MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Tuesday, September 24, 2019, 3:00 p.m.
GIAA TERMINAL CONFERENCE ROOM #3

1. CALL TO ORDER AND ATTENDANCE

The September 24, 2019 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 Bamba at 3:07 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:
Brian J. Bamba
Gurvinder Sobti
Donald I. Weakley
Lucy M. Alcorn
Zeno E. Belanger
Rosie R. Tainatong
Doyon A. Morato

Directors Absent:
None

GIAA Officials:
Thomas C. Ada
John M. Quinata
John A. Rios
Jean M. Arriola
Vince Naputi
Raymond Mantanona
Raymond Santos
Ken McDonald
Tony Laniog
Joseph Javellana
Rolenda Faasualalie
Elfrie Koshiha
Henry Cruz
Janalyyn A. Damian, Esq.
Frank R. Santos

Offices or positions:
Chairman
Vice Chairman
Board Secretary
Executive Manager
Deputy Executive Manager
Comptroller
Airport Services Manager
Chief, Airport Police
Chief, GIAA ARFF
Assistant Chief, GIAA ARFF
Properties & Facilities Superintendent
Acting Engineering Supervisor
Program Coordinator IV
Airport Marketing
Airport Marketing
Management Analyst I
GIAA Legal Counsel
GIAA Consultant

Chairman Bamba 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 Vice Chairman Sobti, seconded by Director Tainatongo; motion unanimously passed.

3. APPROVAL OF MINUTES

A. August 29, 2019 Regular Meeting

On motion duly made by Director Alcorn, seconded by Vice Chairman Sobti, the following resolution was unanimously passed:

Resolution No. 19-62

The Board hereby approves the minutes of the August 29, 2019 regular meeting, subject to corrections.

4. CORRESPONDENCE

Executive Manager had no Correspondence to report.

5. OLD BUSINESS

Executive Manager had no Old Business to report.

6. NEW BUSINESS

A. Approval of FY2020 Insurance Program

The first matter discussed was the FY2020 Insurance Program. AM Insurance ("AM") representative, Ms. Ann Marie Muna presented the insurance quotes for FY2020. Of the nine (9) major insurance carriers on Guam, and due to the insurance specifications requiring an AAA rating, only seven (7) insurance carriers were invited to participate. The insurance specifications were delivered to the qualified carriers on August 20, 2019, with a September 13, 2019 due date for quotes. Of the seven (7) carriers, three (3) carriers, National Union, DB Insurance, and Tokio Marine, responded with submittals.

The insurance program includes six (6) policies: Property Insurance with Catastrophe; Airport Operators Liability; Directors and Officers Liability; Workman’s Compensation, Automobile Insurance; and Crime Insurance. Quotes are as follows:
<table>
<thead>
<tr>
<th>Policy</th>
<th>Carrier (General Agent) with Lowest Offered Premium</th>
<th>Amount</th>
<th>Other Quotes (Amount)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property</td>
<td>National Union (Calvo's)</td>
<td>$451,879.00</td>
<td>None</td>
</tr>
<tr>
<td>Airport Operators Liability</td>
<td>National Union (Calvo's)</td>
<td>$183,600.00</td>
<td>None</td>
</tr>
<tr>
<td>Directors &amp; Officers Liability</td>
<td>DB Insurance (Moylan's)</td>
<td>$36,720.00 (1 year option)</td>
<td>None</td>
</tr>
<tr>
<td>Workman’s Compensation</td>
<td>DB Insurance (Moylan's)</td>
<td>$97,743.00 (deposit)</td>
<td>Tokio Marine (Nanbo) ($203,955)</td>
</tr>
<tr>
<td>Automobile Insurance</td>
<td>DB Insurance (Moylan's)</td>
<td>$42,888.00</td>
<td>None</td>
</tr>
<tr>
<td>Crime Insurance</td>
<td>DB Insurance (Moylan's)</td>
<td>$5,400.00 (1 year option)</td>
<td>Tokio Marine (Nanbo) ($6,456)</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td></td>
<td><strong>$818,230.00</strong></td>
<td></td>
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</table>

The total premium costs for all coverage for FY2020 is $818,230.00. This represents an increase in premium of $243,857.00 per annum compared to the FY2019 premium cost of $574,373.00. Management recommends that the Board approve the FY2020 insurance program as presented.

Discussion was held by the Board on whether the current budget is sufficient considering the increased premium cost. John Rios, Comptroller, noted that it is still early in the budget cycle.

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

**Resolution No. 19-63**

The Board hereby approves the FY2020 Insurance Program, in the total amount of $818,230.00 as follows:

<table>
<thead>
<tr>
<th>Policy</th>
<th>Carrier (General Agent) with Lowest Offered Premium</th>
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<td><strong>TOTAL:</strong></td>
<td></td>
<td><strong>$818,230.00</strong></td>
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</table>

B. Approval of Award for Construction Management Services for Terminal Building Structural Upgrade and Concourse Isolation - RFP No. RFP-009-FY19

The next item requiring Board action was the award for Construction Management Services for Terminal Building Structural Upgrade and Concourse Isolation. Executive Manager Ada informed the Board that the procedure for the referenced RFP was a little different to those in the past. Management previously recommended that the contract for the incumbent construction manager (CM) not be renewed, but instead issue a solicitation for Construction Management Services. Executive Manager Ada provided background information to the Board on the referenced RFP, including the scope of services, contract term, dates of advertisement of the RFP, proposal submission deadline, and the number of interested proposers. A total of ten (10) firms showed their interest by obtaining the RFP package, and three (3) proposals that were submitted before the established deadline. An evaluation committee was established to evaluate the submitted proposals based on the evaluation criteria set forth in the RFP. As a result of the committee's evaluation, the three (3) firms were found to be responsible and responsive and the firms in order of their ranking are as follows:

1. KHLG & Associates, Inc.
2. Offeror C
3. Offeror A

The incumbent CM's contract expired on September 14, and in order to get the CM to work as soon as possible, the negotiations committee established by the Executive Manager commenced negotiations with KHLG & Associates, Inc. (KHLG) on its fee and scope.

Executive Manager Ada informed the Board that KHLG is the sub-contractor of the incumbent CM, which gives the firm the advantage of getting right up to speed with the International Arrivals Corridor project. The EM noted that there are four objectives of the CM: First, is to provide quality assurance in the carrying out of the construction of the referenced project. Second, is to review and negotiate the outstanding 114 proposed change orders (PCOs) that were not completed by the previous CM firm. The EM noted that the 114 PCOs have the rough order of magnitude of $7.2M, as estimated by the contractor. Third, to mentor and guide
GIAA’s engineering staff so that once the project gets turned over, GIAA’s engineering staff will already be familiar with the project. Fourth, to provide professional engineering credentials as the Airport does not have a registered licensed professional engineer on staff.

The term of the contract is fifteen (15) months from the effective date of the contract, subject to extension at the option of GIAA as may be required for project completion and closeout and the availability of funding. Said contract will be funded under an AIP grant, subject to FAA approval.

Management recommended that the Board approve the ranking results as presented and the contract award to KHLG & Associates, Inc. for Construction Management Services for Terminal Building Structural Upgrade and Concourse Isolation in the amount of $2,920,334.26, for a term of fifteen (15) months from the effective date of the contract, subject to extension at the option of GIAA as may be required for project completion and closeout and the availability of funding, subject to legal review and FAA approval.

Director Weakley inquired on the original fee proposed by KHLG. Mr. Frank Santos informed the Board that KHLG’s initially proposed a fee of $3.5M. Director Weakley asked when the contract is effective. Executive Manager Ada informed the Board that the contract will be effective October 1, 2019.

Director Belanger inquired on manpower. Mr. Santos replied that the firm will begin with ten (10) personnel to address the backlog of PCOs. Once they are caught up, there will be a reduction in personnel reviewing the PCOs. Discussion followed relative to the current industry and issues with hiring professional engineers.

Director Morato inquired on the proposals of the other Offerors. Legal Counsel informed the Board that the information contained in the proposals remains confidential. Once an award is made, the awardee’s proposal becomes public subject to any proprietary designations, and the proposals of the other offerors remains confidential.

Chairman Bamba asked that Management explain the strategy behind this specific procurement. Executive Manager Ada informed the Board that it goes back to the decision not to renew the incumbent. Executive Manager Ada advised that he thought it would be best for the Authority to solicit to see what other professionals were available. The fact that the incumbent’s contract was not renewed did not stop the incumbent from submitting a proposal, which they did. It was also important to specify in the scope that the Offeror be knowledgeable in FAA requirements.

Director Belanger asked whether the contract will address the situation if the Airport is in the same position three (3) months from now, with regard to delays. Mr. Santos advised that there are contract termination provisions. Discussion followed relative to personnel availability and
personnel to address the numerous outstanding PCOs, with Mr. Santos advising that the KHLG will have additional personnel to address the PCOs.

Expected date of completion of the International Arrivals Corridor is November 2020. However, if administrative issues do not improve, the contactor has projected a completion in June 2021.

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

**Resolution No. 19-64**
The Board hereby approves the ranking results as presented and the contract award to KHLG & Associates, Inc. for Construction Management Services for Terminal Building Structural Upgrade and Concourse Isolation - RFP No. RFP-009-FY19 in the amount of $2,920,334.26, for a term of fifteen (15) months from the effective date of the contract, subject to extension at the option of GIAA as may be required for project completion and closeout and the availability of funding, and further subject to FAA approval and review by legal counsel.

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. The report included brief updates on Airport operations, CIPs and Regulatory updates.

There was brief discussion on the test kits for the ARFF Fire Suppression System and that the cost is eligible for FAA reimbursement. The Executive Manager introduced the new superintendent of Properties & Facilities, Ken McDonald, who was with the Air Guard for thirty-four (34) years.

Director Weakley inquired on the upcoming aerodrome workshop.

8. **REPORT OF THE COMPTROLLER**

Mr. John Rios reported on the revenues and expenses of the Authority as of **August 31, 2019**. Mr. Rios reported that year-to-date Total Signatory Revenues are above budgeted revenues by 0.7%, year-to-date Total Concession Revenues and Passenger Facility Charges are below and above budget by -8.7% and -0.6%, respectively. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues are below the budget estimate by -7.7%. Year-to-date Total Operating Revenues Actual of $70.1M is -3.6% below the budget estimate of $72.8M. Year-to-date Total Operating Expenses are below budget by -8.2%. Components of this line item include a -5.7% decrease in Personnel Service, a -5.5% decrease in Contractual Services, a -55.1% decrease in Materials & Supplies and a -73.3% decrease in Equipment/Furnishings from budgeted amounts for these respective categories. The actual year-to-date Net Revenues from Operations of $28.7M reflects an increase of 3.7% over the year-to-date budgeted amount of
$27.7M. Mr. Rios reported that the year-to-date Debt Service Coverage is at 1.49 versus the requirement of 1.25.

Discussion was held on concession revenues being below budget if enplanements are up. Mr. Rios noted that it’s mainly because of the rent waivers given to the concessionaire as a result of construction impacts.

9. EXECUTIVE SESSION

Legal counsel announced that there would be no Executive Session.

10. PUBLIC COMMENTS

There were no Public Comments.

11. ADJOURNMENT

Motion to adjourn duly made by Director Alcorn, seconded by Vice Chairman Sotbi; motion unanimously passed. The meeting was adjourned at 4:04p.m.

Dated this 12th day of November, 2019.

Brian J. Bamba
Chairman

Attest:

Donald I. Weakley
Board Secretary

Prepared and Submitted By:

Amanda O’Brien-Rios
Corresponding Secretary
BOARD OF DIRECTORS REGULAR MEETING
3:00 p.m., Tuesday, September 24, 2019
GIAA TERMINAL CONFERENCE ROOM #3

Public Notice
First Notice:
Daily Post – September 17, 2019
Notice to Media – September 17, 2019

Second Notice:
Daily Post – September 20, 2019
Notice to Media – September 20, 2019

AGENDA

1. Call to Order and Attendance
2. Approval of Agenda
3. Approval of Minutes
   A. August 29, 2019 Regular Meeting
4. Correspondence
5. Old Business
6. New Business
   A. Approval of FY20 Insurance Renewal Program
   B. Approval of Award for Construction Management Services for Terminal Building Structural Upgrade and Concourse Isolation - RFP No. RFP-009-FY19
7. Report of Executive Manager
9. Executive Session
10. Public Comments
11. Adjournment
## SIGN-IN SHEET

<table>
<thead>
<tr>
<th>PRINT NAME</th>
<th>COMPANY/AGENCY</th>
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<tbody>
<tr>
<td>VINCE NAVUTI</td>
<td>Police</td>
</tr>
<tr>
<td>Cheryl McDowell</td>
<td>Bottone &amp; Co.</td>
</tr>
<tr>
<td>PE SINGH</td>
<td>Dominos/Donuts</td>
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<tr>
<td>Jean Arriola</td>
<td>GIAA</td>
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<td>Liz Blas</td>
<td>GIAA FMO</td>
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<td>Ray Santuc</td>
<td>ARFF</td>
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<td>Henry Cun</td>
<td>GIAA</td>
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<td>Ray Lander</td>
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<td>Raymond Monterson</td>
<td>ARFF</td>
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<td>Raymond Quintanilla</td>
<td>OPS</td>
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<td>Letitia Lau-Berry</td>
<td>Lotte Duty Free</td>
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<td>Paula Facsimile</td>
<td>Mishi</td>
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<td>Ore David</td>
<td>Ta AirAsia</td>
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<td>Ernie Koshiba</td>
<td>GIAA Mktg</td>
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<td>Tricia Granillo</td>
<td>YAM Insurance</td>
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<td>Aniquad Muna</td>
<td>Pam</td>
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<td>J. Granillo</td>
<td>PON</td>
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<td>Steve Limtiaco</td>
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Top Democrats tell Trump gun bill must include universal background checks

WASHINGTON (Reuters) - Top Democrats in Congress told Republican President Donald Trump on Sunday that any gun control legislation that fails short of universal background checks for gun sales "will not get the job done."

Senate Minority Leader Chuck Schumer and House of Representatives Speaker Nancy Pelosi said they spoke to Trump by phone on Sunday morning, which marked 200 days since the Democratic House passed legislation to expand background checks to all gun purchases.

In the aftermath of a series of mass shootings in August that killed more than 30 people, Trump has been discussing potential legislation with lawmakers in both parties. He said on Wednesday that progress was being made on gun legislation, adding that many areas were under discussion, including background checks.

The Republican-controlled Senate has yet to take up the House bill. Majority Leader Mitch McConnell told reporters last week: Until the White House gives us some indication of what the president is willing to sign we are waiting to see what it looks like.

He added: "These horrendous shootings - in my opinion - deserve a response. I hope we can get something that can actually become the law of the United States of America."

Pelosi and Schumer said in a joint statement after the phone call with Trump: "This morning, we made it clear to the President that any proposal he endorses that does not include the House-passed universal background checks legislation will not get the job done, as dangerous loopholes will still exist and people who shouldn't have guns will still have access."

The two leaders said they promised to join Trump "for a historic signing ceremony at the Rose Garden" if the president would endorse the legislation and lean on McConnell to pass it "to save as many lives as possible."

The White House described Trump's call with Pelosi and Schumer as "cordial," but said the president had not made any commitments on the House bill, known as H.R. 8.

Trump has "instead indicated his interest in working to find a bipartisan legislative solution on appropriate responses to the issue of mass gun violence," White House spokesman Judd Deere said in an emailed comment. "The president reiterated his commitment for his administration to continue work on these issues."

Previous attempts to pass gun control after mass shootings, including the December 2012 killings of 20 children and six staff members at Sandy Hook Elementary School in Newtown, Connecticut, have mostly failed in the face of fierce lobbying by the National Rifle Association and other gun groups.

Omar says she’s confident Trump will be impeached

NEW YORK (Bloomberg) - Rep. Ilhan Omar said it’s a matter of when, not if, President Donald Trump will be impeached, and she’s not worried about House Speaker Nancy Pelosi and others not moving ahead right now.

"It is OK for some people to have hesitations, for other people to catch up to where some of us have been for a very long time," the first-term Democrat from Minnesota said Sunday on CBS's "Face the Nation," billed as her first one-on-one network interview.

Omar, New York's Alexandria Ocasio-Cortez, Michigan's Rashida Tlaib and Ayanna Pressley of Massachusetts, refer to themselves as "the Squad" and drew repeated attacks from Trump over the summer.

The president also has single out Omar and Tlaib over what he’s called their "hatred" of Israel. A plan by the two to visit Israel in August sparked controversy because they support a boycott of the country over its treatment of Palestinians. The lawmakers in 2018 became the first Muslim women elected to the U.S. Congress.

The Minnesota representative said that with Israeli Prime Minister Benjamin Netanyahu standing for re-election on Tuesday, she hopes people there will "make a different decision" and "recognize that his existence, his policies, his rhetoric really is contradictory to the peace that we are all hoping that that region receives and receives soon."
Congress to advance 'Hong Kong Human Rights and Democracy' bill

WASHINGTON (Reuters) - U.S. congressional committees are due to start voting next week on legislation supporting human rights in Hong Kong, with measures under consideration including annual reviews of the Chinese territory's special economic status and the imposition of sanctions on those who undermine its autonomy.

House of Representatives Speaker Nancy Pelosi held a news conference on Wednesday with House members – Republicans and her fellow Democrats – as well as Joshua Wong, Denise Ho and other Hong Kong democracy activists to back the "Hong Kong Human Rights and Democracy Act of 2019."

The activists have spent much of this week in Washington making their case for U.S. support, including testifying at a congressional hearing on Tuesday.

"Democrats and Republicans in the House and the Senate enthusiastically support this legislation," Pelosi said. "We stand with ... all who are fighting for a peaceful, hopeful future."

Leaders of the House Foreign Affairs Committee said the committee was due to mark up - debate and vote on - the bill next week. It is expected to pass, which would send it for a vote by the full House.

A spokeswoman for the Senate Foreign Relations Committee, said that committee was also working on its version of the legislation, hoping to hold its markup next week.

The bill's text will not be final until it passes both houses of Congress, and it must be signed by President Donald Trump to become law.

The current version of the House bill calls for annual evaluations of whether Hong Kong still meets the conditions — including remaining autonomous — of the 1992 U.S. law granting it special economic status.

It also would require the Trump administration to identify and sanction anyone responsible for human rights abuses in Hong Kong. Republican Representative Chris Smith, one of the bill's lead sponsors, told the news conference.

Trump has sent some mixed signals on the Hong Kong protests. In early August, he caused alarm among those sympathetic to the movement by describing the street demonstrations as riots.

Trump has since called on China to end the discord in a humanitarian way and said a crackdown could make his efforts to end a damaging trade war "very hard."

Some industry groups worry that the legislation could thrust them into delicate trade talks. Backers rejected that concern.

"We cannot let commercial interests drive our policy," Pelosi said.

Trump says there are many options short of war with Iran after attacks on Saudis

LOS ANGELES/JEDDAH (Reuters) - President Donald Trump said on Wednesday there were many options short of war with Iran after U.S. ally Saudi Arabia displayed remnants of drones and missiles it said were used in a crippling attack on its oil sites that was "unquestionably sponsored" by Tehran.

"There are many options. There's the ultimate option and there are options that are a lot less than that. And we'll see," Trump told reporters in Los Angeles. "I'm saying the ultimate option meaning go in war."

Trump, who earlier said on Twitter that he had ordered the U.S. Treasury to "substantially increase sanctions on the country of Iran" told reporters the unspecified, punitive economic measures would be unveiled within 48 hours.

Trump's tweet followed repeated U.S. assertions that the Islamic Republic was behind Saturday's attacks and came hours after Saudi Arabia said the strike was a "test of global will."

Iran again denied involvement in the Sept. 14 raids, which hit the world's biggest crude oil processing facility and initially knocked out half of Saudi output. Saudi Arabia is the world's leading oil exporter.

Responsibility was claimed by Yemen's Iran-aligned Houthi group, which on Wednesday gave more details of the raid, saying it was launched from three sites in Yemen.

In a remark that may further strain an already tense political atmosphere in the Gulf, the Houthis also said they had dozens of sites in the United Arab Emirates, Riyadh's top Arab ally, listed as possible targets for attacks.

In an attempt to bolster its assertion that Iran was responsible, Saudi Arabia showed drone and missile debris it said amounted to undeniable evidence of Iranian aggression.

A total of 25 drones and missiles were used in the attacks sponsored by Iran but not launched from Yemen, Defense Ministry spokesman Colonel Turki al-Malki told a news conference. "The attack was launched from the north and unquestionably sponsored by Iran," he said, adding Iranian Delta Wing unmanned aerial vehicles were used in addition to cruise missiles.

An investigation into the origin of the attacks was still underway and the result will be announced later, he said.

GUAM CHAMBER OF COMMERCE FINANCIAL STATEMENT

For the Year Ending December 31, 2018

ASSETS
Cash $602,329.24
Accounts Receivable, Net of Allowance $126,106.10
Other Assets $0.00
Capital Assets, Net of Depreciation $258,109.40
Total Assets $986,544.74

LIABILITIES & NET ASSETS
Liabilities $253,459.20
Net Assets $733,085.54
Total Liabilities & Net Assets $986,544.74

ORDINARY INCOME/EXPENSE
Income $812,748.56
Expense $655,971.54
Excess of Revenues over Expenses $156,777.02
Net Assets, Beginning of Year $576,388.52
Net Assets, End of Year $733,085.54

To the best of my knowledge, the above statement is true and correct:

Catherine S. Castro, President

PUBLIC NOTICE

The Board of Directors of the A.B. Won Pat International Airport Authority, Guam (GIAA) will convene its Regular Board Meeting on Tuesday, September 24, 2019 at 3:00 p.m., in the Terminal Conference Room No.3. In addition to regular matters, pursuant to 5 GCA § 8111(7)(O), Executive Session will be held to discuss pending litigation to which GIAA is a party. Parking is available in the Public Parking Lot.

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

(This ad paid for by GIAA)

PUBLIC NOTICE

The Guam Council on the Arts and Humanities Agency will hold its Regular Board Meeting on Tuesday, September 24, 2019 at 3:00 p.m. at the Guam Public Library Board Conference Room in Hagåtña.

Persons requiring special accommodations should contact the GCAHA Office at 300-1204-8 or fax at 300-1209.

"Paid with government funds by Guam CAHA"
1. CALL TO ORDER AND ATTENDANCE

The August 29, 2019 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 Bamba at 3:12 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present: Brian J. Bamba, Chairman
Gurvinder Sobti, Vice Chairman
Lucy M. Alcorn
Zenon E. Belanger
Rosie R. Tainatongo
Doyon A. Morato

Directors Absent: Donald I. Weakley (Excused)

GIAA Officials: Thomas C. Ada, Executive Manager
John A. Rios, Comptroller
Edward Muna, Air Terminal Manager, Acting
Vince Naputi, Chief, Airport Police
Raymond Mantanona, Chief, GIAA ARFF
Raymond Santos, Assistant Chief, GIAA ARFF
Tony Laniog, Engineering
Joseph Javellana, Program Coordinator IV
Rolenda Faasumalie, Airport Marketing
Henry Cruz, Acting Supply Management Administrator
Janalynn Damian, Esq., GIAA Legal Counsel
Eduardo Calvo, Esq., GIAA Legal Counsel
Thomas Fisher, Esq., GIAA Conflicts Counsel
Frank R. Santos, GIAA Consultant

Chairman Bamba 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 Tainatongo, seconded by Director Alcorn; motion unanimously passed.

3. **APPROVAL OF MINUTES**

   A. July 25, 2019 Regular Meeting

On motion duly made by Director Alcorn, seconded by Vice Chairman Sobti, the following resolution was unanimously passed:

   **Resolution No. 19-56**

   The Board hereby approves the minutes of the July 25, 2019 regular meeting, subject to corrections.

4. **CORRESPONDENCE**

Executive Manager Ada informed the Board that correspondence was received from the FAA, which will be discussed during New Business. The referenced correspondence is a letter formally notifying of a multiyear grant to be offered to GIAA. Board action will be required to accept and proceed with the grant offer.

5. **OLD BUSINESS**

   Executive Manager Ada announced that there was no Old Business to discuss.

   At this time Chairman Bamba called for a motion to excuse the absence of Director Weakley. Motion to excuse the absence of Director Weakley duly made by Director Tainatongo, seconded by Director Belanger; motion unanimously passed.

6. **NEW BUSINESS**

   A. Approval of GIAA Operating Budget Fiscal Year 2020

The first item discussed was the approval of GIAA's operating budget for fiscal year 2020. The budget was presented by Mr. John Rios, Comptroller. In summary, Signatory Airline cost per enplanements (CP) was decreased to $17.42, from current CP of $17.84. Operations and Maintenance expenses are projected to increase in FY20 by $3.7M when compared to the FY19 approved budget.

   Total Airport Revenues including PFC is projected to increase in the amount of $47,000.00 in FY20.
Mr. Rios informed the Board that from March - June 2019, meetings were held with each of the divisions in order for them to provide their requirements for the budget. Mid-July, letters were sent to the Airlines with the initial draft of proposed rates and fees. July 26, 2019 and August 9, 2019, GIAA met with the Airlines to discuss the budget.

Chairman Bamba thanked the Comptroller for taking the time to meet Board members individually, to go over the budget, that it was beneficial especially for the new Directors.

Chairman Bamba inquired on when the process for the budget begins. Comptroller replied January - February. Discussion followed on passenger projections.

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

**Resolution No. 18-57**
The Board hereby approves the Operating Budget for fiscal year 2020 as presented, subject to adjustments.

**B. Approval of Board Resolution No. 19-58: Bond Restructuring**

The next item requiring Board action was the approval of GIAA's bond restructuring. Executive Manager Ada informed the Board that the Legislature last week passed Bill 140-35 which authorizes the amendment of the enabling statute and also provides authorization from the Legislature to refund a portion of GIAA’s 2013 Bonds. Executive Manager Ada asked that Mr. Rios present Board Resolution 19-58. Mr. Rios announced that when the Board approved Board Resolution 19-36 for the refunding of the 2013 Bonds, it also allowed for a small restructuring of its debt service to achieve annual cash flow savings, while still achieving the two percent (2%) net present value savings threshold required by the Refunding Legislation. He added that in the first year GIAA is expecting to receive $7-8M. Those monies will be used to leverage FAA grant funds and other capital improvement projects. Discussion followed with Chairman Bamba commending Management and GIAA team for the great work.

Chairman Bamba inquired about the amendments to Bill140-35. The Board was informed that the Bill was amended to require legislative approval and to require that GIAA provide notice to the Legislature of the intent to go out to the Bond Market.

Legal Counsel noted that the Bill referenced in the resolution should be the version amended by the Legislature.

Executive Manager Ada informed the Board of the intent to travel to San Francisco with a team consisting of GIAA and GEDA during the first week of October for meetings with the rating agencies, and for the Bond sale in New York in the third week of October. After further discussion, on motion duly made by Director Belanger, seconded by Vice Chairman Sobti, the following resolution was unanimously approved:
Resolution No. 19-58
WHEREAS, pursuant to GIAA Board Resolution No. 19-36 (attached as Attachment 1), the Board of Directors approved an amendment of GIAA’s enabling statute to authorize the issuance of revenue bonds by GIAA to refund all or a portion of its prior and authorized the Executive Manager to take such action as is necessary to carry out the amendment of GIAA’s enabling statute; and

WHEREAS, Bill 140-35 (“Refunding Legislation”) (attached as Attachment 2), as amended and approved by the Legislature, amends GIAA’s enabling statute and also provides authorization from the Legislature to refund a portion of GIAA’s 2013 Bonds, so long as such refunding achieves debt service savings of not less than two percent (2%) of the refunded principal amount; and

WHEREAS, GIAA, in consultation with the Guam Economic Development Authority, bond counsel, and GIAA’s underwriters, is also considering a restructuring of its debt service to achieve annual cash flow savings while still achieving the two percent (2%) net present value savings threshold required by the Refunding Legislation; and

WHEREAS, GIAA management has estimated that the cash flow savings realized from restructuring may be used to leverage Federal Aviation Administration grant funds and other capital improvement projects; and

WHEREAS, the Board of Directors has determined that it is necessary to authorize such action as is necessary to restructure debt service payments for the 2013 Bonds to achieve cash flow savings while still achieving the two percent (2%) net present value savings threshold required by the Refunding Legislation.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of GIAA hereby authorizes GIAA Management to take such action as is necessary to restructure debt service payments for the 2013 Bonds to achieve cash flow savings while still achieving the two percent (2%) net present value savings threshold required by the Refunding Legislation.

C. Approval of Award for Independent Financial Auditing Services - RFP No. RFP-006-FY19

Next on the agenda was the approval of award for Independent Financial Auditing Services. Mr. Henry Cruz, Acting Supply Management Administrator, provided background information to the Board on the referenced RFP including the scope of services, contract term, dates of advertisement of the RFP, proposal submission deadline, and the number of interested proposers. A total of six (6) firms showed their interest by obtaining the RFP package. An evaluation committee was established to evaluate the two (2) proposals that were submitted before the established deadline, based on the evaluation criteria set forth in the RFP. As a result
of the committee's evaluation, the selected firms were found to be responsible and responsive and the firms in order of their ranking are as follows:

1. Offeror A
2. Offeror B

The term of the contract is for a period of four (4) years with an option to renew for one (1) additional fiscal year at GIAA's discretion, not to exceed a total contract period of five (5) years, subject to the availability of funding. Said contract will be funded under the Accounting Division’s O&M Budget.

Management recommended that the Board approve the ranking results and the contract award to Offeror A for the Independent Financial Auditing Services, subject to negotiation of fair and reasonable fees to be submitted by the highest ranked Offeror at a time and in a format determined by GIAA. If GIAA is unable to negotiate a contract with the highest ranked Offeror, the Executive Manager or his designee, may enter into negotiations with the next most qualified Offeror, consistent with the Guam Procurement Law & Regulations.

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

**Resolution No. 19-59**

The Board hereby approves the ranking results as presented and the contract award to Offeror A for Independent Financial Auditing Services - RFP No. RFP-006-FY19, subject to Management's negotiation of fair and reasonable fees and review by legal counsel.

Executive Manager Ada announced that Offeror A is Ernst & Young LLP.

**D. Approval of Award for Indefinite Delivery Indefinite Quantity: ARFF Structural Fire Fighting Personal Protective Equipment - IFB No. GIAA-004-FY19**

The next item on the agenda was the approval of award for Indefinite Delivery Indefinite Quantity: ARFF Structural Fire Fighting Personal Protective Equipment under the Invitation for Bid No. GIAA-004-FY19. Mr. Henry Cruz provided background information to the Board on the referenced IFB. Thirteen (13) firms/individuals purchased bid packages and only 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 bidders. The bid price submittals are as follows:
Management recommends the contract award to Safety 1st Systems, Inc. and JMI - Edison, who have been determined to have met the standards of responsibility and responsiveness outlined in the Guam Procurement Regulations for a term of three (3) years with two (2) one-year options at GIAA's sole discretion for the following items:
Director Alcorn inquired on the number of ARFF Personnel and the requirement of 30 pieces. Chief Manatanona replied there are 30 firefighters. Executive Manager Ada informed the Board that the intention is to outfit all firefighters for the first year. For years 3, 4, and 5, if items need replacing, then they get ordered as needed from the same vendor.

Mr. Henry Cruz announced that an error was discovered in the Table of Contents of the IFB, which indicated a Designation of Subcontractors form, however, that form was not required to be submitted. One of the bidders submitted a list of vendors. After conferring with Legal Counsel, it was determined to be nothing more than a clerical error and does not affect price, quality or delivery. Legal Counsel, Ms. Damian advised the Board that Calvo Fisher & Jacob LLP has a conflict with one of the firms, therefore Conflicts Counsel, Mr. Thomas Fisher reviewed the referenced IFB. Discussion followed with Mr. Thomas Fisher, Conflicts Counsel informing the Board that no bidder was misled, and confirmed that it was a simple clerical error.

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

<table>
<thead>
<tr>
<th>BIDDER</th>
<th>BID ITEM No. &amp; DESCRIPTION</th>
<th>BID AMOUNT (Per Item Unit):</th>
<th>x (30) units - Minimum Guaranteed Purchase for Year 1 (then on as needed basis for remaining term of IDIQ contract)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Safety 1st Systems, Inc.</td>
<td>Item 3.0: Structural Fire Fighting Protective Coat; w/ Structural Fire Fighting Protective Trousers (Pair)</td>
<td>$1,284.37</td>
<td>$38,531.10</td>
</tr>
<tr>
<td></td>
<td>Item 4.0: Structural Fire Fighting Protective Footwear</td>
<td>$389.42</td>
<td>$11,682.60</td>
</tr>
<tr>
<td>JMI - Edison</td>
<td>Item 1.0: Structural Fire Fighting Helmet</td>
<td>$288.90</td>
<td>$8,667.00</td>
</tr>
<tr>
<td></td>
<td>Item 2.0: Structural Fire Fighting Protective Barrier Hood</td>
<td>$36.00</td>
<td>$1,080.00</td>
</tr>
<tr>
<td></td>
<td>Item 5.0: Structural Fire Fighting Protective Gloves (Gauntlet Cuff)</td>
<td>$105.40</td>
<td>$3,162.00</td>
</tr>
<tr>
<td></td>
<td>Item 6.0: Structural Fire Fighting Protective Gloves (Wristlet Cuff)</td>
<td>$105.40</td>
<td>$3,162.00</td>
</tr>
<tr>
<td></td>
<td>Item 7.0: Extiction Rescue Gloves</td>
<td>$82.00</td>
<td>$2,460.00</td>
</tr>
<tr>
<td></td>
<td>Item 8.0: Turnout Gear Bag</td>
<td>$54.40</td>
<td>$1,632.00</td>
</tr>
</tbody>
</table>
Resolution No. 19-60

The Board hereby approves the contract award for Indefinite Delivery Indefinite Quantity: ARFF Structural Fire Fighting Personal Protective Equipment - IFB No. GIAA-004-FY19 to Safety 1st Systems, Inc. and JMI–Edisonas recommended by Management, subject to review by legal counsel.

E. Acceptance of Multi-Year FAA Grant - Modify Terminal Building

The next matter discussed was the acceptance of Multi-Year FAA Grant - Modify Terminal Building in the total maximum amount of $18,096,429.00 over four (4) years, FY19 - FY22.

Board action is required to accept the multi-year grant in the specific amount for FY19 of $4,596,429.00, and to appropriate Airport’s 10% share in the amount of $288,493.00.

Director Belanger inquired if the amount of $18M mentioned is based on enplanements. Mr. Frank Santos, GIAA Consultant, replied arrivals and transits.

Director Morato inquired how the share of grant funding amongst states and territories is calculated based on the size of Airport. Mr. Santos explained that as a Territory of the U.S., the first $2M is exempt, 100% funded by FAA. Anything beyond that and as a small hub, is funded 90% by FAA and 10% by Airport. Medium or large sized hubs are 75% FAA and 25% Airport. Discussion followed.

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

Resolution No. 19-61

The Board hereby approves the acceptance of the Multi-Year FAA Grant Agreement AIP No. 3-66-0001-106-2019 - Modify Terminal Building in the amount of $4,596,429.00, including the conditions associated with the grant agreement, and the appropriation of $288,493.00 as the Airport’s share from the Capital Improvement Fund.

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. The report included brief updates on Airport operations and compliance, CIPs and Regulatory updates.

With regard to the annual verification of the Fire Suppression Operating system on the ARFF Fire trucks being overdue by 90 days, Chairman Bamba stressed his concerns and inquired about the implications for the Airport. Executive Manager Ada informed the Board that the verification test on the system is required every twelve (12) months. The deadline for the test was May 2019, and it was not completed. The implication is that there is no assurance that the
fire trucks are able to effectively suppress a fire, in the event an incident should occur. Communications are underway with the manufacturer of the trucks to get the necessary equipment to be able to conduct the test. ARFF Chief Raymond Mantanona reiterated Executive Manager Ada's statement. Executive Manager Ada informed the Board that there is no excuse for missing the deadline, that the bottom line is, GIAA needs to have equipment that is able to perform its mission. Discussion followed regarding the testing and the media reports regarding the foam being discharged from trucks.

Director Alcorn inquired if there will be a negative impact on GIAA's upcoming Certification Inspection. Executive Manager Ada replied yes, because of the fact that we missed the deadline. Executive Manager Ada assured the Board that corrective action is underway. Chairman Bamba expressed the need for accountability with regard to compliance on such matters.

8. REPORT OF THE COMPTROLLER

Mr. John Rios reported on the revenues and expenses of the Authority as of July 31, 2019. Mr. Rios reported that year-to-date Total Signatory Revenues are below budgeted revenues by -0.8%, year-to-date Total Concession Revenues and Passenger Facility Charges are below budget by -9.9% and -2.0%, respectively. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues are below the budget estimate by -7.3%. Year-to-date Total Operating Revenues Actual of $63.0M is -4.7% below the budget estimate of $66.1M. Year-to-date Total Operating Expenses are below budget by -8.9%. Components of this line item include a -5.3% decrease in Personnel Service, a -6.4% decrease in Contractual Services, a -61.3% decrease in Materials & Supplies and a -73.3% decrease in Equipment/Furnishings from budgeted amounts for these respective categories. The actual year-to-date Net Revenues from Operations of $25.3M reflects an increase of 2.3% over the year-to-date budgeted amount of $24.8M. Mr. Rios reported that the year-to-date Debt Service Coverage is at 1.46 versus the requirement of 1.25.

9. EXECUTIVE SESSION

The next item on the agenda was Executive Session.

Due to previously disclosed conflicts of interest, Chairman Bamba recused himself from participating in Executive Session and requested that Vice Chairman Sobti preside over the next portion of the meeting.

Upon written recommendation of counsel, on motion duly made by Director Alcorn, seconded by Vice Chairman Sobti, and unanimously approved, the Board recessed to convene into Executive Session at 4:32p.m.
The Board convened into Executive Session at 4:36 p.m. to discuss pending or threatened litigation relative to DFS Guam L.P. to which GIAA is or may be a party. Attending Executive Session were Directors Sobti, Alcorn, Belanger, Tainatongo and Morato, Executive Manager Ada, and Legal Counsels, Janalynn Damian and Eduardo Calvo. Also present was the court reporter who will prepare a transcript of the Executive session.

Executive Session adjourned at 4:55 p.m., at which time Vice Chairman Sobti announced that the Board will reconvened regular session. Due to unforeseen circumstances, Chairman Bamba did not participate in the remainder of the meeting.

10. PUBLIC COMMENTS

There were no Public Comments.

11. ADJOURNMENT

Motion to adjourn duly made by Director Alcorn, seconded by Director Tainatongo; motion unanimously passed. The meeting was adjourned at 4:58 p.m.

Dated this __________, day of ______________, 2019.

Attest:

______________________________   ______________________________
Brian J. Bamba                        Donald I. Weakley
Chairman                              Board Secretary

Prepared and Submitted By:

______________________________
Amanda O'Brien-Rios
Corresponding Secretary
GIAA BOARD OF DIRECTORS  
Executive Summary  
Regular Board Meeting  
September 24, 2019

GENERAL AIRPORT INSURANCE – RENEWAL FOR FISCAL YEAR 2020

INTRODUCTION

The A.B. Won Pat International Airport Authority, Guam as required by the GIAA Bond Indenture is required to carry an adequate amount of insurance coverage to protect the Authority, its officers and bondholders. The Airport insurance Program, which consists of Conventional Insurance covers general airport operations and was developed by GIAA with the assistance of its Insurance Consultant. The Insurance Program includes six (6) policies: Property Insurance including Catastrophe; Airport Operators Liability; Directors & Officers Liability; Workman's Compensation; Automobile Insurance; and Crime insurance, all of which are described in detail below.

CONVENTIONAL INSURANCE COVERAGE

The General Airport Insurance is provided to protect GIAA from potential losses resulting from its operations. Listed below are the types of insurance and coverage provided and described in the Premium Comparison and Markets & Underwriters indications attached:

Property Insurance  
Including Catastrophe

Blanket coverage for All risks of direct and physical loss or damage to all Real and Personal Property. Renewal of coverage includes limit of $200M with $450,000 deductible and B&M sub-limit of $5M.

Catastrophe insurance: Windstorm, Typhoon & Earthquake.

Renewal of coverages includes sub-limit of $5M with $5M deductible.

Airport Operators Liability

Legal liability coverage against claims from members of the general public (third parties) arising from operations at the Airport or elsewhere in the course of the Airports business.

Renewal of coverage includes limit of $500M with Personal Injury limit of $25M and $75,000 deductible for Property Damage.

Directors & Officers Liab.

Coverage for GIAA's Directors & Officers for loss in which the parties become legally obligated to pay for a Wrongful Act. Includes Employment Practices Liability (EPL) that provides
coverage for loss in which the GIAA becomes legally obligated to pay for employee’s or former employee’s claim for Wrongful Termination, Unfair Dismissal, Harassment, Discrimination, Emotional Distress, Invasion of Privacy, Failure to Employ or Promote, Wrongful discipline, etc.

Renewal of coverage includes limit of $4M with EPL sub-limit of $1M and no deductible.

**Workman’s Compensation**

Coverage for costs and benefits for job related injuries sustained by GIAA employees.

Renewal of coverage includes P.L. 80 Statutory Benefits, Employers Liability limit of $1M with no deductible.

**Automobile Insurance**

Coverage provides for bodily injury and property damage to third parties arising from the use of owned, non-owned or hired vehicles. Coverage has no Aviation Risk Exclusion clause. Coverage on comprehensive, collision & typhoon on all vehicles with a current market value of $10,000 or more.

Renewal of coverage includes combined single limit of $2M for bodily injury and property damage liability. Comprehensive & Collision on all vehicles covers actual cash value with deductible of $1,000.

**Crime Insurance**

**Employee Dishonesty** - Coverage provides indemnity to the Authority for the loss of money or other property through the fraudulent or dishonest acts committed by employees. Renewal of coverage includes limit of $1M with $50,000 deductible.

Money & Securities - Coverage provides indemnity for loss or destruction of money, securities or negotiable instruments inside the premises and off premises. Coverage sustained from accepting counterfeit money orders or currency.

Renewal of coverage includes limit of $100,000 for Loss inside of premises, $100,000 for Loss outside premises and $100,000 for Counterfeit Paper Currency. Deductible is $10,000 for each occurrence for Premises, Transit, and Offices & $50,000 for Counterfeit paper.

**Depositors Forgery** – Coverage provides indemnity for loss of money as a result of forgery or alteration of or in any check, draft, promissory note, bill of exchange or similar written promise made or drawn from the account.
Renewal of coverage includes limit of $100,000 with $50,000 deductible.

Computer Fraud – Coverage provides loss resulting directly from fraudulent acts involving electronic data or computer systems.

Renewal of coverage includes limit of $100,000 with $50,000 deductible.

**RECOMMENDATION**

The appended schedule illustrates the recommended program for FY2020. Management recommends the Board adopt the FY2020 insurance program as appended.

The total premium costs for all coverage including Catastrophic perils for FY2020 is **$818,230** net of the broker’s commissions. This represents an increase in premium of **$243,857** per annum compared to FY2019 premium cost of **$574,373**.

Premium costs for Property Insurance, Airport Operators Liability, and Workers Compensation have increased this year due to worldwide catastrophic events which has led to the hardening of the insurance market.
<table>
<thead>
<tr>
<th>POLICY DESCRIPTION</th>
<th>CURRENT INSURER</th>
<th>CURRENT PREMIUM</th>
<th>FY2019 PREMIUM</th>
<th>FY2020 PREMIUM</th>
</tr>
</thead>
<tbody>
<tr>
<td>PROPERTY COVERAGE</td>
<td>Calvo's (AIG)</td>
<td>$200,000,000</td>
<td>$322,771</td>
<td>NO QUOTE</td>
</tr>
<tr>
<td>(All Risk incl Windstorm, Typhoon &amp; Earthquake)</td>
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<tr>
<td>FY19 Property &amp; Equipment Value - $433,283,765</td>
<td></td>
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<tr>
<td>FY20 Property &amp; Equipment Value - $425,783,531</td>
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<tr>
<td>Decrease: $7,500,234</td>
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<tr>
<td>SUBLIMITS</td>
<td></td>
<td></td>
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<tr>
<td>Windstorm, Typhoon &amp; Earthquake Shock</td>
<td>$5,000,000</td>
<td>$5,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mold Coverage:</td>
<td>$750,000</td>
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</tr>
<tr>
<td>Property in Transit:</td>
<td>$250,000</td>
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<td></td>
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<tr>
<td>Valuable Papers:</td>
<td>$1,000,000</td>
<td></td>
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<tr>
<td>Automatic Acquisition</td>
<td>$1,000,000</td>
<td></td>
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<tr>
<td>Debris Removal:</td>
<td>$1,000,000</td>
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<td></td>
</tr>
<tr>
<td>Boiler Explosion &amp; Machinery Breakdown</td>
<td>$5,000,000</td>
<td></td>
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<tr>
<td>DEDUCTIBLE</td>
<td></td>
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<tr>
<td>All Perils - Each and every Loss</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Including Boiler &amp; Machinery</td>
<td></td>
<td>$450,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Windstorm, Typhoon &amp; Earthquake Shock</td>
<td></td>
<td>$5,000,000</td>
<td></td>
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<tr>
<td>Business Interruption</td>
<td></td>
<td></td>
<td></td>
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</tr>
<tr>
<td></td>
<td></td>
<td>72 Hours</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AIRPORT OPERATORS LIABILITY</td>
<td>Calvo's (AIG)</td>
<td>$500,000,000</td>
<td>$131,580</td>
<td>NO QUOTE</td>
</tr>
<tr>
<td>Personal Injury Limit (in the aggregate)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>DEDUCTIBLE</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property Damage</td>
<td></td>
<td>$250,000,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>War &amp; Terrorism Excluded</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>POLICY ENHANCEMENTS</td>
<td></td>
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<td></td>
</tr>
<tr>
<td>Contingent Contractors Legal Liability</td>
<td>$250,000</td>
<td></td>
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<tr>
<td>AVN52G War Buy-Back</td>
<td></td>
<td>$150,000,000</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$250,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$150,000,000</td>
</tr>
<tr>
<td>DIRECTORS &amp; OFFICERS LIABILITY</td>
<td>Moylan's (DB)</td>
<td>$4,000,000</td>
<td>$36,720</td>
<td>1-Year</td>
</tr>
<tr>
<td>Employment Practices Liability Sublimit</td>
<td>$1,000,000</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>$1,000,000</td>
<td>$36,720</td>
<td>1-Year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,000,000</td>
<td>$33,048</td>
<td>3-Year</td>
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<td></td>
</tr>
<tr>
<td>WORKMEN'S COMPENSATION</td>
<td>Moylan's (DB)</td>
<td>PL80 Stat. Benef.</td>
<td>$35,000</td>
<td>1-Year</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,000,000 E.L.</td>
<td></td>
<td>1-Year</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Moylan's (DB)</td>
<td>$2,000,000</td>
<td>$42,888</td>
<td>NO QUOTE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Actual Cash Value</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Moylan's (DB)</td>
<td></td>
<td></td>
<td>NO QUOTE</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AUTOMOBILE</td>
<td>Moylan's (DB)</td>
<td>$2,000,000</td>
<td>$42,888</td>
<td>NO QUOTE</td>
</tr>
<tr>
<td>A. Bodily Injury &amp; Property Damage Liability</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B. Comprehensive &amp; Collision incl Typhoon</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Deductible Comp, Coll &amp; Typhoon - $1,000</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C. Medical Payments - each person</td>
<td>Moylan's (DB)</td>
<td>$1,000</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FY2019: 83 Vehicles</td>
<td></td>
<td></td>
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<td></td>
</tr>
<tr>
<td>FY2020: 79 Vehicles</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Note: Item B - Applies to all vehicles with a current market value of $10k or more (FY20: 27 Vehicles)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: This is a summary only. Please refer to policy for complete terms conditions.
# A.B. WON PAT INT’L AIRPORT AUTHORITY, GUAM

## FY2020 INSURANCE QUOTES

<table>
<thead>
<tr>
<th>POLICY DESCRIPTION</th>
<th>CURRENT INSURER</th>
<th>COVERAGE</th>
<th>FY2019 PREMIUM</th>
<th>MOYLAN’S</th>
<th>NANBO</th>
<th>CALVO’S</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRIME</td>
<td>Moylan's (DB)</td>
<td></td>
<td>$5,400</td>
<td>3-Year</td>
<td>1-Year</td>
<td>NO QUOTE</td>
</tr>
<tr>
<td>DEDUCTIBLE</td>
<td></td>
<td></td>
<td></td>
<td>$5,400</td>
<td></td>
<td>$6,456</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>3-Year</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>$4,860</td>
<td></td>
<td></td>
</tr>
<tr>
<td>REQUIRED CONDITIONS:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Retroactive dates 10/01/2004 for Employee Dishonesty in excess of $500,000 and 10/01/2003 for all other coverages.</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

TOTAL FY2019 PREMIUM: $574,373

**NOTES:**

20 Aug 2019-Transmitted Specs to all carriers; 13 Sept 2019-Quotes due from all carriers; 16 Sept 2019-Quotes due to GIAA Proposed 3-Year Term premium to be billed annually.

Note: This is a summary only. Please refer to policy for complete terms conditions.
# A.B. Won Pat International Airport Authority, Guam
## FY2020
### MARKETS & UNDERWRITERS

<table>
<thead>
<tr>
<th>GENERAL AGENT</th>
<th>CARRIER</th>
<th>BEST RATING/ FINANCIAL STRENGTH</th>
<th>PROPERTY</th>
<th>AIRPORT LIABILITY</th>
<th>WORKERS COMP</th>
<th>DIRECTORS &amp; OFFICERS</th>
<th>EPL</th>
<th>COMMERCIAL AUTO</th>
<th>CRIME</th>
</tr>
</thead>
<tbody>
<tr>
<td>CENTURY</td>
<td>Century</td>
<td>B++ / V</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Carrier does not meet financial rating required by Insurance Specifications.</td>
</tr>
<tr>
<td>CALVO'S</td>
<td>National Union</td>
<td>A / XV</td>
<td><strong>$451,879</strong></td>
<td>$183,600</td>
<td>No Quote</td>
<td>No Quote</td>
<td>No Quote</td>
<td>No Quote</td>
<td>No Quote</td>
</tr>
<tr>
<td>CASSIDY'S</td>
<td>Pacific Indemnity</td>
<td>AA</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Carrier did not respond to Request for Proposal.</td>
</tr>
<tr>
<td>GNIU</td>
<td>Chung Kuo</td>
<td>A- (S&amp;P)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Carrier does not meet financial rating required by Insurance Specifications.</td>
</tr>
<tr>
<td>MOYLAN'S</td>
<td>DB</td>
<td>A / XV</td>
<td>No Quote</td>
<td>No Quote</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>1-Year $195,488</td>
</tr>
<tr>
<td>MOYLAN'S</td>
<td>First Net (100% Reinsured w/Lloyds)</td>
<td>A / XV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Carrier will not be participating in providing a quote this year.</td>
</tr>
<tr>
<td>NANO</td>
<td>Tokio Marine</td>
<td>A++ / XV</td>
<td>No Quote</td>
<td>No Quote</td>
<td></td>
<td></td>
<td>No Quote</td>
<td>No Quote</td>
<td>No Quote</td>
</tr>
<tr>
<td>GUAHAN</td>
<td>Sampo Japan/Nippon Koa</td>
<td>A+ / XV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Carrier will not be participating in providing a quote this year.</td>
</tr>
<tr>
<td>TAKAGI &amp; ASSOCIATES</td>
<td>Aioi</td>
<td>A+ / XV</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Carrier did not respond to Request for Proposal.</td>
</tr>
</tbody>
</table>

20 Aug 2019-Transmitted Specs to all carriers; 13 Sept 2019-Quotes due from all carriers; 16 Sept 2019-Quotes due to GIAA

Prepared by: AM Insurance
Updated on: 9/18/2019 1:39 PM
<table>
<thead>
<tr>
<th>POLICY</th>
<th>FY2019</th>
<th>FY2020</th>
<th>PREMIUM DIFFERENCE</th>
<th>(%) PERCENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property (Including Catastrophe Cover)</td>
<td>$322,771</td>
<td>$451,879</td>
<td>$129,108</td>
<td>40.000%</td>
</tr>
<tr>
<td>Airport Operators Liability</td>
<td>$131,580</td>
<td>$183,600</td>
<td>$52,020</td>
<td>39.535%</td>
</tr>
<tr>
<td>Directors &amp; Officers</td>
<td>$36,720</td>
<td>$36,720</td>
<td>$0</td>
<td>Nil</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>$35,000</td>
<td>$97,743</td>
<td>$62,743</td>
<td>179.266%</td>
</tr>
<tr>
<td>Automobile Insurance</td>
<td>$42,902</td>
<td>$42,888</td>
<td>($14)</td>
<td>-0.033%</td>
</tr>
<tr>
<td>Crime Insurance</td>
<td>$5,400</td>
<td>$5,400</td>
<td>$0</td>
<td>Nil</td>
</tr>
<tr>
<td><strong>TOTAL:</strong></td>
<td><strong>$574,373</strong></td>
<td><strong>$818,230</strong></td>
<td><strong>$243,857</strong></td>
<td></td>
</tr>
</tbody>
</table>
Date: September 18, 2019
To: Thomas C. Ada, Executive Manager
Cc: Jean Arriola, Vanessa Pangindian, Joe Javellana, Elizabeth Blas
From: Cheryl McDowell

Re: Purchase Recommendation, Insurance FY2020

I have reviewed the FY2020 insurance quotes submitted by AM Insurance and have the following recommendations:

<table>
<thead>
<tr>
<th>Coverage</th>
<th>Provider</th>
<th>Premium</th>
</tr>
</thead>
<tbody>
<tr>
<td>Property Insurance</td>
<td>Calvo’s Insurance</td>
<td>$451,879</td>
</tr>
<tr>
<td>Airport Operator’s Liability</td>
<td>Calvo’s Insurance</td>
<td>$183,600</td>
</tr>
<tr>
<td>Directors &amp; Officers/EPL Liability</td>
<td>Moylan’s Insurance</td>
<td>$36,720 (1 year option)</td>
</tr>
<tr>
<td>Workers Compensation</td>
<td>Moylan’s Insurance</td>
<td>$97,743 annual-subject to audit</td>
</tr>
<tr>
<td>Automobile Insurance</td>
<td>Moylan’s Insurance</td>
<td>$42,888</td>
</tr>
<tr>
<td>Crime Insurance</td>
<td>Moylan’s Insurance</td>
<td>$5,400 (1 year option)</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>$818,230</strong></td>
</tr>
</tbody>
</table>

The total overall premium increased by $243,857 over FY2019 premiums, which is reflective of a hardening in the insurance marketplace for most major lines of coverage.

If you have any questions, please let me know.

Sincerely,

Cheryl McDowell, ARM, CSRM, CISR
Vice President, Risk Management Services
REQUEST FOR PROPOSAL (RFP) NO. RFP-009- FY19
PROJECT No. GIAA-FY14-01-1

CONSTRUCTION MANAGEMENT SERVICES FOR TERMINAL BUILDING UPGRADE AND CONCOURSE ISOLATION

September 24, 2019

Purpose
Board action is requested to approve the award of Request For Proposals (RFP) No. GIAA-009- FY19 for Construction Management Services for Terminal Building Upgrade and Concourse Isolation.

Background
The referenced Request for Proposal (RFP) solicits interest from qualified firms or individuals to provide professional construction management services for the Antonio B. Won Pat International Airport, Guam’s Terminal Building Structural Upgrade and Concourse Isolation construction project (the “Project”). The scope of work is to provide construction management services for all phases of the ongoing Project.

The awardee is required to have expertise in the project management of construction projects. Also, the firm must be knowledgeable of FAA AIP project requirements.

Procurement Background
The above referenced RFP was advertised in the local newspapers on August 14, 19 & 26, 2019. The established deadline to submit the proposals was September 4, 2019, 4:00 p.m.

A total of ten (10) firms showed their interest by obtaining the RFP package and three (3) firms responded by submitting their proposal before the submission deadline.

Proposal Analysis and Evaluation
The Evaluation Committee has completed their evaluation of the proposals based on the evaluation criteria set forth in the RFP. The evaluation results in the order of ranking are as follows:

1. KHLG & Associates, Inc.
2. Offeror C
3. Offeror A
1) **Offeror A**

Offeror’s proposal was determined be responsive based on the submittal of all required documentation set forth in the RFP.

2) **Offeror C**

Offeror’s proposal was determined be responsive based on the submittal of all required documentation set forth in the RFP.

3) **KHLG & Associates, Inc. (“KHLG”):**

   a. **Certification of Proposer Regarding Tax Delinquency and Felony Convictions** - With regard to the executed Certification of Proposer Regarding Tax Delinquency and Felony Convictions form (“Tax Certification”) submitted with KHLG’s proposal, KHLG failed to mark the appropriate box to indicate whether or not it has any federal tax liability or felony convictions. Pursuant to 5 GCA § 5216(d) and 2 GARR Div. 4 § 3114 (i)(1)(A) of the Procurement Law and Regulations, I have determined it necessary to have KHLG complete its Tax Certification to confirm its qualification to provide the solicited services. Furthermore, I have concluded that KHLG’s submission of a signed Tax Certification indicates its intent to comply with the RFP requirements and its failure to mark the appropriate box on the Tax Certification was an inadvertent oversight that will not prejudice other offerors if corrected. Therefore, GIAA issued a **Notification to Correct Proposal** on September 17, 2019, requesting that KHLG submit a completed Tax Certification. GIAA received KHLG’s completed Tax Certification on September 18, 2019.

Following KHLG’s submission of its completed Tax Certification, its proposal was determined be responsive.

**Fee Negotiations**

Based on the tabulation of the evaluation ranking, it is determined that KHLG was deemed as the best qualified, responsive firm to perform the required services in accordance with the criteria set forth in the RFP. Also, as a result of our review of the KHLG’s submitted required documents, KHLG has been deemed to have met the standards of responsibility outlined in the Guam Procurement Law & Regulations.

Subsequently, a **Notice of Intent to Award** was issued to KHLG on September 17, 2019. A fee proposal was requested from KHLG in regard to the scope of services to be performed under the contract. On September 20, 2019 a meeting between KHLG and the negotiations committee established by management, comprised of Victor Cruz, Engineering Supervisor, Antonio O. Laniog, Jr., Engineer III, and Frank Santos, Airport Consultant, was held to determine if the fees presented were fair and reasonable based on an understanding of the scope of services to be
Conducted by the contractor. As a result of this September 20, 2019 meeting, a revised fee proposal was requested from KHLG based on the agreed upon scope of services to be conducted. KHLG’s revised fee proposal was received by GIAA on September 20, 2019 in the amount of $2,920,334.26, which I have determined to be fair and reasonable based on the scope of services to be performed by the contractor.

**Legal Review**

Upon Board approval, a contract will be forwarded to Legal Counsel for review and approval as to form. The term of the contract is for period of fifteen (15) months from the effective date of the contract, subject to extension at the option of GIAA as may be required for project completion and closeout and the availability of funding.

**Financial Review**

The *Construction Management Services for Terminal Building Upgrade and Concourse Isolation* contract will be funded under an AIP grant. Contract award is subject to FAA approval.

**Recommendation**

It is moved that the Board approve the ranking results and the contract award to **KHLG & Associates, Inc.** for the *Construction Management Services for Terminal Building Upgrade and Concourse Isolation* project in the amount of $2,920,334.26 subject to legal review and FAA approval.
September 23, 2019

MEMORANDUM

TO: Thomas C. Ada
Executive Manager

VIA: Jean M. Arriola
Airport Services Manager

FROM: GIAA Procurement Section

SUBJECT: Evaluation and Recommendation - Request For Proposal (RFP)
Construction Management Services for Terminal Building Structural Upgrade and Concourse Isolation; RFP No. GIAA-009-FY19, Project No. GIAA-FY14-01-1

The referenced Request for Proposal (RFP) solicits interests from qualified firms and/or individuals to provide professional construction management services for the Antonio B. Won Pat International Airport, Guam’s Terminal Building Structural Upgrade and Concourse Isolation construction project. The advertisement for this RFP was published in the local newspaper on August 14, 19 & 26, 2019. The deadline to submit proposals was established at September 4, 2019, 4:00 p.m.

A total of ten (10) firms and/or individuals showed in interest by downloading the RFP package and three (3) firms submitted proposals before the submission deadline.

Proposal Analysis

1) Offeror A:

Offeror’s proposal was determined to be responsive based on the submittal of all required documentation submitted and evaluation criteria.

2) Offeror C:

Offeror’s proposal was determined be responsive based on the submittal of all required documentation set forth in the RFP.

3) KHLG & Associates, Inc. ("KHLG"):

a. Certification of Proposer Regarding Tax Delinquency and Felony Convictions - With regard to the executed Certification of Proposer Regarding Tax Delinquency and Felony Convictions form ("Tax Certification") submitted with KHLG’s proposal, KHLG failed to mark the appropriate box to indicate whether or not it has any federal tax liability or felony convictions. Pursuant to 5 GCA § 5216(d) and 2 GARR Div. 4 § 3114 (i)(1)(A) of the Procurement Law and Regulations, GIAA determined it necessary to have KHLG complete its Tax Certification to confirm its qualification to provide the solicited services. Furthermore, GIAA concluded that KHLG’s submission of a signed Tax Certification indicates its intent to comply with the RFP requirements and its failure to mark the appropriate box on the Tax Certification was an inadvertent oversight that will not prejudice other offerors if corrected. Therefore, GIAA issued a Notification to Correct Proposal on September 17,
2019, requesting that KHLG submit a completed Tax Certification. GIAA received KHLG’s completed Tax Certification on September 18, 2019.

Following KHLG’s submission of its completed Tax Certification, its proposal was determined be responsive.

Evaluation and Selection

Pursuant to Section 8: Selection of Best Qualified Offeror and Proposal of Basic Information of the RFP documents, after receipt of all proposals, the GIAA Evaluation Committee conducted an independent evaluation for the purpose of determining if the proposals were responsive, based on the evaluation criteria set forth in the RFP, and if the offerors have met the standards of responsibility outlined in the Guam Procurement Law & Regulations.

The committee appointed by management to evaluate the offerors’ qualifications included the following:

1. Victor Cruz, Engineering Supervisor
2. Antonio O. Laniog, Jr., Engineer III
3. Frank Santos, Airport Consultant (TMG)

The committee completed their evaluation and the scores were tabulated as reflected on the attached summary worksheet. As a result of our tabulation, the firms selected in the order of their ranking are as follows:

1. KHLG & Associates, Inc.
2. Offeror C
3. Offeror A

Attached is the summary of the committee’s evaluation scores based on the evaluation criteria set forth in the RFP for your reference. Should you have any questions or would like to discuss this matter further, I am available at your request.

Fee Negotiations

Based on the tabulation of the evaluation ranking, it is determined that KHLG was deemed as the best qualified, responsive firm to perform the required services in accordance with the criteria set forth in the RFP. Also, as a result of our review of the offeror’s submitted required documents, KHLG has been deemed to have met the standards of responsibility outlined in the Guam Procurement Law & Regulations.

Subsequently, a Notice of Intent to Award was issued to KHLG on September 17, 2019. A fee proposal was requested from KHLG in regard to the scope of services to be performed under the contract. On September 20, 2019 a meeting between KHLG and the negotiations committee established by management, comprised of Victor Cruz, Engineering Supervisor, Antonio O. Laniog, Jr., Engineer III, and Frank Santos, Airport Consultant, was held to determine if the fees presented were fair and reasonable based on an understanding of the scope of services to be conducted by the contractor. As a result of this September 20, 2019 meeting, a revised fee proposal was requested from KHLG based on the agreed upon scope of services to be conducted. KHLG’s revised fee proposal was received by GIAA on September 20, 2019 in the lump sum amount of $2,920,334.26 for prime consulting fees.

Recommendation

As a result of these discussions, the negotiations committee recommends to management, the acceptance of negotiated lump sum amount of $2,920,334.26 for the prime consulting fees required
from the scope of work to be conducted. Therefore, it is recommended to approve the ranking results and the contract award to *KHLG & Associates, Inc.* for the *Construction Management Services for Terminal Building Structural Upgrade and Concourse Isolation* project.

Henry M. Cruz

APPROVED:

THOMAS C. ADA
Executive Manager

Attachments
cc: Evaluation Committee / Procurement File
Evaluation Score Tally Sheet
RFP No. RFP-009-FY19
PROJECT No. GIAA-FY14-01-1
Construction Management Services for Terminal Building Structural Upgrade and Concourse Isolation

<table>
<thead>
<tr>
<th>OFFEROR NAME:</th>
<th>Evaluator 1</th>
<th>Evaluator 2</th>
<th>Evaluator 3</th>
<th>AVG. Ranking</th>
<th>Final Ranking</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Score</td>
<td>Rank</td>
<td>Score</td>
<td>Rank</td>
<td>Score</td>
</tr>
<tr>
<td>OFFEROR A</td>
<td>82</td>
<td>2</td>
<td>76</td>
<td>2</td>
<td>78</td>
</tr>
<tr>
<td>KHLG &amp; Associates, Inc.</td>
<td>93</td>
<td>1</td>
<td>77</td>
<td>0.5</td>
<td>90</td>
</tr>
<tr>
<td>OFFEROR C</td>
<td>61</td>
<td>3</td>
<td>77</td>
<td>0.5</td>
<td>80</td>
</tr>
</tbody>
</table>

Evaluators
No. 1: Victor Cruz, Engineering Supervisor
No. 2: Antonio O. Laniog, Jr., Engineer III
No. 3: Frank Santos, Airport Consultant (TMG)
1. Verification of ARFF Fire Suppression System
   a. Test kits have been received,
   b. Verification is underway. Testing of one (1) truck completed; results showed system was in acceptable operating range, but a bit on the rich side.
   c. All tests will be completed this week.
   d. GIAA will apply for reimbursement (approx. $50K) for procurement of tester equipment.

2. New Superintendent (Ken McDonald) on Board.

3. Facility Issues
   a. Passenger Seating Refurbishment. Chair upholstery replacement is complete in Arrivals and Departures areas. The next phase is the concourse holding rooms.
   b. Heritage Retail Area returned to Lotte. The space was returned for retail operations on Monday Sept. 23.
   c. Stakeholder Meeting – IAC update. A stakeholder meeting was held on September 11, 2019, to update tenants and stakeholders re. project. Significant to the briefing was upcoming hoarding in the USCBP and United lease areas and their possible impact(s).

4. Space Port Certification.
   a. Still in progress. ALP still under review.
   b. News about launching from AAFB; AAFB is a certified Space Port for military launches.

5. Visit by Deputy FAA ADO
   a. Concerns pertained more timely expenditure of grant funds. ARFF CIP ($22M FAA funds) most significant concern.
   b. Briefed him on plans re certification of Fire Suppression System on ARFF trucks.
   c. High interest in next year’s Aerodrome Workshop; high interest by many FAA personnel to participate. An opportunity for GIAA to shine.
September 23, 2019

MEMORANDUM

To: Mr. Brian Bamba  
Chairman  
GIAA Board of Directors

From: John A. Rios  
Comptroller

Subject: Operating Results – Revenues and Expenses as of August 31, 2019

Attached herewith is GIAA’s Operating Results Report for the month ending August 31, 2019. This report summarizes the Budgeted versus Actual Revenues and Expenses for the month and year-to-date results ended August 31, 2019.

The key operating results for 11 month(s) of FY2019 ending August 31, 2019 – (in $000’s) are

<table>
<thead>
<tr>
<th>CATEGORY</th>
<th>Actual FY19 Current Month</th>
<th>YEAR-TO-DATE</th>
<th>FORECAST FOR FULL YEAR-FY19</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Budget FY19 Y-T-D</td>
<td>Actual FY19 Y-T-D</td>
<td>% Variance Budget vs. Actual Y-T-D Current Month</td>
</tr>
<tr>
<td>Total Signatory Revenues</td>
<td>$ 3,239.9</td>
<td>$ 30,966.2</td>
<td>$ 31,173.2</td>
</tr>
<tr>
<td>Total Concession Revenues</td>
<td>$ 1,713.7</td>
<td>$ 17,764.3</td>
<td>$ 16,213.3</td>
</tr>
<tr>
<td>Total PFC's</td>
<td>$ 775.5</td>
<td>$ 6,751.5</td>
<td>$ 6,792.7</td>
</tr>
<tr>
<td>Total Other Revenues</td>
<td>$ 1,422.8</td>
<td>$ 17,320.1</td>
<td>$ 15,978.2</td>
</tr>
<tr>
<td>Total Operating Revenues</td>
<td>$ 7,151.9</td>
<td>$ 72,802.1</td>
<td>$ 70,157.4</td>
</tr>
<tr>
<td>Total Operating Expenses</td>
<td>$ 3,567.6</td>
<td>$ 45,096.2</td>
<td>$ 41,418.1</td>
</tr>
<tr>
<td>Net Revenues from Operations</td>
<td>$ 3,584.2</td>
<td>$ 27,705.9</td>
<td>$ 28,739.3</td>
</tr>
<tr>
<td>Non-Operating Expenses</td>
<td>$ 51.7</td>
<td>$ 790.0</td>
<td>$ 1,127.2</td>
</tr>
<tr>
<td>Other Available Moneys/other sources of funds</td>
<td>$ 530.0</td>
<td>$ 6,196.8</td>
<td>$ 6,161.8</td>
</tr>
<tr>
<td>Net Debt Service Coverage</td>
<td>1.92</td>
<td>1.46</td>
<td>1.49</td>
</tr>
</tbody>
</table>
Year-to-date Total Signatory Revenues for the month ending August 31, 2019 are above Budgeted revenues by **0.7%**. Signatory revenue estimates are based on projections submitted by Signatory airlines and adopted in the annual budget.

Year-to-date Total Concession Revenues are **-8.7%** below budget while Passenger Facility Charges are above the budget estimate by **0.6%**.

Year-to-date Total Other Revenues, inclusive of non-signatory and non-airlines revenues, are below the budget estimate by **-7.7%**.

Year-to-date Total Operating Revenues actual of **$70.1M** is **-3.6%** below the budget estimate of **$72.8M**.

Year-to-date Total Operating Expenses are below budget by **-8.2%**. Components of this line item include a **-5.7%** decrease in Personnel Service, a **-5.5%** decrease in Contractual Services, a **-55.1%** decrease in Materials & Supplies and a **-73.3%** decrease in Equipment/Furnishings from budgeted amounts for these respective categories.

The actual year-to-date Net Revenues from Operations of **$28.7M** represents a **3.7%** increase over the year-to-date budgeted amount of **$27.7M**.

Finally, our year-to-date results for Debt Service Coverage is at **1.49** 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
### I. Signatory Airline Rents & Fees

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Terminal Bldg Rentals</strong></td>
<td>321.2</td>
<td>345.1</td>
<td>363.5</td>
<td>5.3%</td>
<td>4,140.8</td>
<td>3,796.5</td>
<td>3,911.6</td>
<td>3.0%</td>
</tr>
<tr>
<td><strong>Departure Fees</strong></td>
<td>593.7</td>
<td>694.5</td>
<td>816.6</td>
<td>17.6%</td>
<td>8,333.2</td>
<td>7,689.4</td>
<td>7,630.9</td>
<td>-0.8%</td>
</tr>
<tr>
<td><strong>Arrival Fees</strong></td>
<td>600.3</td>
<td>698.4</td>
<td>852.2</td>
<td>22.0%</td>
<td>8,273.8</td>
<td>7,634.8</td>
<td>7,796.7</td>
<td>2.1%</td>
</tr>
<tr>
<td><strong>Immigration Inspection Fees</strong></td>
<td>192.2</td>
<td>236.3</td>
<td>299.2</td>
<td>26.6%</td>
<td>2,960.4</td>
<td>2,639.8</td>
<td>2,737.8</td>
<td>3.7%</td>
</tr>
<tr>
<td><strong>Loading Bridge Use Fees</strong></td>
<td>614.1</td>
<td>471.3</td>
<td>511.4</td>
<td>8.5%</td>
<td>5,661.6</td>
<td>5,202.6</td>
<td>5,147.6</td>
<td>-1.1%</td>
</tr>
<tr>
<td><strong>Apron Use Fees</strong></td>
<td>121.4</td>
<td>109.4</td>
<td>123.0</td>
<td>12.4%</td>
<td>1,347.0</td>
<td>1,240.2</td>
<td>1,187.9</td>
<td>-4.2%</td>
</tr>
<tr>
<td><strong>Landing Fees</strong></td>
<td>273.2</td>
<td>243.7</td>
<td>274.0</td>
<td>12.4%</td>
<td>3,000.8</td>
<td>2,762.9</td>
<td>2,760.6</td>
<td>-0.1%</td>
</tr>
<tr>
<td><strong>Total Signatory Revenue</strong></td>
<td>2,716.2</td>
<td>2,798.6</td>
<td>3,239.9</td>
<td>15.8%</td>
<td>33,617.6</td>
<td>28,096.1</td>
<td>30,966.2</td>
<td>0.7%</td>
</tr>
</tbody>
</table>

**Enplaned Signatory Pax**

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>162,801</td>
<td>154,340</td>
<td>182,370</td>
<td>18.2%</td>
<td>1,851,871</td>
<td>1,637,389</td>
<td>1,708,806</td>
<td>0.8%</td>
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</tbody>
</table>

**Cost per Enplaned Pax**

<table>
<thead>
<tr>
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</thead>
<tbody>
<tr>
<td></td>
<td>$16.68</td>
<td>$18.13</td>
<td>$17.77</td>
<td>-2.0%</td>
<td>$18.15</td>
<td>$17.16</td>
<td>$18.12</td>
<td>-0.1%</td>
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</table>

### II. Operating Expenses:

<table>
<thead>
<tr>
<th></th>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td><strong>Personnel Services</strong></td>
<td>1,681.6</td>
<td>1,622.4</td>
<td>1,454.3</td>
<td>-10.4%</td>
<td>21,091.0</td>
<td>18,937.5</td>
<td>19,468.6</td>
<td>18,351.9</td>
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<tr>
<td></td>
<td>1,954.9</td>
<td>2,010.6</td>
<td>1,952.6</td>
<td>-2.9%</td>
<td>25,280.4</td>
<td>23,868.3</td>
<td>23,356.3</td>
<td>22,076.5</td>
</tr>
<tr>
<td><strong>Material &amp; Supplies</strong></td>
<td>226.3</td>
<td>118.3</td>
<td>160.7</td>
<td>35.8%</td>
<td>2,201.2</td>
<td>911.1</td>
<td>1,180.5</td>
<td>946.3</td>
</tr>
<tr>
<td></td>
<td>5.9</td>
<td>0.0</td>
<td>0.0</td>
<td>0.0%</td>
<td>162.8</td>
<td>153.6</td>
<td>162.8</td>
<td>43.4</td>
</tr>
<tr>
<td><strong>Total Operating Expenses</strong></td>
<td>3,868.8</td>
<td>3,751.3</td>
<td>3,567.6</td>
<td>-4.9%</td>
<td>48,735.3</td>
<td>43,870.5</td>
<td>45,096.2</td>
<td>41,418.1</td>
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</tbody>
</table>

**Net income from Operations**

<table>
<thead>
<tr>
<th></th>
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<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2,471.9</td>
<td>2,948.2</td>
<td>3,584.3</td>
<td>21.6%</td>
<td>30,417.2</td>
<td>25,978.4</td>
<td>27,705.8</td>
<td>28,739.2</td>
</tr>
</tbody>
</table>
### III. Other Revenues and Expenses

<table>
<thead>
<tr>
<th></th>
<th>FY2018</th>
<th>FY2019</th>
<th>FY2019</th>
<th>FY2019 Bud Vs Act</th>
<th>Actual/Est Bud Vs Act</th>
</tr>
</thead>
<tbody>
<tr>
<td>Less: Non Operating Expense(Ret/DOI/OHS)</td>
<td>42.8</td>
<td>0.0</td>
<td>51.7</td>
<td>0.0%</td>
<td>42.7%</td>
</tr>
<tr>
<td>Add: Interest on Investments</td>
<td>100.0</td>
<td>84.8</td>
<td>0.0</td>
<td>-100.0%</td>
<td>1,151.3</td>
</tr>
<tr>
<td>Net Revenues</td>
<td>2,529.1</td>
<td>3,033.0</td>
<td>3,532.6</td>
<td>16.5%</td>
<td>31,474.7</td>
</tr>
<tr>
<td>Add: Other Sources of Funds</td>
<td>45.0</td>
<td>33.3</td>
<td>0.0</td>
<td>-100.0%</td>
<td>365.1</td>
</tr>
<tr>
<td>Add: Other Available Moneys</td>
<td>530.1</td>
<td>530.0</td>
<td>530.0</td>
<td>0.0%</td>
<td>6,360.1</td>
</tr>
<tr>
<td>Net Revenues and Other</td>
<td>3,104.2</td>
<td>3,596.3</td>
<td>4,062.6</td>
<td>13.0%</td>
<td>38,199.9</td>
</tr>
<tr>
<td>Available Moneys</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Debt Service payments</td>
<td>2,120.5</td>
<td>2,120.0</td>
<td>2,120.0</td>
<td>0.0%</td>
<td>2,120.5</td>
</tr>
<tr>
<td>Debt Service Coverage</td>
<td>1.46</td>
<td>1.70</td>
<td>1.92</td>
<td>13.0%</td>
<td>1.50</td>
</tr>
<tr>
<td>Debt Service Requirement</td>
<td>1.25</td>
<td>1.25</td>
<td>1.25</td>
<td>1.25</td>
<td>1.25</td>
</tr>
<tr>
<td>Enplanements</td>
<td>October</td>
<td>November</td>
<td>December</td>
<td>January</td>
<td>February</td>
</tr>
<tr>
<td>--------------</td>
<td>---------</td>
<td>----------</td>
<td>----------</td>
<td>---------</td>
<td>----------</td>
</tr>
<tr>
<td>Projection per Budget FY 2019</td>
<td>157,551</td>
<td>160,972</td>
<td>172,607</td>
<td>170,142</td>
<td>152,811</td>
</tr>
<tr>
<td>FY 2017 Actual Enplanements</td>
<td>143,619</td>
<td>148,002</td>
<td>160,544</td>
<td>162,303</td>
<td>157,735</td>
</tr>
<tr>
<td>FY 2018 Actual Enplanements</td>
<td>129,772</td>
<td>145,309</td>
<td>157,750</td>
<td>155,969</td>
<td>137,139</td>
</tr>
<tr>
<td>FY 2019 Actual Enplanements/Projection</td>
<td>137,359</td>
<td>149,055</td>
<td>164,554</td>
<td>172,617</td>
<td>169,061</td>
</tr>
<tr>
<td>FY 2019 versus FY 2018 Monthly%</td>
<td>5.85%</td>
<td>2.58%</td>
<td>4.31%</td>
<td>10.67%</td>
<td>6.98%</td>
</tr>
<tr>
<td>FY 2019 versus FY 2018 Cumulative</td>
<td>7,587</td>
<td>11,333</td>
<td>18,137</td>
<td>34,785</td>
<td>44,912</td>
</tr>
</tbody>
</table>

### Summary Signatory Airlines

#### Cost Per Enplanement FY2019 Actual versus Projected

<table>
<thead>
<tr>
<th>CPE FY2019</th>
<th>$18.35</th>
<th>$17.78</th>
<th>$17.67</th>
<th>$17.86</th>
<th>$18.13</th>
<th>$18.19</th>
<th>$18.54</th>
<th>$18.38</th>
<th>$18.18</th>
<th>$18.29</th>
<th>$18.13</th>
<th>$18.53</th>
<th>$18.15</th>
</tr>
</thead>
<tbody>
<tr>
<td>Actual CPE</td>
<td>$19.05</td>
<td>$18.44</td>
<td>$17.96</td>
<td>$17.72</td>
<td>$17.33</td>
<td>$17.51</td>
<td>$19.02</td>
<td>$18.00</td>
<td>$18.09</td>
<td>$18.30</td>
<td>$17.77</td>
<td>$18.53</td>
<td>$18.15</td>
</tr>
<tr>
<td>Variance</td>
<td>$(0.70)</td>
<td>$(0.67)</td>
<td>$(0.29)</td>
<td>$0.14</td>
<td>$0.80</td>
<td>$0.38</td>
<td>$(0.48)</td>
<td>$0.38</td>
<td>$0.08</td>
<td>$(0.00)</td>
<td>$0.37</td>
<td>$18.53</td>
<td>$18.15</td>
</tr>
</tbody>
</table>
RECOMMENDATION OF COUNSEL

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

CC:  
Mr. Thomas C. Ada  
Executive Manager  
ANTONIO B. WON PAT INTERNATIONAL  
AIRPORT AUTHORITY, GUAM

FROM:  
Janalynn Cruz Damian  
CALVO FISHER & JACOB LLP

DATE:  
September 16, 2019

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 DFS Guam L.P. related litigation to which GIAA is or may be a party.