Comments
11. Adjournment



A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Board of Directors Regular Meeting
3:00 p.m., Thursday, July 26, 2018
GIAA Terminal Conference Room #3

SIGN-IN SHEET

	<u>PRINT NAME</u>	<u>COMPANY/AGENCY</u>
1.	<u>UNNNNN</u>	<u>GIAA - OPS</u>
2.	<u>ANN BAUTIST</u>	<u>GIAA - ACFT</u>
3.	<u>Thomas Fisher</u>	<u>Fisher + Associates</u>
4.	<u>Henry Cruz</u>	<u>GIAA - PROL</u>
5.	<u>VICTOR J. CRUZ</u>	<u>GIAA</u>
6.	<u>Kevin Taro</u>	<u>Pacific Daily News</u>
7.	<u>JOAN ARRIOLA</u>	<u>GIAA - Adm</u>
8.	<u>Guillermo Mune</u>	<u>AM Inc</u>
9.	<u>FRANK SANTOS</u>	<u>GIAA TMG</u>
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CURRENCY EXCHANGE RATES On July 17, \$1 was worth:	Keep posted and get more data and details online. Log on to see real time market data with our stock market tool at postguam.com/stock_market .							
	53.435 PHP	112.36 JPY	1,124.10 KRW	30.506 TWD NT\$	6.6820 CNY	1.3456 AUD A\$	0.8527 EUR €	

DFS v. airport cleared to be heard by Guam Supreme Court

By Kevin Kerrigan
kevin@postguam.com

After more than five months of courtroom wrangling, the procurement dispute between DFS Guam and the A.B. Won Pat Guam International Airport Authority can now move forward to the Supreme Court of Guam for a final resolution.

The case has been in legal limbo since the Feb. 2 decision issued by Judge Arthur Barcinas of the Superior Court of Guam when he voided the 10-year, \$154 million specialty retail concession contract that GIAA awarded to Lotte Duty Free Guam.

GIAA sought an immediate appeal to the Supreme Court in hopes of overturning the decision, arguing that the uncertainty created by voiding the contract with Lotte was causing the airport financial harm.

However, DFS wanted the decision amended before the appeal went before the high court. DFS argued that Judge Barcinas erred by not setting a deadline for Lotte to leave the concession space and for a new procurement to be issued.

Debate on these issues dragged on for months until Monday when Barcinas issued an order.

'Multiple violations'

Barcinas reaffirmed virtually all his previous findings, concluding that GIAA had "committed multiple violations" of Guam's procurement law and deprived DFS, and the other bidders, of "a full and fair consideration of their proposals."

However, the judge did not grant



DFS: T Galleria by DFS in Tumon is shown. A new Superior Court of Guam decision upheld a judge's prior decision in favor of travel retailer DFS Guam, and the case can now move forward to the Supreme Court of Guam for a final resolution. David Castro/The Guam Daily Post



Concession contract

DFS Guam had held the retail concession contract at the airport for about 40 years prior to the May 2013 decision by the airport to award it to Lotte Duty Free Guam.

DFS' request to set a deadline for Lotte to go, and he denied DFS' claim of "costs other than attorneys' fees."

The judge made one change in his final order, conceding that he had exceeded his authority by ordering GIAA "to abide by the terms of its concession agreement until a replacement duty-free operator

could be found."

He explained he issued that order in "the public's interest" to ensure continued occupancy of the airport retail space and the income from it for GIAA. On reconsideration, however, the judge acknowledged that "the court erred by ordering a remedy unsupported by the Procurement Code." He amended his final judgment to eliminate that requirement.

Longtime concessionaire

DFS had held the retail concession contract at the airport for about 40 years prior to the May 2013 decision by the airport to award it to Lotte. The subsequent lawsuit filed by DFS is in its sixth year.

The case now moves on to the Supreme Court on the airport's motion for appeal and it may be another year before a final decision is reached.

In his Monday decision, Barcinas extended the stay of his Feb. 2 judgment pending the outcome of that appeal.

DFS attorney Patrick Civile declined to comment on the latest ruling from Barcinas, saying it is still being reviewed. However, Civile did say that the judge's ruling is "quite clear" and "the airport should be making plans right now to reissue the RFP."

GIAA attorney Genevieve Rapadas did not return a call for comment as of press time.

Asia stocks sag on oil's slide

TOKYO (Reuters) - Asian stocks were mostly lower on Tuesday, with a sharp decline in crude oil prices weighing on energy shares, while the dollar dipped ahead of Federal Reserve Chairman Jerome Powell's first U.S. congressional testimony.

Overnight on Wall Street, the Dow edged up 0.2 percent but the S&P 500 lost 0.1 percent as energy shares were hit by the drop in oil that offset a jump in financials.

MSCI's broadest index of Asia-Pacific shares outside Japan was 0.3 percent lower following two sessions of gains.

Chinese shares extended losses after dropping the previous day on soft economic data. The Shanghai

Composite Index fell 1.1 percent, as did Hong Kong's Hang Seng.

South Korea's KOSPI was flat. Japan's Nikkei rose 0.8 percent, supported by exporters' gains.

"Crude has been rising steadily so some kind of adjustment was due. From this context the impact on the broader economy, inflation and therefore the stock markets should be limited," said Soichiro Monji, senior economist at Daiwa SB Investments in Tokyo.

Crude prices slumped more than 4 percent on Monday, with Brent futures reaching a three-month low of \$71.52 a barrel, as Libyan ports reopened and traders eyed potential supply increases by Russia and other producers.



PUBLIC NOTICE ANNOUNCEMENT

The Guam Visitors Bureau will hold a Regular Meeting of the Board of Directors on **Thursday, July 26, 2018 at 4:30 p.m. in GVB's Main Conference Room.** Any individuals needing special accommodations are requested to contact GVB at 646-5278 for assistance.

This ad was paid for by the GVB Membership Fund.



The Honorable
EDDIE B. CALVO
Governor

The Honorable
RAY TENORIO
Lt. Governor



PUBLIC NOTICE

The Board of Directors of the A.B. Won Pat International Airport Authority, Guam (GIAA) will convene its Regular Board meeting on Thursday, July 26, 2018 at 3:00 p.m. in Terminal Conference Room No. 3. In addition to regular matters, pursuant to 5 G.C.A. §8111(c)(2), Executive Session will be held to discuss pending litigation to which GIAA is a party. Parking is available in the Public Parking Lot.

For special accommodations or agenda items, please call the Board Office at 642-4717/18.

(This ad paid for by GIAA)

2 men charged in stabbing at hotel construction site

By Jamie Ward
jamie@postguam.com

Police have arrested a man in connection with a stabbing July 19 at the Tsubaki Tower hotel construction site. Another man remains at large as of press time.

Iain Nifini, 32, was arrested and charged with two counts of felony assault. Police are still looking for the second suspect, Erno Manner, 19, who faces the same charges as Nifini.

Both men are also facing a special allegation of using a deadly weapon in the assault.

According to a Superior Court of Guam magistrate report, the stabbing occurred after a site manager intervened in an argument between a worker and Manner, who was instructed by the manager to leave the job site. Manner was allegedly ordered to be escorted by Nifini, and when the supervisor saw Manner and Nifini walking away from the site, he left. Soon afterward, the manager heard the man involved in the argument had been stabbed. The victim was treated at Guam Regional Medical City for a punctured lung, the result of "multiple stab wounds to his back torso and right shoulder," the complaint states.

At GRMC, officers with the Guam



WORKSITE: Construction on Tsubaki Tower continues in Tumon. A worker recently was injured in a stabbing at the construction site.
David Castro/The Guam Daily Post



Iain
Nifini



Erno
Manner

Police Department interviewed the victim, who said the argument with Manner had been over a wire discov-

ered by the victim during a check for unsecured debris at the Tumon Bay construction site.

The victim said he was approached by Nifini, who identified himself as Manner's brother. Nifini allegedly pushed the victim and challenged him to fight, and when Manner also tried to get the victim to fight, the manager intervened.

After the manager thought the two had left, the victim was "ambushed," according to the report.

The victim reported one of the men "held his shoulders while the other stabbed him repeatedly with a knife taken from a backpack." After that, whoever was holding him allegedly said "now you hurt" in the Chuukese language. The victim reported asking the men to stop, at which time they did.

GPDeventuallylocated Nifini, who allegedly told someone else that he only held the victim and that it was the victim who was the primary aggressor. The report further states Nifini told police that Manner was the one involved in the alleged altercation with him, but that "the fight was only a physical one involving wrestling on the ground and pulling hair."

Nifini did not admit to having stabbed the victim.



RESTRICTIONS: A sign at the Piti Bomb Holes preserve details fishing restrictions for the area. Post file photo

Officers net 5 in illegal fishing

Guam Department of Agriculture conservation officers have arrested five people accused of fishing in a marine preserve.

According to a release from the department, at about 11 p.m. Thursday conservation officers observed lights actively scanning underwater in the Piti Bomb Holes marine preserve.

The officers waited and, just before midnight, five men came ashore at the War in the Pacific National Historical Park in Asan. The release states all five had fishing slings, masks and snorkels, underwater flashlights and wire strings loaded with various reef fish.

Booked and confined

All five were booked and confined.

They have been identified as 34-year old Soma Lucke, 41-year-old Renso Reas, 33-year-old Bryan Aitel, 41-year-old Mike Roku and 19-year-old David John.

(Daily Post Staff)

Arrests

Soma Lucke, 34; Renso Reas, 41; Bryan Aitel, 33; Mike Roku, 41; and David John, 19, are accused of fishing in a marine preserve.



Eddie Baza Calvo
Governor

GSA General Services Agency

(Ahensian Setbision Hinirat)
Department of Administration
Government of Guam

148 Route 1 Marine Drive, Piti, Guam 96915
Tel: 475-1707-13 Fax: 475-1716/475-1727

THIS ADVERTISEMENT WAS PAID WITH GOVERNMENT FUNDS BY:

DEPARTMENT OF AGRICULTURE

A non-refundable fee of \$10.00 per bid package will be assessed.
Certified Check, Cashier's Check or Cash will be accepted. No personal or company check.
Bid package may be picked up 8:00 am – 3:00 pm. Payment(s) will not be accepted after 3:00 pm.

INVITATION FOR BID

BID NO.: GSA-035-18
FOR: PICKUP TRUCK, OFFROAD 4WD, DOUBLE CAB (LATEST MODEL)
SUBMISSION DATE: August 8, 2018 **Time:** 10:00 am
Place: GENERAL SERVICES AGENCY, PITI GUAM

Note: Bid packages could be picked up at the General Services Agency located in Piti Guam next to the fire station or may be acquired in the GSA Website: gas.doa.guam.gov; please follow the instructions once downloaded.

The bid package will be available at GSA in Piti commencing on date of advertisement up to the opening date and time stated above or can be downloaded from the GSA website: gas.doa.guam.gov from the date of advertisement.

GSA recommends that prospective bidders register current contact information with GSA to ensure they receive any notices regarding any changes or updates to the IFB. The procuring agency and GSA will not be liable for failure to provide notice to any party who did not register current contact information.

/s/ CLAUDIA S. ACALLE
Chief Procurement Officer



Ray Tenorio
Lt. Governor



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A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Thursday, June 28, 2018, 3:00 p.m.
GIAA TERMINAL CONFERENCE ROOM #3**

1. CALL TO ORDER AND ATTENDANCE

The June 28, 2018 regular meeting of the Board of Directors of the A.B. Won Pat International Airport Authority, Guam ("GIAA" or the "Authority") was called to order by Chairman Duenas at 3:05 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:

Ricardo C. Duenas
Gurvinder "Bic" Sobti
Martin J. Gerber
Lucy M. Alcorn
Rosalinda A. Tolan
Deedee S. Camacho

Offices or positions:

Chairman
Board Secretary

Directors Absent:

GIAA Officials:

Charles H. Ada II
Pedro R. Martinez
Jean M. Arriola
Gerard Bautista
Raymond Mantanona
Antonio Taitingfong
Edward Muna
Victor Cruz
Antoinette Bautista
Rolenda Faasuamalie
Joseph Javellana
Henry Cruz

Executive Manager
Deputy Executive Manager
Airport Services Manager
Air Terminal Manager
ARFF Chief
Assistant Chief, Airport Police
Superintendent of Operations
Engineering Supervisor
General Accounting Supervisor
Airport Marketing Administrator
Program Coordinator IV
Management Analyst I

Janalynn C. Damian, Esq.
Frank R. Santos

GIAA Legal Counsel
GIAA Consultant

Chairman Duenas welcomed Airport tenants, stakeholders, and members of the public who are noted in a sign-in sheet attached to these minutes.

Before proceeding with the Board meeting, legal counsel explained to the Board the status of Vice Chairperson Sgro's appointment, stating that her current term expired and her re-appointment is pending confirmation, along with Director Camacho.

2. APPROVAL OF AGENDA

Motion to approve the agenda as presented duly made by Director Tolan, seconded by Director Camacho; motion unanimously passed.

3. APPROVAL OF MINUTES

A. May 24, 2018 Regular Meeting

No corrections or changes recommended. On motion duly made by Director Gerber, seconded by Director Sobti, the following resolution was unanimously passed:

Resolution No. 18-33

The Board hereby approves the minutes of the May 24, 2018 regular meeting, subject to corrections.

4. CORRESPONDENCE

The Executive Manager announced to the Board that the Airport had received notice from the Airport Transport Research Society (ATRS) of the selection of the Authority as The Most Efficient Airport in the Under 10 Million Passenger category in Asia Pacific Region. This was based on FY2016 data, and this award will be presented at the World ATRS Conference to be held in Korea, July 2 - 5, 2018. Chairman Duenas and a number of employees will attend the conference to receive the award. The Chairman congratulated Management and staff.

5. OLD BUSINESS

A. Status Updates of Capital Improvement Projects ("CIP")

Mr. Frank Santos, Consultant, provided brief highlights on Capital Improvement Projects for FY2018.

- International Arrivals Corridor with Building Seismic Upgrades: The contract completion date remains in September 2019, with a strong possibility of a delay. Project is now at Gate 6 and 7. Coach boutique is currently closed because of construction and should be done by the end of the month. Gucci will then be closed for 2-3 weeks. Once the contractor is completed with Pod 2, Gate 6 will reopen, Gate 9 will then close, moving the Honolulu flights to Gate 8. In the Arrivals area, the carousels in baggage claim are being worked on one by one, always leaving one active.

- Noise Mitigation Program 65 DNL & Higher: Noise measurements were completed for 22 homes. Based on the preliminary results, there will be homes slated for sound proofing. In a teleconference with FAA, it was discussed that the Airport will proceed in two (2) phases. First, once calculations are complete, the designer will proceed on bid packages for those home that are eligible. Second, to schedule the next batch of homes to have noise measurements performed. There are forty (40) homes expected to have measurements completed in August 2018.
- Wildlife Management Assessment: Grant is complete, and should be closed out in the coming weeks. The assessment report completed by PCR is with USDA for review, and after the assessment is completed the Wildlife Management Program will be set up.
- Safety Management System: Project is near completion, review with the FAA scheduled for July 6, 2018.
- ARFF Facility-Design/Construction Phase 1/2: Phase I, demolition of the hangar is in progress, portions of the building have already been demolished. Phase II bid opening has been scheduled for July 6, 2018.
- Apron Rehabilitation - Design: Execution of agreement is in progress.
- Rehabilitation Runway 6L - Design: Execution of agreement is in progress.

With regard to the Arrivals Corridor, the Chairman inquired on the how long the Coach boutique has been closed, and if there has been any feedback from the concessionaire regarding the closure. Mr. Santos replied stated that the boutique has been closed for three (3) weeks. As for feedback from the concessionaire, Mr. Santos informed the Board that the Airport's intent is to assess impact at completion.

Director Tolan inquired on the renovations to the restrooms outside the Board conference room. Mr. Santos informed the Board that they are expected to reopen by the end of July 2018 along with the restrooms in the Tower.

6. NEW BUSINESS

A. Approval of Board Resolution 18-34: Agreement for Legal Services

The next item discussed was the extension of the Agreement for Legal Services with Torres Law Group, conflicts counsel. Legal counsel, Janalynn Damian informed the Board that the one (1) year extension would be the third of four options to extend.

Director Sobti and Director Gerber did not participate in the discussion or vote on the referenced extension to Legal Services Agreement due to a conflict of interest with Torres Law Group.

After further discussion, on motion duly made by Director Alcorn, seconded by Director Camacho, the following resolution was unanimously approved:

Resolution No. 18-34

WHEREAS, an Agreement for Legal Services - Conflicts Counsel was entered into on August 1, 2015, by and between the ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM ("GIAA") and Torres Law Group ("Torres") (the "Torres Agreement"); and

WHEREAS, the Torres Agreement provides for a term of one year commencing on August 1, 2015, with four (4) options to extend for a period of one (1) year each, not to exceed a total contract period of five (5) years with GIAA approval; and

WHEREAS, on June 9, 2016, by Resolution No. 16-38, the Board of Directors approved the extension of the Torres Agreement for an additional one year period (1st Option) commencing on August 1, 2016, and expiring on July 31, 2017, under the same terms and conditions as set forth in the Torres Agreement; and

WHEREAS, on July 27, 2017, by Resolution No. 17-41, the Board of Directors approved the extension of the Torres Agreement for an additional one year period (2nd Option) commencing on August 1, 2017, and expiring on July 31, 2018, under the same terms and conditions as set forth in the Torres Agreement; and

WHEREAS, the Board of Directors has determined that GIAA continues to require the services of Torres and that it is in the best interests of GIAA to extend the term of the Torres Agreement for an additional one year period commencing on August 1, 2018, under the same terms and conditions as set forth in the Torres Agreement.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of GIAA hereby extends the term of the Torres Agreement for an additional one year period commencing on August 1, 2018 and expiring on July 31, 2019, under the same terms and conditions as set forth in the Torres Agreement; and

7. REPORT OF THE EXECUTIVE MANAGER

Reference is made to the Executive Manager's Report included as part of the Board's packet, which was presented by Executive Manager Ada.

8. REPORT OF THE COMPTROLLER

Ms. Antoinette Bautista reported on the revenues and expenses of the Authority as of **May 31, 2018**. Ms. Bautista reported that year-to-date Total Signatory Revenues are below budgeted revenues by **-7.9%**, year-to-date Total Concession Revenues and Passenger Facility Charges are above and below budget by **0.4%** and **-14.8%**, respectively. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues are above the budget estimate by **29.9%**.

Year-to-date Total Operating Revenues Actual of **\$51.2M** is **1.3%** above the budget estimate of **\$50.6M**. Year-to-date Total Operating Expenses are below budget by **-3.3%**. Components of this line item include a **-1.7%** decrease in Personnel Service, a **3.0%** increase in Contractual Services, a **-72.8%** decrease in Materials & Supplies and a **45.8%** increase in Equipment/Furnishings from budgeted amounts for these respective categories. The actual year-to-date Net Revenues from Operations of **\$19.3M** reflects an increase of **10.0%** over the year-to-date budgeted amount of **\$17.5M**. Mr. Rios reported that the year-to-date Debt Service Coverage is at **1.61** versus the requirement of **1.25**.

9. EXECUTIVE SESSION

The next item on the agenda was Executive Session.

Upon written recommendation of counsel, on motion duly made by Director Tolan, seconded by Director Gerber, and unanimously approved, the Board recessed to convene into Executive Session at 3:30 p.m.

The Board convened into Executive Session at 3:35 p.m. to discuss pending or threatened litigation to which GIAA is or may be a party. Attending Executive Session were Directors Duenas, Sobti, Gerber, and Alcorn, Executive Manager Ada, and Legal Counsel, Janalynn C. Damian and Genevieve Rapadas. Also present was the court reporter who will prepare a transcript of the Executive session.

Director Tolan and Director Camacho did not participate in Executive Session due to conflicts of interest.

Executive Session adjourned at 4:14 p.m., at which time the Board reconvened the regular session.

All Board members present in the conference room.

As a result of discussion during Executive Session, Chairman Duenas announced that there was a matter for board approval, and asked that Legal Counsel present the matter to the Board.

After further discussion, on motion duly made by Director Gerber, seconded by Director Alcorn, the following resolution was unanimously approved:

Resolution No. 18-35

The Board hereby grants authority to the Chairman of the Board and Management to continue settlement discussions with regard to DFS holdover related cases, subject to final Board approval.

The Executive Manager took this time to announce the retirement of one of the Authority's electricians, Mr. Wilfredo Santos after 22 years of service to the Airport.

The Executive Manager also added that the Airport will have a float at the upcoming Liberation Day Parade on July 21, 2018.

10. PUBLIC COMMENTS

There were no Public Comments

11. ADJOURNMENT

Motion to adjourn duly made by Director Tolan, seconded by Director Alcorn; motion unanimously passed. The meeting was adjourned at 4:16 p.m.

Dated this _____, day of _____, 2018.

Attest:

Ricardo C. Duenas
Chairman

Gurvinder Sobti
Secretary

Prepared and Submitted By:

Amanda O'Brien-Rios
Corresponding Secretary



A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
CAPITAL IMPROVEMENT PROJECTS FOR FISCAL YEARS THROUGH 2018
as of 07/26/18

		PROJECT NAME	Bond	Federal	CIF	Total	Payment	Balance
		I. ONGOING						
1	AIP 97 AIP 100	Int'l Arrivals Corridor w/Bldg Seismic Upgrades	96,108,007	22,200,000	1,993,641	120,301,648	44,851,874	75,449,774
3	AIP 93	Noise Mitigation Program 65 DNL & Higher - Phase		2,000,000	200,000	2,200,000	218,586	1,981,414
4	AIP 94	Miscellaneous Airport Improvements - Ph 5		706,077	78,453	784,530	706,004	78,526
5	AIP 95	Wildlife Management Assessment		100,000	10,000	110,000	95,625	14,375
6	AIP 96	Safety Management System		150,000	30,000	180,000	161,117	18,883
7	AIP 98 AIP 101	ARFF Facility-Design/Construction Phase 1/2	422,472	4,500,000	488,889	5,411,361	1,206,264	4,205,098
8	AIP 99 AIP 102	Apron Rehabilitation - Design		1,810,000	192,112	2,002,112	436,341	1,565,771
9	AIP 103	Rehabilitation Runway 6L - Design		750,000	83,334	833,334	1,944	831,390
10		Hold Bag Screening Relocation	5,369,933	24,899,330	260,092	30,529,355	30,451,201	78,155
11		Parking Expansion	1,654,912		904,881	2,559,793	1,654,912	904,881
12		Upgrade Airport IT & FMS	389,118		1,000,000	1,389,118	886,663	502,455
13		SSCP Improvements			2,000,000	2,000,000	18,403	1,981,597
14		Art Program	639,000		-	639,000	-	639,000
15		Improve Leasehold Facilities (GSE, Tech, HC-5)			2,971,312	2,971,312	2,236,366	734,946
16		Tiyan Land Acquisition & Redevelopment			725,604	725,604	715,678	9,926
17		Facilities Fire Alarm/Suppression System			3,223,301	3,223,301	3,126,675	96,626
18		Upgrades to Public Restrooms - Final Phase			2,929,937	2,929,937	2,563,551	366,386
19		Maintenance Equipment			101,625	101,625	101,625	-
20		Airport Facilities Upgrades, Phased			4,971,711	4,971,711	4,809,764	161,948
21		Painting & Exterior Surface Improvements and Replace Roofing Systems			2,509,934	2,509,934	2,481,074	28,860
		Totals:	\$ 104,583,442	\$ 57,115,407	\$ 24,674,827	\$ 186,373,677	\$ 96,723,666	\$ 89,650,010

**ANTONIO B. WON PAT
INTERNATIONAL AIRPORT AUTHORITY, GUAM
BOARD OF DIRECTORS
EXECUTIVE SUMMARY**

**INVITATION FOR BID
GIAA AIRCRAFT RESCUE FIRE FIGHTING (ARFF) FACILITY
PHASE II - CONSTRUCTION
IFB NO. GIAA-C03-FY17
PROJECT NO. GIAA-FY15-04-5; AIP No. 3-66-0001-XXX**

July 26, 2018

Purpose

Board action is requested to approve the bid award of the above project under the Invitation For Bid No. GIAA-C03-FY17.

Background

The project is to provide construction work inclusive of all labor, materials, supplies and equipment to GIAA (ARFF) Facility Phase II – Construction.

Procurement Background

The solicitation announcement was advertised through a local newspaper on May 11, 15, and 24, and on June 4, 18, and 28. The bid submission deadline and bid opening took place on July 6, 2018.

Forty-Six (46) firms/individuals downloaded or purchased bid packages and Two (2) firms submitted bids before the submission deadline. The firms were evaluated and all were determined to be acceptable. As required by the Procurement Rules and Regulations, the bids were publicly opened and read aloud in the presence of the bidders.

The submitted bids are presented below:

Bidder/Firm's Name	Amount:
BME & Sons Inc.	\$18,113,152.00
ORION Construction Corporation, Guam	\$11,524,133.12

Legal Review

Upon receipt of the required Performance and Payment Bonds, contract documents will be forwarded to legal counsel for review prior to execution and issuance of Notice to Proceed.

Financial Review

The lowest total bid amount received was from ORION at \$11,524,133.12 or 51% below the government estimate of \$23,596,380.00. Because ORION's offer was so low as to appear unreasonable, the GIAA procurement office sought confirmation from ORION that \$11,524,133.12 was in fact the amount it intended to offer. See 2 Guam Admin R. and Reg. §3109(m)(3), "When the Procurement Officer knows or has reason to conclude that a mistake has been made, such officer should request the bidder to confirm the bid. situations in which confirmation should be requested include obvious, apparent errors on the face of the bid or a bid unreasonably lower than the other bids submitted. If the bidder alleges mistake, the bid may be corrected or withdrawn if the conditions set forth in Subsections 3109(m)(4) through 3109(m)(6) of this Section are met." On July 10, 2013, GIAA sent a letter to ORION officially requesting that they confirm their total bid price amount. On July 13, 2018, ORION responded to the GIAA's request for confirmation and stated "Regretfully, after having reviewed the various pricing elements of our bid, we are unable to confirm that number as we have discovered that the bid contains clerical errors and omissions. This involves an increase in the original bid price, but still leaves ORION as the lowest bidder. Enclosed herewith is an outline of the errors and omissions in our bid. We respectfully request that ORION be allowed to modify its bid to \$13,647,673.10." Thus, ORION asked to be allowed to modify its offer after bid opening.

After further analysis and evaluation, it seems clear that the "mistake" in ORION's bid was neither insignificant nor one of form. Neither was the correct bid amount evident from the bid itself. Pursuant to law and regulation then, ORION may not correct its bid and it has indicated it will not perform at their original offered amount. Accordingly, the GIAA procurement office should reject ORION's bid. ORION will not perform if it were awarded the contract and, in any case, a submission of an abnormally low bid may reflect on that bidder's responsibility. It may be said then that ORION is not the lowest responsible bidder and is not entitled to an award. See 5 Guam Code Ann. §5211(g), "The contract shall be awarded with reasonable promptness by written notice to the lowest responsible bidder whose bid meets the requirements and criteria set forth in the Invitation for Bids" Additionally, ORION did not respond to the call of the bid. For example, and by your own admission, ORION did not offer items such as access flooring, furniture, miscellaneous equipment, a copy machine, grade beams, roof beams, a diesel fuel oil distribution system, a double sink, and a fire station alerting system. A responsive bid is one which conforms in all material respects to the Invitation for Bids. See 5 Guam Code Ann. §5201(g). Because of these various omissions, ORION has not submitted a conforming bid, it is therefore non-responsive.

Therefore, the lowest responsive total bid amount received was \$18,113,152.00 or 23% below the government estimate. Funding for this project is available under an AIP Grant.

Recommendation

Management recommends the contract award of **\$18,113,152.00** to **BME & Sons Inc.**, who has been determined to have met the standards of responsibility and responsiveness outlined in Guam Procurement Regulation.

July 23, 2018

MEMORANDUM

TO: Charles H. Ada II
Executive Manager

via Jean M. Arriola
Airport Services Manager

FROM: Henry M. Cruz
Management Analyst I

**SUBJECT: Bid Evaluation and Recommendation – Invitation for Bid
GIAA Aircraft Rescue Fire Fighting (ARFF) Facility Phase II -
Construction
IFB No. GIAA-C03-FY18
Project No. GIAA-FY15-04-5; AIP No. 3-66-0001-XXX**

Procurement Background:

The above referenced Invitation For Bid was publicly announced through the local newspaper on May 11, 15, and 24, and on June 4, 18, and 28. The bid submission deadline and bid opening took place on July 6, 2018 at 2:00 p.m.

Forty-Six (46) firms/individuals downloaded or purchased the bid package and Two (2) firms submitted a bid on the bid submission deadline. The bid submittal was opened in the presence of the bidders and several GIAA representatives. The bid offer was read aloud by the Single Point of Contact for this procurement and tabulated by Procurement staff.

The results of the bid price submittals are as follows in the order it was received and opened:

Bidder/Firm's Name	Amount:
BME & Sons Inc.	\$18,113,152.00
ORION Construction Corporation, Guam	\$11,524,133.12

Bid Analysis and Evaluation:

Pursuant to Section 9 of the Instructions to Bidders, the contract is to be awarded, if it is

to be awarded, as soon as possible to the lowest responsible, responsive bidder. To determine the responsibility of bidders, the bid package specified the required documents that bidders must submit with their bid packages. The attached abstract illustrates the inventory of required documents and bidders' submittal. The government estimate for this project is at \$23,596,380.00

BME & Sons Inc.: The firm submitted a total bid price \$18,113,152.00 or 23% below the government estimate. The submitted Bidder's Qualification Statement form included lists of projects from 2013-2018 with resumes. The bidder submitted a copy of their Guam Contractor's License # C-0418-0055. All other required documents are complete and in conformance with the Invitation for Bid.

ORION Construction Corporation - Guam: The firm submitted a total bid price \$11,524,133.12 or 51% below the government estimate. The submitted Bidder's Qualification Statement form included lists of projects from 2013-2018 with resumes. The bidder submitted a copy of their Guam Contractor's License # C-0618-0887. All other required documents are complete and in conformance with the Invitation for Bid.

Because ORION's offer was so low as to appear unreasonable, the GIAA procurement office sought confirmation from ORION that \$11,524,133.12 was in fact the amount it intended to offer. See 2 Guam Admin R. and Reg. §3109(m)(3), "When the Procurement Officer knows or has reason to conclude that a mistake has been made, such officer should request the bidder to confirm the bid. situations in which confirmation should be requested include obvious, apparent errors on the face of the bid or a bid unreasonably lower than the other bids submitted. If the bidder alleges mistake, the bid may be corrected or withdrawn if the conditions set forth in Subsections 3109(m)(4) through 3109(m)(6) of this Section are met." On July 10, 2013, GIAA sent a letter to ORION officially requesting that they confirm their total bid price amount. On July 13, 2018, ORION responded to the GIAA's request for confirmation and stated "Regretfully, after having reviewed the various pricing elements of our bid, we are unable to confirm that number as we have discovered that the bid contains clerical errors and omissions. This involves an increase in the original bid price, but still leaves ORION as the lowest bidder. Enclosed herewith is an outline of the errors and omissions in our bid. We respectfully request that ORION be allowed to modify its bid to \$13,647,673.10." Thus, ORION asked to be allowed to modify its offer after bid opening.

After further analysis and evaluation, it seems clear that the "mistake" in ORION's bid was neither insignificant nor one of form. Neither was the correct bid amount evident from the bid itself. Pursuant to law and regulation then, ORION may not correct its bid and it has indicated it will not perform at their original offered amount. Accordingly, the GIAA procurement office should reject ORION's bid. ORION will not perform if it were awarded the contract and, in any case, a submission of an abnormally low bid may reflect on that bidder's responsibility. It may be said then that ORION is not the lowest responsible bidder and is not entitled to an award. See 5 Guam Code Ann. §5211(g), "The contract shall be awarded with reasonable promptness by written notice to the lowest responsible bidder whose bid meets the requirements and criteria set forth in the Invitation for Bids . . ." Additionally, ORION did not respond to the call of the bid. For example, and by your own admission, ORION did not offer items such as access flooring, furniture, miscellaneous equipment, a copy machine, grade beams, roof beams, a diesel fuel oil distribution system, a double sink, and a fire station alerting system. A responsive bid is one which conforms in all material respects to the Invitation for Bids. See 5 Guam

Code Ann. §5201(g). Because of these various omissions, ORION has not submitted a conforming bid, it is therefore non-responsive.

Recommendation:

BME & Sons Inc. has been determined to have met the standards of responsibility and responsiveness outlined in the Guam Procurement Regulations and is deemed to be the lowest responsible, responsive bidder.

Therefore, it is recommended that **BME & Sons Inc.** be awarded the contract in the amount of **\$18,113,152.00** for this project.

Should you have any questions or concerns, I am available at your request.



Henry M. Cruz
Management Analyst I

APPROVED:



CHARLES H. ADA II
Executive Manager

Attachment

cc: Admin/Proc/Eng

AFFIDAVIT DISCLOSING OWNERSHIP AND COMMISSIONS

CITY OF Mangilao)
Guam) ss.
_____)

A. I, the undersigned, being first duly sworn, depose and say that I am an authorized representative of the offeror and that *[please check only one]*:

☐ The offeror is an individual or sole proprietor and owns the entire (100%) interest in the offering business.


[X] The offeror is a corporation, partnership, joint venture, or association known as [please state name of offeror company] Bme & Sons, Inc., and the persons, companies, partners, or joint venturers who have held more than 10% of the shares or interest in the offering business during the 365 days immediately preceding the submission date of the proposal are as follows [if none, please so state]:

<u>Name</u>	<u>Address</u>	<u>% of Interest</u>
<u>Bernie V. Maranan</u>	<u>112 Orchid Lane Latte Heights</u>	<u>70</u>
<u>Danny P. Natividad</u>	<u>145 Atgudion St. Mangilao</u>	<u>20</u>
<u>Bernadette P. Maranan</u>	<u>112 Orchid Lane Latte Heights</u>	<u>10</u>

B. Further, I say that the persons who have received or are entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid or proposal for which this affidavit is submitted are as follows *[If none, please so state]*:

<u>Name</u>	<u>Address</u>	<u>Compensation</u>
NONE		

C. If the ownership of the offering business should change between the time this affidavit is made and the time an award is made or a contract is entered into, then I promise personally to update the disclosure required by 5 GCA §5233 by delivering another affidavit to the government.


Signature of one of the following:

**Offeror, if the offeror is an individual;
Partner, if the offeror is a partnership;
Officer, if the offeror is a corporation.**

Subscribed and sworn to before me this day of July 5, 2018.

NOTARY PUBLIC

My commission expires: 9-14-2021

LEONIE N. SAGUN
NOTARY PUBLIC
 In and for Guam, U.S.A.
 My Commission Expires: **SEPT. 14, 2021**
 124 W Banzalo Ct. Dededo, Guam 96929

**THIS AFFIDAVIT MUST BE COMPLETED AND RETURNED IN THE ENVELOPE
CONTAINING THE PROPOSAL.**

FY 2018 TRAVEL REPORT

BOARD RATIFICATION - April - June

TA NO.	NAME	COST	TRAVEL DATES	PURPOSE	DESTINATION
18-04-79-A	Martinez, Pedro R.	\$3,930.68	04/21/2018 - 04/25/2018	Traveller attended the 13th ACI Asia-Pacific Regional Assembly Conference & Exhibition.	Narita, Japan
18-04-80	Rios, John A.	\$5,644.91	04/04/2018 - 04/10/2018	Traveller conducted interviews for the Bond Underwriting Services and met with Bond Counsel and financial consultants.	San Francisco, CA
18-04-81	Il Ada, Charles H.	\$4,332.41	04/05/2018 - 04/08/2018	Traveller conducted interviews for Bond Underwriting Services.	San Francisco, CA
18-04-86	Il Ada, Charles H.	\$3,276.39	04/30/2018 - 05/05/2018	Traveller participated in the Emergency Full Scale Exercises at the Palau International Airport.	Koror, Palau
18-04-96	Il Ada, Charles H.	\$2,128.99	04/25/2018 - 04/28/2018	Traveller participated as a Designated Representative for Guam at the Micronesian Islands Forum.	Northern Marianas Islands, Saipan
18-05-98	Rios, John A.	\$2,125.00	05/02/2018 - 05/07/2018	Traveller participated in the Emergency Full Scale Exercises at the Palau International Airport.	Koror, Palau
18-06-109	Rios, John A.	\$1,739.38	06/14/2018 - 06/19/2018	Traveller met with Tour Paine Field (PAE) to discuss public/private partnership and alternative financing methods and also met with Barclays to discuss current financial trends.	Seattle, Washington

AIRLINE ISSUES

UNITED AIRLINES

4 added flights weekly to Nagoya

United Airlines announced it is restoring four flights between Guam and Nagoya from Dec. 2 to the end of March 2019, in response demand. The four added flights will increase flight frequency from Nagoya from 7 to 11 flights weekly.

8 added flights Nov-Dec for Osaka

United will also add 8 additional flights between Guam and Osaka during November and December 2018, adding more than 2,000 seats during this time period.

JIN AIR

Jin Air will begin their 99 scheduled charter flights between scheduled charter service between Tokyo Narita – Guam, utilizing B737 800 aircraft with a 189-seat capacity July 21 through October 27, 2018, adding 18,700 seats from Narita during this time period.

JEJU AIR

Jeju Air will introduce its 6x-weekly service on the KIX/GUM beginning July 21 through October 28, 2018. The new round trip service will provide 18,900 seats to this market in total from the 100 scheduled charter flights from Osaka.

T'WAY AIR

T'way will be operating scheduled charters from Kansai beginning July 21 through September 17, 2019 for a total of 52 flights. This increases seat capacity for Kansai by 9,670 during this time period.

UZBEKISTAN AIRWAYS

Uzbekistan Airways will be operating charter flights from Nagoya to Guam from July 27 – September 1, 2018. These 65 flights will increase capacity from Nagoya by 9,750 seats during this time frame.

REGULATORY ISSUES

FAR Part 139 Certification Inspection

FAA has scheduled Guam's FAR Part 139 inspection for the week of September 17 through 21, 2018. All divisions are working towards another record breaking "0" discrepancy report, for a third-year streak!

FAA Aerodrome Certification Workshop

The 2nd FAA Aerodrome Certification Workshop hosted by Pohnpei Port Authority will take place in Kolonia, Pohnpei on August 7-10, 2018. These Aerodrome workshops are FAA-sponsored to assist our region airports in the certification preparation and programs, and our airport is asked to participate to share best practices and guidance.

FINANCIAL ISSUES

Fiscal Year 2019 Operating Budget

Airport management met with signatory airlines and presented and discussed the preliminary Fiscal Year 2019 Budget on July 25, 2018, as required by the Signatory Leases and Operating Agreements. The final, proposed budget will be presented to the Board at next month's regular meeting.

S&P Annual Credit Surveillance

The S&P annual credit rating surveillance is due the month of August 2018 and shall be reviewed on an ongoing basis until the maturity of the Airport's bonds. Airport Board & Management representatives are preparing for formal presentations to S&P mid-August in San Francisco along with GEDA and bond underwriters.

Bond Refunding

GIAA is preparing for the refund of 2013 Series C Bonds with a meeting with bond counsel and bond underwriters held on July 19, 2018. Additional meetings are anticipated in August and GIAA is fully engaged with the process led by GEDA.

LEGISLATIVE ISSUES

Bill No. 293-34, An Act to amend ... of the GCA, relative to increasing the Customs, Agriculture and Quarantine Inspection services charge for each passenger to twenty dollars beginning October 1, 2018 was introduced by Speaker BJ Cruz on May 30, 2018. A public hearing is yet to be scheduled.

Bill No. 307-34, An act to add...GCA, relative to conducting an annual customs training cycle in Fiscal Years 2019 through 2022 and authorizing the Guam Customs & Quarantine Agency to hire additional critical positions was introduced by Senator Telena C. Nelson. In the bill, it states about 230 Customs Officers were employed in the 1990's. Today it has dropped to less than 110. A public hearing on this bill is pending.

PROCUREMENT ISSUES

RFP

Real Estate Appraisal & Consulting Services

Announced: July 13, 2018

Deadline: July 27, 2018 @ 4pm

ANNOUNCEMENTS

- Congratulations to Directors Sgro and Camacho on their recent reconfirmation hearing and appointment to the GIAA Board of Directors. Both took their oath of office on Tuesday, July 17, 2018 for a renewed term. Thank you for your service!
- The A.B. Won Pat International Airport Authority, Guam has officially entered into the Liberation Parade with a float entry that the Float committee has been diligently working on, led by Properties and Facilities and Airport Police.

July 24, 2018

MEMORANDUM

To: Mr. Ricardo C. Duenas
Chairman
GIAA Board of Directors

From: John A. Rios
Comptroller

Subject: Operating Results – Revenues and Expenses as of June 30, 2018

Attached herewith is GIAA's Operating Results Report for the month ending June 30, 2018. This report summarizes the Budgeted versus Actual Revenues and Expenses for the month and year-to-date results ended June 30, 2018.

The key operating results for 9 month(s) of FY2018 ending June 30, 2018 – (in \$000's) are

CATEGORY	Actual FY18 Current Month	YEAR-TO-DATE			FORECAST FOR FULL YEAR- FY18	
		Budget FY18 Y-T-D	Actual FY18 Y-T-D	% Variance Budget vs. Actual	Actual Y-T-D FY18 Budget	% Variance Budget vs. Estimate for Full Year
				Y-T-D Current Month		
Total Signatory Revenues	\$ 2,447.1	\$ 24,774.5	\$ 22,763.4	-8.1%	\$ 31,291.7	-6.0%
Total Concession Revenues	\$ 1,441.9	\$ 14,693.1	\$ 14,667.6	-0.2%	\$ 19,649.4	-0.8%
Total PFC's	\$ 553.1	\$ 5,713.7	\$ 4,867.7	-14.8%	\$ 6,872.9	-11.0%
Total Other Revenues	\$ 1,501.3	\$ 11,846.7	\$ 14,935.7	26.1%	\$ 18,929.9	2.4%
Total Operating Revenues	\$ 5,943.4	\$ 57,028.0	\$ 57,234.4	0.4%	\$ 76,743.9	-3.4%
Total Operating Expenses	\$ 3,804.9	\$ 36,639.5	\$ 35,862.9	-2.1%	\$ 46,541.4	-1.6%
Net Revenues from Operations	\$ 2,138.5	\$ 20,388.5	\$ 21,371.5	4.8%	\$ 30,202.5	-6.3%
Non-Operating Expenses	\$ 42.8	\$ 455.9	\$ 575.8	26.3%	\$ 834.8	16.8%
Other Available Moneys/other sources of funds	\$ 570.3	\$ 5,071.1	\$ 5,056.2	-0.3%	\$ 6,746.6	0.0%
Net Debt Service Coverage	1.31	1.34	1.39	9.0%	1.46	-5.0%

Year-to-date Total Signatory Revenues for the month ending June 30, 2018 are below Budgeted revenues by **-8.1%**. Signatory revenue estimates are based on projections submitted by Signatory airlines and adopted in the annual budget.

Year-to-date Total Concession Revenues are **-0.2%** below budget while Passenger Facility Charges are below the budget estimate by **-14.8%**.

Year-to-date Total Other Revenues, inclusive of non-signatory and non-airlines revenues, are above the budget estimate by **26.1%**.

Year-to-date Total Operating Revenues actual of **\$57.2M** is **0.4%** above the budget estimate of **\$57.0M**.

Year-to-date Total Operating Expenses are below budget by **-2.1%**. Components of this line item include a **-1.0%** decrease in Personnel Service, a **4.2%** increase in Contractual Services, a **-70.6%** decrease in Materials & Supplies and a **45.8%** increase in Equipment/Furnishings from budgeted amounts for these respective categories.

The actual year-to-date Net Revenues from Operations of **\$21.4M** represents a **4.8%** increase over the year-to-date budgeted amount of **\$20.4M**.

Finally, our year-to-date results for Debt Service Coverage is at **1.39** versus the requirement of **1.25**.

Should you have any questions, please contact me at your convenience.

Attachments

Cc: Board of Directors
Executive Manager
Deputy Executive Manager
Airport Services Manager
Airport Terminal Manager

GUAM INTERNATIONAL AIRPORT AUTHORITY
KEY OPERATING RESULTS (\$000's)
as of June 30, 2018

	CURRENT MONTH				Budget Full Year	YEAR - TO - DATE				FULL YEAR FORECAST	
	Actual FY2017	Budget FY2018	Actual FY2018	%Var Bud Vs Act'l		Actual FY2017	Budget FY2018	Actual FY2018	%Var Bud Vs Act'l	Actual/Est	%Var Bud Vs Act'l
I. Signatory Airline Rents & Fees											
Terminal Bldg Rentals	312.2	318.4	315.5	-0.9%	3,820.0	2,817.6	2,864.7	2,879.1	0.5%	3,834.3	0.4%
Departure Fees	592.7	617.5	534.2	-13.5%	7,344.5	5,325.3	5,436.5	4,882.5	-10.2%	6,790.5	-7.5%
Arrival Fees	571.0	608.6	524.9	-13.8%	7,292.1	5,263.4	5,400.2	4,757.3	-11.9%	6,649.2	-8.8%
Immigration Inspection Fees	204.1	211.6	167.6	-20.8%	2,521.0	1,871.1	1,866.7	1,608.3	-13.8%	2,262.7	-10.2%
Loading Bridge Use Fees	461.0	585.5	546.1	-6.7%	7,300.0	4,474.8	5,459.1	5,023.3	-8.0%	6,864.1	-6.0%
Apron Use Fees	115.3	122.6	107.3	-12.4%	1,550.0	1,103.8	1,155.8	1,093.5	-5.4%	1,487.7	-4.0%
Landing Fees	226.1	274.8	251.5	-8.5%	3,475.2	2,199.3	2,591.5	2,519.5	-2.8%	3,403.2	-2.1%
Total Signatory Revenue	2,482.5	2,739.1	2,447.1	-10.7%	33,302.8	23,055.3	24,774.5	22,763.4	-8.1%	31,291.7	-6.0%
Enplaned Signatory Pax	151,974	165,370	146,720	-11.3%	1,966,786	1,366,650	1,455,847	1,320,637	-9.3%	1,831,577	-6.9%
Cost per Enplaned Pax	\$16.34	\$16.56	\$16.68	0.7%	\$16.93	\$16.87	\$17.02	\$17.24	1.3%	\$17.08	0.9%
Revenues from Sources other than Signatory Airlines Rents & Fees											
Concession Revenues											
Gen Mdse	1,266.4	1,267.3	1,090.9	-13.9%	15,216.9	11,412.6	11,412.7	11,540.7	1.1%	15,344.9	0.8%
In-flight Catering	69.8	74.2	70.7	-4.8%	921.9	654.6	681.7	625.5	-8.3%	865.7	-6.1%
Food & Beverage	90.5	95.4	86.4	-9.4%	1,149.8	805.0	843.6	760.0	-9.9%	1,066.2	-7.3%
Rental Cars	117.4	139.3	126.9	-8.9%	1,589.5	1,096.8	1,129.1	1,103.6	-2.3%	1,563.9	-1.6%
Other Concession Rev	71.3	66.6	67.0	0.7%	796.7	596.5	625.9	637.9	1.9%	808.7	1.5%
Total Concession Revenues	1,615.4	1,642.9	1,441.9	-12.2%	19,674.9	14,565.5	14,693.1	14,667.6	-0.2%	19,649.4	-0.1%
Passenger Facility Charges	506.8	649.0	553.1	-14.8%	7,719.0	5,415.0	5,713.7	4,867.7	-14.8%	6,872.9	-11.0%
Other Revenue	1,611.9	1,303.8	1,501.3	15.1%	15,840.9	15,162.1	11,846.7	14,935.7	26.1%	18,929.9	19.5%
Total Operating Revenue	6,216.6	6,334.7	5,943.4	-6.2%	76,537.5	58,197.9	57,027.9	57,234.4	0.4%	76,743.9	0.3%
II. Operating Expenses:											
Personnel Services	1,653.9	1,567.9	1,659.8	5.9%	20,383.4	15,080.9	15,679.6	15,525.9	-1.0%	20,229.7	-0.8%
Contractual Services	1,738.2	1,875.9	2,071.7	10.4%	24,480.6	17,013.1	18,812.9	19,599.4	4.2%	25,267.1	3.2%
Materials & Supplies	85.7	140.3	73.4	-47.7%	2,363.0	754.9	2,056.0	604.9	-70.6%	912.0	-61.4%
Equipment/Furnishings	12.1	0.0	0.0	0.0%	91.0	122.5	91.0	132.7	45.8%	132.7	45.8%
Total Operating Expenses	3,489.9	3,584.1	3,804.9	6.2%	47,318.0	32,971.5	36,639.5	35,862.9	-2.1%	46,541.4	-1.6%
Net income from Operations	2,726.7	2,750.7	2,138.5	-22.3%	29,219.5	25,226.4	20,388.5	21,371.5	4.8%	30,202.5	3.4%

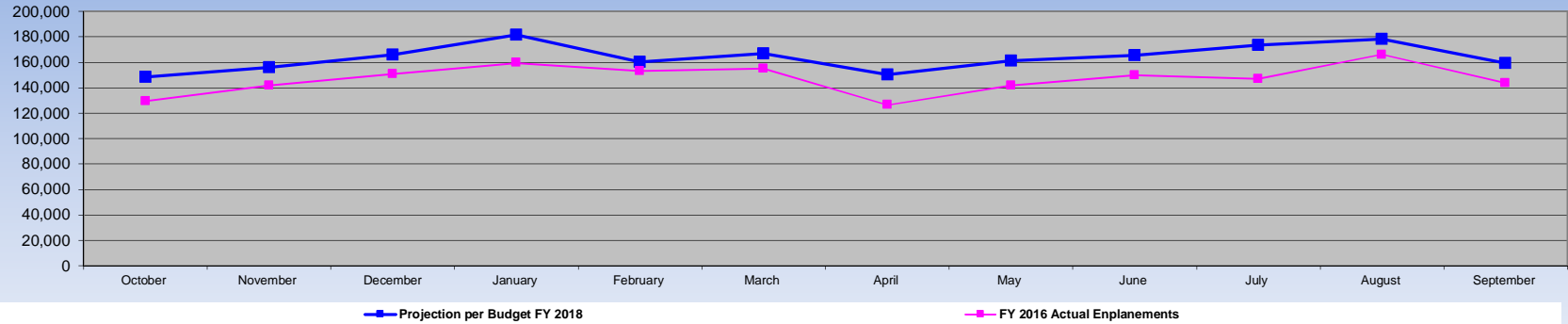
GUAM INTERNATIONAL AIRPORT AUTHORITY
KEY OPERATING RESULTS (\$000's)
as of June 30, 2018

	CURRENT MONTH				Budget Full Year	YEAR - TO - DATE				FULL YEAR FORECAST	
	Actual FY2017	Budget FY2018	Actual FY2018	%Var Bud Vs Act'l		Actual FY2017	Budget FY2018	Actual FY2018	%Var Bud Vs Act'l	Actual/Est	%Var Bud Vs Act'l
Less: Non Operating Expense(Ret/DOI/OHS)	42.8	0.0	42.8	0.0%	715.0	573.1	455.9	575.8	26.3%	834.8	16.8%
Add: Interest on Investments	83.9	66.0	115.0	74.2%	792.1	564.2	594.1	763.1	28.5%	961.2	21.3%
Net Revenues	2,767.9	2,816.7	2,210.7	-21.5%	29,296.6	25,217.5	20,526.6	21,558.8	5.0%	30,328.8	3.5%
Add: Other Sources of Funds	119.8	33.3	40.2	20.7%	400.0	294.0	300.0	285.1	-5.0%	385.1	-3.7%
Add: Other Available Moneys	530.0	530.1	530.1	0.0%	6,361.5	4,770.0	4,771.1	4,771.1	0.0%	6,361.5	0.0%
Net Revenues and Other Available Moneys	3,417.8	3,380.1	2,781.0	-17.7%	36,058.1	30,281.5	25,597.7	26,615.0	4.0%	37,075.4	2.8%
Debt Service payments	2,120.2	2,120.5	2,120.5	0.0%	25,446.0	19,079.6	19,084.5	19,084.5	0.0%	25,446.0	0.0%
Debt Service Coverage	1.61	1.59	1.31	-17.7%	1.42	1.59	1.34	1.39	4.0%	1.46	2.8%
Debt Service Requirement	1.25	1.25	1.25		1.25	1.25	1.25	1.25		1.25	

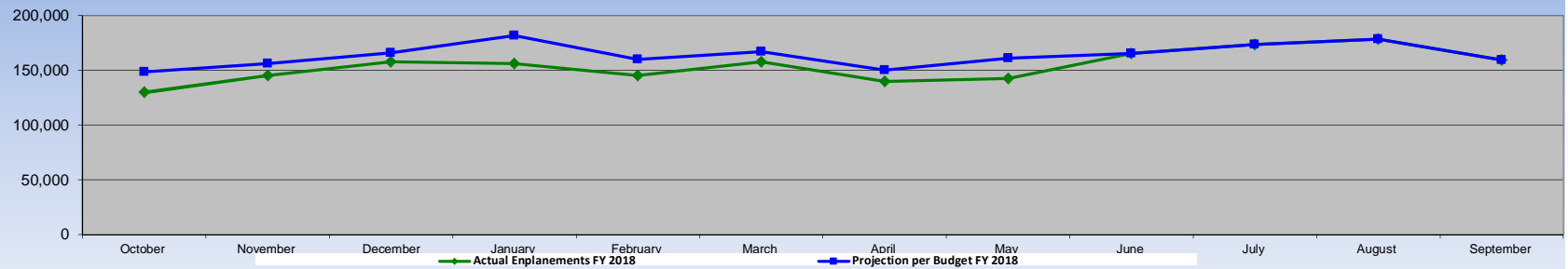
SUMMARY SIGNATORY AIRLINES

Enplanements	October	November	December	January	February	March	April	May	June	July	August	September	Total
Projection per Budget FY 2018	148,343	155,897	166,013	181,671	160,192	166,828	150,416	161,116	165,370	173,362	178,304	159,274	1,966,786
FY 2016 Actual Enplanements	129,352	141,778	150,587	159,545	153,030	155,032	126,400	141,568	149,942	147,032	166,085	143,840	1,764,191
FY 2017 Actual Enplanements	143,619	148,002	160,544	162,303	143,720	157,735	146,779	150,775	151,974	158,139	169,547	145,108	1,838,245
FY 2018 Actual Enplanements/Projection	129,772	145,309	157,750	155,969	145,088	157,932	139,620	142,477	165,370	173,362	178,304	159,274	1,850,227
FY 2018 versus FY 2017 Monthly%	-9.64%	-1.82%	-1.74%	-3.90%	0.95%	0.12%	-4.88%	-5.50%	8.81%	9.63%	5.17%	9.76%	0.65%
FY 2018 versus FY 2017 Monthly	-13,847	-2,693	-2,794	-6,334	1,368	197	-7,159	-8,298	13,396	15,223	8,757	14,166	11,982
FY 2018 versus FY 2017 Cumulative	-13,847	-16,540	-19,334	-25,668	-24,300	-24,103	-31,262	-39,560	-26,164	-10,941	-2,184	11,982	11,982
	-9.64%	-11.18%	-12.04%	-15.81%	-16.91%	-15.28%	-21.30%	-26.24%	-17.22%	-6.92%	-1.29%	8.26%	0.65%

FY 2016 - FY 2018 Signatory Airlines Actual and Projection of Enplanements



Fiscal Year 2018 Actual Enplanements versus Budget



Actual versus Forecast													
Enplanements	October	November	December	January	February	March	April	May	June	July	August	September	Total
Actual Enplanements FY 2018	129,772	145,309	157,750	155,969	145,088	157,932	139,620	142,477	165,370	173,362	178,304	159,274	1,850,227
Projection per Budget FY 2018	148,343	155,897	166,013	181,671	160,192	166,828	150,416	161,116	165,370	173,362	178,304	159,274	1,966,786
Actual Enplanements Over/(Under) Projection	(18,571)	(10,588)	(8,263)	(25,702)	(15,104)	(8,896)	(10,796)	(18,639)	0	0	0	0	(116,560)
Cumulative Total	(18,571)	(29,159)	(37,422)	(63,124)	(78,228)	(87,125)	(97,921)	(116,560)	0	0	0	0	-5.9%
Percentage Over/(Under) Forecast													
	October	November	December	January	February	March	April	May	June	July	August	September	
% Monthly versus Projection	-12.5%	-6.8%	-5.0%	-14.1%	-9.4%	-5.3%	-7.2%	-11.6%	0.0%	0.0%	0.0%	0.0%	
% Cumulative Total	-12.5%	-9.6%	-8.0%	-9.7%	-9.6%	-8.9%	-8.7%	-9.0%	0.0%	0.0%	0.0%	0.0%	
Month to Month Trend													
	October	November	December	January	February	March	April	May	June	July	August	September	
Actual Enplanements	129,772	145,309	157,750	155,969	145,088	157,932	139,620	142,477	165,370	173,362	178,304	159,274	
Month to Month Increase/(Decrease)		15,537	12,441	-1,781	-10,881	12,844	-18,312	2,857	22,893	7,992	4,943	-19,031	
Month to Month Increase/(Decrease) in %		12.0%	8.6%	-1.1%	-7.0%	8.9%	-11.6%	2.0%	16.1%	4.8%	2.9%	-10.7%	
Cost Per Enplanement FY2018 Actual versus Projected													
CPE													
Forecast Per FY2018 Budget	\$ 17.31	\$ 17.16	\$ 16.96	\$ 16.69	\$ 17.00	\$ 17.13	\$ 17.34	\$ 17.10	\$ 16.56	\$ 16.46	\$ 16.52	\$ 17.14	CPE FY18 16.93
Actual CPE	\$ 19.12	\$ 17.58	\$ 17.23	\$ 17.03	\$ 16.66	\$ 16.85	\$ 16.99	\$ 16.66					
Variance	\$ (1.80)	\$ (0.42)	\$ (0.27)	\$ (0.34)	\$ 0.34	\$ 0.28	\$ 0.35	\$ 0.44	\$ 16.56	\$ 16.46	\$ 16.52	\$ 17.14	\$ 16.93

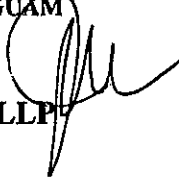
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RECOMMENDATION OF COUNSEL

TO: Board of Directors
ANTONIO B. WON PAT INTERNATIONAL
AIRPORT AUTHORITY, GUAM

CC: Mr. Charles H. Ada II
Executive Manager
ANTONIO B. WON PAT INTERNATIONAL
AIRPORT AUTHORITY, GUAM

FROM: Janalynn Cruz Damian 
CALVO FISHER & JACOB LLP

DATE: July 16, 2018

SUBJECT: **Executive Session**

Pursuant to 5 GCA § 8111(c)(1), I hereby recommend that the Board of Directors of GIAA conduct an Executive Session at the next regularly scheduled Board meeting to discuss pending or threatened litigation to which GIAA is or may be a party.