

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

**Thursday, April 23, 2020, 3:00 p.m.
GIAA TERMINAL CONFERENCE ROOM #3**

1. CALL TO ORDER AND ATTENDANCE

The April 23, 2020 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 3:02 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:

Brian J. Bamba (Via video teleconference)
Gurvinder Sobti (Via video teleconference)
Donald I. Weakley (Via video teleconference)
Lucy M. Alcorn (Via video teleconference)
Zenon E. Belanger (Via video teleconference)
Doyon A. Morato (Via video teleconference)
Rosie R. Tainatongo (Via video teleconference)

Offices or positions:

Chairman
Vice Chairman
Board Secretary

Directors Absent:

None

GIAA Officials:

Thomas C. Ada
John A. Rios
Jean M. Arriola
Edward Muna
Vince Naputi
Victor Cruz
Ken McDonald
Antoninette Bautista
Rolenda Faasuumalie
Henry Cruz

Executive Manager
Comptroller
Airport Services Manager
Air Terminal Manager, Acting
Chief, Airport Police
Engineering Supervisor
P&F Superintendent
Accounting Supervisor
Airport Marketing
Supply Management Administrator

Janalynn C. Damian (Via video teleconference)
Frank R. Santos

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 Director Belanger, seconded by Director Alcorn; motion unanimously passed.

3. APPROVAL OF MINUTES

- A.** February 27, 2020 - Regular Meeting
- B.** March 11, 2020 - Special Meeting
- C.** March 16, 2020 – Reconvened Meeting

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

Resolution No. 20-28

The Board hereby approves the minutes of the February 27, 2020 regular meeting, the March 11, 2020 special meeting, and the March 16, 2020 reconvened meeting, subject to corrections.

4. CORRESPONDENCE

Executive Manager Ada had no Correspondence to report.

5. OLD BUSINESS

Executive Manager Ada had no Old Business to present.

At this time Chairman Bamba requested updates before the next Board meeting, on the legal reform relative to the concessions and beautification initiatives previously tabled. Executive Manager Ada acknowledged the requests.

6. NEW BUSINESS

- A.** Report of FY19 Financial Audit

The first item discussed was the FY19 Financial Audit. Executive Manager Ada announced that the Airport's FY19 financial audit has been completed and introduced Mr. James Whitt and Mr. Rizalito Paglingayan of Ernst & Young, LLP. Mr. Whitt and Mr. Paglingayan, along with Mr. Ranel Ranoa and Mr. John Onedera from Ernst & Young appeared via video teleconference.

Mr. Paglingayan proceeded to conduct the presentation of the audit results via PowerPoint. Mr. Paglingayan informed the Board that the average accounts receivables collection period has increased to 35.31 days in FY19 from 34.18 days in FY18.

After the brief presentation, Mr. Whitt thanked the Board, Management and Accounting staff for the cooperation extended to the E&Y team throughout the audit process. Brief discussion followed.

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

Resolution No. 20-29

The Board hereby approves the FY2019 Financial Audit Report as presented by Ernst & Young, LLP, subject to corrections.

B. CARES Grant

The next item on the agenda was the CARES Grant. Executive Manager Ada announced that GIAA Consultant, Mr. Frank Santos will make the presentation. Mr. Santos provided a Power Point presentation relative to the CARES Act funding. Mr. Santos pointed out the O&M and debt service budget for FY20 of \$73M, the approved revenue forecast for FY20 is \$76M, resulting in net revenues. Based on the reduced air traffic of over 90% due to COVID-19, the revenue forecast is impacted by an estimated 49% decrease. Significant impact to revenues due to COVID-19 began in late February, resulting in a new revenue forecast of \$51M, and a \$25M deficit between planned O&M and debt service spending and projected revenues.

Mr. Santos presented a chart showing GIAA's budget adjusted to reflect actual expenditures in the 1st quarter of FY20 and the 15% reduction previously approved by the Board. With the inclusion of the \$20.7M from the CARES Act Grant to off-set the projected revenue losses, the result is a positive net revenue for FY20. Brief discussion followed on the budget, with Mr. Santos adding that the forecast may be adjusted on a month to month basis depending on COVID-19.

Mr. Santos went on to inform the Board about the CARES Act, stating that the purpose is to keep airports safely operating, keep airport workers employed and keep credit ratings stable. Mr. Santos added that none of GIAA's credit ratings have been downgraded. GIAA's allocation under the CARES Act is \$20,693,369.00, plus 100% federal share for FY20 AIP projects. Funding is based on CY18 data for enplanements, debt service and unrestricted cash and investments. Application was completed and the grant agreement is expected in about a week. A condition of the funding is the retention of 90% of GIAA's workforce through the end of CY2020.

Mr. Santos announced Management's recommendation that the grant funding be dedicated to debt service and operations and maintenance expenses. Brief discussion followed.

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

Resolution No. 20-30

The Board hereby approves the allocation of the CARES Act grant funding of \$20,693,369.00 to debt service and operations and maintenance expenses, the Board further ratifies the Authority's application for CARES Act funding and authorizes the Executive Manager to execute the CARES Act grant agreement.

A. Approval of Award for Rental of Trash Bins/Containers – IFB No. GIAA-001-FY20

The next item on the agenda was the approval of Award for Rental of Trash Bins/Containers under IFB No. GIAA-001-FY20. Ms. Jean Arriola provided background information to the Board on the referenced IFB. Eleven (11) firms/individuals purchased bid packages and four (4) firms submitted a bid before the submission deadline. The four (4) firms were evaluated and determined to be acceptable. As required by the Guam Procurement Regulations, the bids were publicly opened and read aloud . The bid submittals are as follows:

Bidder:	<u>Bid Item</u> <u>No. 1:</u> 3-CY Container (General Trash) *Annual Cost	<u>Bid Item</u> <u>No. 2:</u> 10-CY Container (General Trash) *Annual Cost	<u>Bid Item</u> <u>No. 3:</u> 10-CY Container (Cardboard Boxes Only) *Annual Cost	<u>Bid Item</u> <u>No. 4:</u> 24-CY Container (General Trash) *Annual Cost	<u>Bid Item</u> <u>No. 5:</u> 10-CY Container (Mixed Waste) *Annual Cost	TOTAL BID PRICE:
Pacific Waste Systems, LLC	\$9,536.64	\$81,647.40	\$12,223.08	\$117,824.52	\$699.50	\$221,931.14
Guahan Waste Control (dba: Mr. Rubbishman)	\$8,697.00	\$42,835.00	\$11,804.00	\$67,932.80	\$984.00	\$132,252.80
Morrico Equipment LLC	NO BID	\$84,544.20	\$18,720.00	\$67,635.36	\$600.00	\$171,499.56
HCP Inc. (dba Lagu Sanitation	\$8,892.00	\$71,500.00	\$12,740.00	102,960.00	\$550.00	196,642.00

Management recommends that the Board award contracts to the following bidders who have been determined to have met the standards of responsibility as outlined in the Guam Procurement Law and Regulations and who have submitted the lowest responsive Total Unit Price for the following bid items:

Bidder Item:	Number of Items	Frequency of Collection	Bidder	Lowest Responsive Unit Price
Item No. 1: (3) Cubic yard container (General Trash) to include rental, collection and disposal	3	1 time per week	Guahan Waste Control (dba Mr. Rubbishman)	\$8,697.00
Item No. 2: (10) Cubic yard container (General Trash) to include rental, collection and disposal	1	5 times per week	Guahan Waste Control (dba Mr. Rubbishman)	\$42,835.00
Item No. 3: (10) Cubic yard container (Cardboard boxed only) to include rental, collection and disposal	1	2 times per week	Guahan Waste Control (dba Mr. Rubbishman)	\$11,804.00
Item No. 4: (24) Cubic yard container (General Trash) to include rental, collection and disposal	1	4 times per week	Guahan Waste Control (dba Mr. Rubbishman)	\$67,932.80
Item No. 5: (10) Cubic yard container (Mixed waste) to include rental, collection and disposal	1	2 times per year	HCP Inc. (dba Lagu Sanitation)	\$550.00
TOTAL ANNUAL COST:				\$131,818.80

The total contract award for all bid items is up to \$131,818.80 per year for a term of five (5) years with two (2) one-year options to be exercised at GIAA's sole discretion. Due to reduction in traffic as a result of COVID-19 travel and operational restrictions, services will be initially reduced based on current GIAA operational demand. Services will be adjusted throughout the term consistent with the demand for such services.

Funding for this contract is available under the Property & Facilities Division O&M Budget. Discussion ensued on details of the contract.

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

Resolution No. 20-30

The Board hereby approves the contract award for Rental of Trash Bins/Containers under Invitation for Bid No. IFB No. GIAA-001-FY20 as recommended by Management, subject to review by legal counsel.

D. Modification of Contract – IAC Project

The next item on the agenda was a change order to the Terminal Building Structural Upgrade & Concourse Isolation project. Executive Manager Ada informed the Board that Mr. Frank Santos, GIAA Consultant, will present the item to the Board.

Mr. Santos presented a modification to the referenced contract. Change Order No. 11 in the amount of \$1,203,995.00, consists of fifteen (15) aging individual proposed change orders (PCO's) that were negotiated by the Construction Manager's sub-consultant.

Mr. Santos added that additional batches of PCO's are being validated. These will be presented at the next Board of Directors meeting. Funding source will be net revenues or other available monies from prior fiscal years. Discussion ensued relative to PCO batches and monies to fund change orders, with Mr. Santos informing the Board that funding may come from the Bond restructuring. Executive Manager Ada added that these PCO's were already completed, but never processed; additional new PCO's are anticipated moving forward.

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

Resolution No. 20-32

The Board hereby approves Change Order No. 11 to the Terminal Building Structural Upgrade & Concourse Isolation Project in the amount of \$1,203,995.00 as presented by Management.

Executive Manager Ada assured the Board that Management will provide an update to the Board on the 3rd floor project in the upcoming weeks. Chairman Bamba asked that Management present the update to the CIP Board Committee.

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. Included with the report was an update relative to COVID-19, presented by Deputy Executive Manager Quinata. Discussion followed relative to the loss of revenue due to the pandemic. The Comptroller informed the Board that he will provide charts relative to the loss of revenue.

8. REPORT OF THE COMPTROLLER

Mr. John Rios announced that there will not be a Comptroller's report due numbers still pending from a number of vendors. Mr. Rios indicated that the graphs provided show actual numbers for February, and March is close to actual. Discussion was held on Accounting's process of closing monthly for the sake of reporting to the Board. The Comptroller acknowledged the Board's suggestion of closing sooner in the month. Discussion ensued relative to the deferment of rental fees for vendors.

At this time Legal Counsel announced that were invoices for legal fees requiring Board approval.

Chairman Bamba announced for the record that he is recused from voting on this matter due to a conflict of interest.

Legal Counsel went on to inform the Board that invoices are for the month of February and March 2020 that exceed the monthly cap.

Chairman Bamba inquired if the invoices are reviewed by the Board. Legal Counsel replied that the details of the invoices are usually discussed during executive session. The invoices are with GIAA's administrative office. Executive Manager Ada added that the invoices merit review by the Board before approval. Legal Counsel suggested presenting the invoices to the Board's Litigation Committee to review.

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

Resolution No. 20-33

The Board hereby authorizes the Authority to issue payment to Calvo Fisher & Jacob, LLP for the general matters legal fees incurred in February 2020 that exceed the monthly cap in the amount of \$15,394.37; and general matters legal fees incurred in March 2020 that exceed the monthly cap in the amount of \$39,982.00, subject to review by the Board's Litigation Committee.

10. PUBLIC COMMENTS

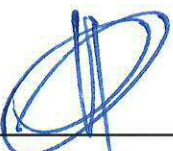
Executive Manager Ada introduced Mr. Dae Woong Chen (Danny) from Lotte Duty Free, who would like to make a public comment. Mr. Chen informed the Board that due to the COVID-19 pandemic, that he would like the Board of Directors to consider reduction of rent during the pandemic. He added that a number of airports throughout the world are offering this to concessionaires. Chairman Bamba thanked Mr. Chen for his comments and assured him that the Board, along with Management will take into consideration the concessionaire's hardships at this time.

At this time, Chairman Bamba thanked and congratulated Management for their efforts during this unprecedented time. He went on to encourage the Airport to look into effective recovery efforts.

11. ADJOURNMENT

Motion to adjourn duly made by Director Alcorn, seconded by Vice Chairman Sobti; motion unanimously passed. The meeting was adjourned at 5:00 p.m.

Dated this 22ND, day of JUNE, 2020.



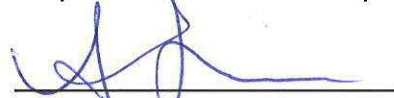
Brian J. Bamba
Chairman

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., Thursday, April 23, 2020
GIAA TERMINAL CONFERENCE ROOM #3

Public Notice

First Notice:

The Guam Daily Post – April 16, 2020

Notice to Media – April 16, 2020

Second Notice:

The Guam Daily Post – April 21, 2020

Notice to Media – April 21, 2020

AGENDA

1. Call to Order and Attendance
2. Approval of Agenda
3. Approval of Minutes
 - A. February 27, 2020 Regular Meeting
 - B. March 11, 2020 Special Meeting
 - C. March 16, 2020 Reconvened Meeting
4. Correspondence
5. Old Business
6. New Business
 - A. Report of FY19 Financial Audit
 - B. CARES Grant
 - C. Approval of Award for Rental of Trash Bins/Containers - IFB No. GIAA-001-FY20
 - D. Modification of Contract - IAC Project
7. Report of Executive Manager
8. Report of the Comptroller
9. Public Comments
10. Adjournment

A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM

Board of Directors Regular Meeting

3:00 p.m., Thursday, April 23, 2020

GIAA Terminal Conference Room #3

SIGN-IN SHEET

	<u>PRINT NAME</u>	<u>COMPANY/AGENCY</u>
1.	Henry Cruz	GIAA
2.	Michael Min	Lotte
3.	Anthony J. Bridgely	GIAA
4.	Daewong Chen	Lotte
5.	Ker McDonald	GIAA
6.	Edmund Minna	GIAA
7.	VICTOR J. CRUZ	GIAA
8.	VINCE NAPATI	APD
9.	JEAN ARRIOLA	GIAA
10.	Anamita Kaur	PDN
11.	Raymond Maratita	ARFF
12.	Maureen Maratita (Via telephone)	Glimpses of Guam
13.		
14.		
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Finance ministers back debt help for struggling nations

By David J. Lynch
The Washington Post

Global finance ministers and central bank chiefs backed debt relief for the world's poorest nations as part of a coordinated response to the deepening global recession on Tuesday.

The finance leaders from the Group of Seven said they would suspend debt service payments the poor countries owe to other governments if all Group of 20 nations agreed to back the move, as anticipated. In a statement following a virtual meeting to discuss the crisis, the finance leaders endorsed efforts to

get global banks to offer similar relief to the 76 countries eligible for the World Bank's easiest loan terms.

The aim is to free up money the countries need to fund medical care and to support their economies amid the coronavirus pandemic.

"The scale of this health crisis is generating unprecedented challenges for the global economy," the G-7 said.

The governments acted after last month's call by the International Monetary Fund and the World Bank to suspend payments on government-to-government loans. The G20, whose member nations produce roughly 80% of global

output, is expected Wednesday to issue its own debt proposal.

Tuesday's G7 statement came as the IMF said the coronavirus pandemic is causing the worst economic downturn since the Great Depression of the 1930s. In its annual world economic outlook, the fund forecasts the global economy will shrink by 3% this year before staging a partial rebound in 2021.

Over the next two years, output will be \$9 trillion less than expected before the crisis, according to Gita Gopinath, the fund's chief economist. The fund says the U.S. economy will contract by 5.9% this year and grow by 4.7% next

Tuesday's G7 statement came as the IMF said the coronavirus pandemic is causing the worst economic downturn since the Great Depression of the 1930s.

year. "This makes the Great Lockdown the worst recession since the Great Depression and far worse than the global financial crisis," Gopinath said.

Though the fund expects a punishing global recession, the downturn will not be as severe as in the 1930s, when the global economy shrank by an estimated 10%, she said. The current recession is expected to trim world output by 3%.

China vows equal treatment for Africans after abuse reports

(Bloomberg News) - China pledged to ease health measures on Africans in the southern city of Guangzhou, as the country sought to resolve a dispute that could set back Beijing's diplomatic outreach during the coronavirus pandemic.

The government has treated foreigners equally and attaches great importance to their life and health, Ministry of Foreign Affairs spokesman Zhao Lijian said in a statement posted late Sunday. "We reject differential treatment, and we have zero tolerance for discrimination," Zhao said.

African leaders alleged discrimination against their citizens by city authorities in measures to stem the spread of imported coronavirus cases, saying Africans were mistreated, evicted from hotels, and forcefully tested for the virus. Meanwhile, McDonald's China apologized Monday after one of the chain's Guangzhou restaurants refused to serve black customers.

African Union Commission Chairman Moussa Faki Mahamat expressed "extreme concern" to Chinese Ambassador Liu Yuxi about "allegations of maltreatment of Africans" in Guangzhou. In a tweet Saturday, he said the African Group in Beijing was engaging with the Chinese government.

South Africa, the current African Union chair, separately expressed concern about "alleged ill-treatment of African nationals in China, including the forceful testing, quarantining for COVID-19, and other inhuman treatment." The country called for an investigation into the matter, according to a statement from the South African Department of International Relations and Cooperation.

McDonald's China said that it had closed a restaurant in Guangzhou for a half day of diversity and inclusion training Sunday after an investigation confirmed social media reports that it was barring black customers. "We apologize unreservedly to the individual and our customers. The restaurant has been ordered to stop immediately such actions," McDonald's China said Monday.



CAMPAIGN: A man pushes a cart containing waste paper in front of South Korea's ruling Democratic Party campaigners during a campaign for the upcoming parliamentary elections in Seoul on Tuesday, April 14. Jung Yeon-je/ AFP/Getty Images/Tribune News Service

South Korea forges ahead with election

By Victoria Kim
Los Angeles Times

SEOUL - At a time when most governments are urging citizens to stay at home, one country is calling on them to come out in force this week - to the polls.

South Korea is going ahead with its hotly contested parliamentary elections Wednesday, even as nations around the world, from Britain to Bolivia, have postponed races out of coronavirus concerns and a primary

in Wisconsin raised myriad concerns about safety and disenfranchisement.

With nearly four out of five South Koreans saying they intend to cast a ballot and early voting already logging record turnout, the country may offer an early look at how to hold a general election in the midst of a pandemic.

Election officials have assured citizens that they are taking every precaution to keep voters safe. All voters are being required to wear masks, and polling stations are being thoroughly sanitized. Poll workers wearing gloves, masks and protective face shields will take each voter's temperature, squirt his or her hands with sanitizer and then distribute a pair of disposable plastic gloves.

Anyone with a fever or other coronavirus-related symptoms will be routed to a separate voting booth, which will be disinfected after each use.

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PO Box 1306 Hagatna, Guam 96932 | ffc_agana@yahoo.com

The Honorable Lourdes A. Leon Guerrero
Governor

The Honorable Joshua F. 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, April 23, 2020 at 3:00 p.m. in Terminal Conference Room No. 3. In light of COVID19 public health emergency, GIAA will adhere to social distancing orders. For those who wish to participate telephonically, please call 642-4717 or email arios@guamaairport.net for further information. 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)

36th Wing: Other 'aviation assets' will rotate on Guam

The Air Force still has Guam covered with defensive firepower in the skies — but it's not signaling to the world the details on how Guam will be protected following the end of the more than decade-long rotational aircraft bomber presence on the island.

The five B-52s that were stationed at Andersen Air Force Base on a rotational basis left last week back to their home base at Minot Air Force Base in North Dakota. The rotational bomber presence program on Guam started in 2004.

After the B-52 rotational bombers left Guam, the U.S. Strategic Command over the weekend issued a

statement that there has been a shift in the nation's defense strategy.

The command also posted on Twitter on April 17: "Our diverse bomber fleet — B-52, B-1 & B-2 — allows us to respond to global events anytime, anywhere. Whether they're launched from Louisiana, Guam, or the U.K., long-range strategic bombers have and will remain a bedrock of our deterrence!"

On Monday, Andersen's 36th Wing Public Affairs Office confirmed: "The United States has transitioned to an approach that enables strategic bombers to operate forward in the Indo-Pacific region from a broader array of

overseas locations — when required — and with greater operational resilience, while these bombers are permanently based in the United States."

"U.S. strategic bombers will continue to operate in the Indo-Pacific, to include Guam, at the timing and tempo of our choosing," said 2nd Lt. Ryan K. Bradley, public affairs officer of the 36th Wing. "We will maximize all opportunities to train alongside our allies and partners to build interoperability and bolster our collective ability to support a free and open Indo-Pacific."

"In line with the National Defense Strategy, we constantly evaluate our

force posture to ensure we maintain operations and support capabilities to meet our security obligations," Bradley stated. "We will also continue to rotate other aviation assets in and out of Guam, to include fifth-generation aircraft."

Andersen didn't indicate what those fifth-generation aircraft will be, but in previous North Korean threats, the Air Force launched a show of force with two B-1Bs from Andersen and four U.S. Marine F-35Bs from Marine Corps Air Station Iwakuni, Japan, among other aircraft used in a flyover above the Korean Peninsula.

(Daily Post Staff)

TESTING continued from page 1

already identified multiple sites in villages around the island for drive-thru testing — although targeted rather than massive — including the basketball court in Santa Ana, Sagan Bisita, the Yona gym, Hagåtña Mayor's Office, and the Astumbo, Tamuning and Mangilao senior centers, among others.

These tests will cover an expanded criteria to include those with mild symptoms, the governor said.

"We're already doing all the logistics and leg work in that regard," Unpingco-DeNorsey said.

Nguyen said mass testing — drive-thru or otherwise — "It's a nightmare to implement, and you need to have a lot of test kits to do it, and we just don't have it."

While GovGuam officials have previously stated the goal is to test

everybody, mass testing is impossible, the governor has acknowledged.

Mass testing 'impossible'

Gov. Lou Leon Guerrero said Monday, "I know that my goal is to test everybody, but in reality, that is an impossible thing to do just because of resources ... primarily it's limited resources."

What GovGuam can do, she said, is to test "as many as we can," and officials are working toward "very targeted in testing."

"We will be working with the mayors in the various villages to identify these ... so what that data will give us, it will give us more of what our community spread is and what our incidents and prevalence is out there in the community which will give us more accurate data," said Leon Guerrero.

Mild symptoms

The governor did say her administration is expanding its testing

capability and Public Health will begin testing all patients with mild symptoms beginning this week.

"That includes anyone with fever, cough, shortness of breath or sore throat and anyone reporting disruption of taste or smell or having diarrhea," said Unpingco-DeNorsey.

Another 200 test kits from the CDC are scheduled to arrive on April 22 and 29, and additional test kits are expected from the World Health Organization.

Healthcare workers, first responders or those who care for the vulnerable population will be authorized to get tested for the virus.

The CNMI government purchased 60,000 rapid test kits from South Korea so it could test its residents.

The governor has been adamant that she will not purchase any test kits that are not approved by the U.S. Food and Drug Administration and those that have been vetted by U.S.

Centers for Disease Control and Prevention guidelines, and other officially sanctioned entities.

Too late

Guam Medical Association President Dr. Thomas Shieh said the association is no longer pushing for mass testing. "That time has come and gone. We assume everyone is a carrier. Continue to starve the virus. We recommend testing right at the airport. That is where the second wave will come from."

Shieh said the government is steps behind on what should have been done.

"I am trying to be hopeful. The government sometimes does things that don't make a lot of sense," Shieh said. "We should be able to get our community back soon, but the government needs to watch the airport gates, that's where the first virus came in, and that is the gate where the new virus will return."

COLLECTIONS continued from page 1

in tax collections in April when nonessential Guam businesses remain shut down.

And there's no certainty tourist arrivals will resume soon. Some of the airlines have reduced flights to Guam by more than 90% in May.

Special fund revenue projections show major hits to the Tourist Attraction Fund and Customs and Quarantine Inspection Services Fund due to decreased visitor arrivals. The Territorial Educational Facilities Fund, Solid Waste Operations Fund and Guam Highway Fund also project shortages.

Prior to COVID-19, GovGuam had

projected a significant boost in tax revenue collections.

Financial reports from January showed General Fund revenues tracking to land about \$30 million above the adopted budget.

By February, the surplus dropped by nearly half at about \$17 million.

But the COVID-19 crisis didn't begin significantly impacting Guam until March, when the island saw its first few positive cases followed by stricter travel regulations and, ultimately, the closing of nonessential businesses.

Lester Carlson, director of the Bureau of Budget and Management Research, said last week that as they track government revenues,

they need to take into consideration certain factors such as federal COVID-19 financial aid, and the Navy's use of several Guam hotels for the quarantine of sailors from the USS Theodore Roosevelt.

"If the Roosevelt wasn't here, then there would be a significant decline," Carlson said. The Navy has placed close to 2,000 sailors under quarantine in Guam hotels.

Rear Adm. John Menoni, commander of the military's Joint Region Marianas, said Monday the majority of the warship's sailors are expected to return to the Theodore Roosevelt in the next couple of weeks.

Near the beginning of the month,

Gov. Lou Leon said she'd been told COVID-19 had resulted in the "worst economic situation" for Guam.

Last week, the governor said she suspects the economy to rebound within a year of federal aid arriving, even though the economy may not rise to the extent seen before the pandemic.

In a state of economic uncertainty, other jurisdictions have implemented spending cuts.

The governor of Hawaii recently proposed a 20% pay cut for teachers and other public employees.

Leon Guerrero said last week she had no plans to trim the budget for GovGuam personnel.


CLINICS continued from page 1

though they were among the clusters that was being investigated. DPHSS Director Linda Unpingco-DeNorsey said they didn't want to name them because they were "private businesses and I want to make certain that the anonymity is ensured for that particular case." DPHSS, however, had named


other private institutions with COVID-19 clusters they were investigating, including United Airlines, Hafa Adai Bingo and Iglesia Ni Cristo.

At the time, DPHSS said one of the unnamed locations had five health care workers test positive, and the second had 12 workers who contracted COVID-19.

(Daily Post Staff)



The Honorable
Lourdes A. Leon Guerrero
Governor



The Honorable
Joshua F. Tenorio
Lt. Governor

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**MINUTES OF THE REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Thursday, February 27, 2020, 3:00 p.m.
GIAA TERMINAL CONFERENCE ROOM #3**

1. CALL TO ORDER AND ATTENDANCE

The February 27, 2020 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 3:09 p.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:

Brian J. Bamba
Donald I. Weakley
Lucy M. Alcorn
Zenon E. Belanger
Doyon A. Morato

Offices or positions:

Chairman
Board Secretary

Directors Absent:

Gurvinder Sobti (Excused)

Vice Chairman

GIAA Officials:

Thomas C. Ada
John A. Rios
Jean M. Arriola
Edward Muna
Vince Naputi
Victor Cruz
Ken McDonald
Rolenda Faasuamalie

Executive Manager
Comptroller
Airport Services Manager
Air Terminal Manager, Acting
Chief, Airport Police
Engineering Supervisor
P&F Superintendant
Airport Marketing

Janalynn A. Damian, Esq.
Frank R. Santos

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.

Chairman Bamba called for a motion to excuse Vice Chairman Sobti, as he is off-island. Motion to excuse the attendance of Vice Chairman Sobti duly made by Director Alcorn, seconded by Director Tainatongo; motion unanimously passed.

2. APPROVAL OF AGENDA

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

3. APPROVAL OF MINUTES

- A.** January 17, 2020 - Regular Meeting
- B.** January 30, 2020 - Regular Meeting

On motion duly made by Director Weakley, seconded by Director Tainatongo, the following resolution was unanimously passed:

Resolution No. 20-20

The Board hereby approves the minutes of the January 17, 2020 regular meeting and the January 30, 2020 regular meeting, subject to corrections.

4. CORRESPONDENCE

Executive Manager Ada had no Correspondence to report.

5. OLD BUSINESS

Executive Manager Ada had no Old Business to present.

6. NEW BUSINESS

- A.** 2020 Bond Refunding

The first item discussed was the 2020 bond refunding. Executive Manager Ada provided brief background on the item, stating that GIAA went out to the bond market in October 2019 to restructure and refund GIAA bonds, and as a result were able to obtain \$18M in debt service savings. Those funds, as listed in GIAA finance plan at the time, were intended to be used for two (2) purposes: 1. Approximately \$10M as a local match to leverage \$100M in FAA grants, 2. Balance of \$8M to fund deferred CIP projects.

Underwriters, Barclays International has done an analysis and provided a recommendation to GIAA. Stating that the decline in interest rates presents the Airport with an opportunity to refund certain of its Series 2013 bonds for significant debt service savings. The result of the analysis concluded that the Airport may realize a savings of approximately \$9.6M. \$5.8M in 2021 and \$3.8M in 2022. Barclays provided a number of options, with the recommended option being driven by when GIAA needs to have the savings available:

1. A level savings through 2043. If there is no urgency, \$15.3M in savings may be realized by refunding through 2043.
2. Accelerated savings, with \$10.2M becoming available during 2021 to 2026.
3. Maximum accelerated savings could be realized with \$9.6M becoming available in 2021 to 2022.

Executive Manager Ada added that the savings realized will be used to fund the cost increases of the 3rd floor project, which is expected to increase from \$134M in January 2019, to an estimated \$150M, due to all of the change orders currently being processed.

Management recommends that the Board approve the recommendation to pursue the Maximum Acceleration Savings option, as well as approve the resolution authorizing the Executive Manager to work with legal counsel in drafting appropriate legislation, and to work with the legislature in passage of legislation authorizing GIAA to undertake a bond refunding transaction.

Director Weakley brought up the overage for the 3rd floor project. The Executive Manager announced that the cost increases are largely attributable to the fact that the contract was bid on a set of drawings that was not based on an as-built drawing. Every time the contractor would open up a wall, there was infrastructure behind, giving rise to the increases. The other part to the cost increases were delays, delays because there were not timely responses to questions that the contractor had. Discussion followed on details of approximately how much the 3rd floor project will need, and where these funds will come from, with the Comptroller adding that currently there are funds available to cover some of the existing change orders.

Chairman Bamba requested for an outline from the Management with regard to the 3rd floor project, financing and available funds for additional projects.

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

Resolution No. 20-21

The Board hereby authorizes Management to pursue the Maximum Acceleration Savings option as presented to achieve a savings at the earliest date possible for GIAA.

B. Legislation - Use of RFP for Food & beverage and Retail Concessions

The next item on the agenda was the legislation and the amendment to GIAA's enabling and solicitation methods. Legal counsel presented a resolution from the Board authorizing the Executive Manager to proceed with amending GIAA's enabling statute with regard to the concessions at the Airport and the solicitation process. Current state of the law is that the use of RFP's is not a permissible way to solicit for concessions, GIAA would like to seek legislative reform to allow for soliciting through various methods including the RFP process.

Director Belanger inquired if the resolution is specific to concessions or if it could include contracts with contractors. Discussion followed relative to procurement law, with legal counsel announcing that construction would be treated differently at the legislature. The Executive Manager informed Director Belanger that the best time to pursue the change in legislation with regard to construction solicitation would be after the master plan update.

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

Resolution No. 20-22

WHEREAS, the ANTONIO B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM's ("GIAA" or the "Authority") Board of Directors ("Board") finds that GIAA's strong financial health and stability and the efficient management and operation of the Antonio B. Won Pat International Airport (the "Airport") are in the best interest of the government of Guam, are consistent with GIAA's Federal Aviation Administration ("FAA") grant assurances, and benefit and protect GIAA's bondholders, the traveling public, and the people of Guam; and

WHEREAS, GIAA's Board further finds that GIAA's continued financial health, stability, welfare and efficiency is dependent on the Authority's ability to maximize non-airline revenues generated by concession agreements and the revenue generated from GIAA's concession agreements is a cornerstone of GIAA's self-sustainability, financial condition, operations and future; and

WHEREAS, GIAA's Board finds that the majority of international airports in the United States and throughout the world utilize the Request for Proposal ("RFP") process with respect to their retail, duty free, food and beverage, and other concessions to optimize revenues and benefits; and

WHEREAS, GIAA's Board finds that the Guam Procurement Law's and Procurement Regulations' solicitation, selection, and award procedures do not provide the best process for securing concessions intended to optimize revenues and ensure long-term self-sustainability and efficiency at GIAA; and

WHEREAS, GIAA's Board finds that concession agreements entered into by GIAA do not involve the expenditure of public funds but rather the generation of revenues for the benefit and welfare of the travelling public, the airlines serving Guam, the people of Guam, and GIAA's ability to meet demands for airport services; and

WHEREAS, GIAA's Board finds that it is in GIAA's and the Territory's best interest to clearly define and set forth the best practices and process for GIAA's solicitation of concessions; and

WHEREAS, GIAA's Board finds that it is in the interest of GIAA bondholders, the traveling public, the people of Guam, and the Territory that GIAA possess the ability to utilize various

solicitation, selection, and award methods consistent with industry standards, including the RFP process, that would optimize non-airline revenue-generating potential; and

WHEREAS, in light of the importance of protecting and optimizing the revenue generated by concessions, the Board has determined that it is necessary to amend GIAA's enabling statute.

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of GIAA hereby authorizes the amendment of GIAA's enabling statute consistent with the above findings, and further authorizes and directs the Executive Manager and GIAA management to take all actions and steps advisable or necessary to carry out the amendment of the Authority's enabling statute in accordance with this resolution.

C. Approval of \$1.2 Change Order for 3rd Floor CIP

The third item on the agenda was the approval of a \$1.2M change order for the 3rd floor project. Executive Manager informed the Board that Mr. Kent Sheih, the CM for the 3rd floor project will present the change order to the Board. Mr. Sheih announced that the \$1.2M change order (CO) is a delayed claim filed by Supreme Steel, Black Construction sub contractor that provided the steel for the project. In 2019, Supreme Steel submitted a claim for \$1.5M to Black Construction, who subsequently submitted the claim to GIAA. During that time the claim was negotiated down to \$1.4M. Mr. Sheih informed the Board that the amount is basically the additional man power that they incurred to accommodate all of the changes during the first year of the project, due to the delay in the RFI (request for information) response, and site conditions. Initially Supreme was claiming more, however they absorbed the costs and is only asking for the overage in manpower for the shop drawings and manufacturing of the steel, approximately 13,000 hours. The negotiated claim was \$1.388M, which was able to be reduced to \$1.2M after a two months process of negotiations. Supreme threatened to put a mechanic lean on the project, which was discussed with Black Construction in order to avoid the lean on the project.

Director Weakley inquired of Black Construction paid the claim. Mr. Sheih replied that Black Construction reduced their share and transferred the claim to GIAA. GIAA will pay Black Construction and a large portion of that will go to Supreme Steel.

Director Morato asked if the man hours were justified. Mr. Sheih replied with the shop drawings and everything, yes. Discussion followed on the justification and process.

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

Resolution No. 20-23

The Board hereby approves the approval of \$1.2M change order for 3rd Floor CIP as presented.

D. GIAA Beautification Initiatives - *TABLED*

In the interest of time, Executive Manager Ada asked that the Board table GIAA Beautification Initiatives until the next regular Board meeting. The Board had no objection.

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. Included for this meeting was a general update from Mr. Kent Sheihon the 3rd floor arrivals corridor. Mr. Sheih announced that Black Construction's estimated completion date of August 4, 2020. At the end of March 2020, a reviewed schedule will be presented to the Board with more accurate dates. Discussion on change orders, with Mr. Sheih confirming that 89 of 400 change orders are being reviewed, with a number of the 400 possibly to be deleted.

Mr. John Deirking, KHLG provided a brief update of the ARFF project. Director Belanger asked that Management look at the potential overhead. Mr. Sheih informed the Board that he is in communication with the owner and he believes it will be minimal.

Executive Manager Ada provided an update to the Board on the Corona Virus efforts at the Airport. At a recent meeting with airlines to discuss Corona Virus protocol on GIAA's side and for GIAA to get an understanding on the Airlines protocol at the point of origin, a number of airlines conveyed their concerns with recovering costs due to cancellations, and suggested that the Airport consider a discount. Executive Manager Ada expressed his concern with offering a discount at a time when GIAA is imposing a 15% reduction in operation budget. However, the Manager added that Management along with the Comptroller had discussed an option of a 50% discount on landing fees for the next three (3) months for landing fees.

Director Belanger inquired on what airlines would be included in discount. Executive Manager Ada replied that it would across the Board. Director Belanger inquired if the discounts would affect GIAA's bond requirements. The Comptroller replied no, GIAA has one (1) year reserves for the bond requirement. Discussion followed on the process of screening passengers, with Chairman Bamba expressing the importance of GIAA communication with other Airports in order to mitigate should there be an outbreak on Guam.

Going back to the 15% reductions in operations budget, Director Weakley at this time announced that he agreed with almost everything listed on the memorandum from the Executive Manager except for the Employee Wellness Program, and stated that he did not feel

the need for Program to be included with reductions such as, overtime and power consumption. Executive Manager Ada asked if the Director would like it to be removed, Director Weakley replied yes, to remove the Program from the list of budget reductions. Chairman Bamba informed the Board that he had discussed with Management a number of areas within the budget where cuts could be made due to loss of revenue at this time, and that he agreed with Director Weakley in removing the program from the list of budget reductions.

Director Morato informed the Board of a recent GVB Air Service Committee meeting, adding that GVB is inquiring if GIAA may be able to provide a brochure of what procedures GIAA has in place on screening of passengers that GVB could share with travelling customers. Executive Manager Ada replied that relevant information is provided on screens in CBP area, as well as small cards given at CBP and Immigration with symptoms listed.

Due to unforeseen circumstances, Chairman Bamba advised the Board that he would need to excuse himself from the remainder of the meeting. Chairman Bamba called for a motion to excuse the Chairman and appointment Board Secretary, Director Weakley to preside over the next portion of the meeting.

Motion to excuse Chairman Bamba, appoint Director Weakley to preside over the next portion of the meeting and a brief recess, duly made by Director Tainatongo, seconded by Director Alcorn; motion unanimously passed.

The Board recessed for a brief break at 4:20 p.m.

The Board meeting reconvened regular session at 4:26 p.m. Acting Chairman Weakley now presides over the meeting.

8. REPORT OF THE COMPTROLLER

Mr. John Rios reported on the revenues and expenses of the Authority as of **January 31, 2020**. Mr. Rios reported that year-to-date Total Signatory Revenues are above budgeted revenues by **0.1%**, year-to-date Total Concession Revenues and Passenger Facility Charges are above and below budget by **6.3%** and **-2.5%**, respectively. Year-to-date Total Other Revenues, inclusive of non-signatory and non-airline revenues are above the budget estimate by **8.2%**. Year-to-date Total Operating Revenues Actual of **\$26.3M** is **2.9%** above the budget estimate of **\$25.5M**. Year-to-date Total Operating Expenses are below budget by **-20.4%**. Components of this line item include a **-19.2%** decrease in Personnel Service, a **-15.5%** decrease in Contractual Services, a **-76.1%** decrease in Materials & Supplies and a **-100.00%** decrease in Equipment/Furnishings from budgeted amounts for these respective categories. The actual year-to-date Net Revenues from Operations of **\$11.9M** reflects an increase of **59.3%** over the year-to-date budgeted amount of **\$7.5M**. Mr. Rios reported that the year-to-date Debt Service Coverage is at **1.63** versus the requirement of **1.25**.

Mr. Rios announced that he also provided an extra spreadsheet to his report showing different scenarios. Discussion followed on impact of flight cancellations.

9. EXECUTIVE SESSION

The next item on the agenda was Executive Session.

Upon written recommendation of counsel, on motion duly made by Director Tainatongo, seconded by Director Alcorn, and unanimously approved, the Board recessed to convene into Executive Session at 4:40 p.m.

The Board convened into Executive Session at 4:44 p.m. to discuss pending or threatened litigation to which GIAA is or may be a party. Attending Executive Session were Directors Weakley, Alcorn, Belanger, Tainatongo and Morato, Executive Manager Ada, and Legal Counsel, Janalynn Damian. Also present was the court reporter who will prepare a transcript of the Executive session.

Executive Session adjourned at 5:11 p.m., at which time the Board reconvened regular session.

Based on discussions during Executive Session, there was a matter for Board approval.

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

Resolution No. 20-24

The Board hereby authorizes the Authority to issue payment to Calvo Fisher & Jacob LLP for the general matters legal fees incurred in January 2020 that exceed the monthly cap in the amount of \$60,590.85.

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 5:11p.m.

Dated this _____, day of _____, 2020.

Attest:

Brian J. Bamba
Chairman

Donald I. Weakley
Board Secretary

Prepared and Submitted By:

Amanda O'Brien-Rios
Corresponding Secretary

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Thursday, March 11, 2020, 3:00 p.m.
GIAA TERMINAL CONFERENCE ROOM #3**

1. CALL TO ORDER AND ATTENDANCE

The March 11, 2020 special 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 3:08 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*
Zenon E. Belanger
Doyon A. Morato
Rosie Tainatongo

Offices or positions:

Chairman
Vice Chairman
Board Secretary

Directors Absent:

None

GIAA Officials:

Thomas C. Ada
John M. Quinata
John A. Rios
Jean M. Arriola
Vince Naputi
Ken McDonald
Joseph Javellana
Victor Cruz
Rolenda Faasuamalie
Henry Cruz

Executive Manager
Deputy Executive Manager
Comptroller
Airport Services Manager
Chief, Airport Police
P&F Superintendant
Program Coordinator IV
Engineering Supervisor
Airport Marketing
GIAA Procurement

Janalynn A. Damian, Esq.
Frank R. Santos

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 Director Weakley, seconded by Director Belanger; motion unanimously passed.

3. NEW BUSINESS

A. Rebate of Landing and Apron Fees

The first item discussed was the rebate of landing and apron fees. Executive Manager Ada asked that Mr. Frank Santos present the item to the Board via powerpoint presentation. Mr. Santos informed the Board that to date, 400 flights have been suspended, representing a loss of approximately 78,000 seats, with an economic impact to GIAA of approximately \$7.9M. Carriers have consideration for relief. It is in GIAA's best interest to assist its primary customers, who are guarantors of GIAA's financial bottom line.

*Director Alcorn arrived at the Board meeting.

Aircraft operators pay approximately \$274.00 per landing and \$123.00 per apron use. Airport landing and apron fees represent approximately \$4.6M or 15% of total signatory airline revenues. Significance if the fees are directly correlated to frequency of landings. Total estimated savings to airlines from April to June 2020:

- A. 50% rebate: \$370,000.00
- B. 100% rebate: \$740,000.00

GIAA's cost impact:

Suspension of 400 flights	\$7.90M
Cost of Rebate at 100%	\$.74M
Total Cost Impact	\$8.64M

Mr. Santos provided the revenue source for cost mitigation totaling \$8.64M.

Management is seeking approval of 100% rebate of landing fees and 100% rebate of apron parking charges for the period of April to June 2020. The impact will be reviewed on a monthly basis.

Chairman Bamba inquired on the period of the rebate. Executive Manager informed the Board that after June, Management will come back to the Board for additional guidance should it be required, and that Management is looking at other relief options for concessions. Discussion followed relative to what carriers are included.

Director Morato inquired if there is a forecast of impacts should this issue go past three months. Executive Manager Ada announced that Management is not there yet. Relief options for concessions are being reviewed, and will be brought before the Board at the next regular Board meeting.

Director Belanger inquired if the rebate will affect operational costs for the Airport. Executive Manager Ada replied no. Discussion followed relative to the funding to cover the costs of the rebate.

Director Belanger shared his concern with giving 100% rebate.

Director Alcorn inquired on rebates for all tenants. Chairman Bamba announced that because this is a special meeting and the fact that the Board limited to agenda items, but assured the Board that there are discussions for relief options for concessionaires, which will be discussed at a later meeting.

Executive Manager Ada reminded the Board that it is in GIAA's best interest to assist its primary customers, the signatory airlines, who are guarantors of GIAA's financial bottom line.

After further discussion, on motion duly made by Director Weakley, seconded by Director Tainatongo, the following resolution was approved, with Director Belanger voting against the motion:

Resolution No. 20-25

The Board hereby approves the 100% rebate of landing fees and 100% rebate of apron parking charges for signatory airlines for the period of April to June 2020, at which time the need for a rebate will be reassessed.

B. Approval of Award for Legal Services - RFP No. RFP-001-FY20

At this time Legal Counsel recused herself, and removed herself from the conference room table.

The next item requiring Board action was the award for Legal Services, under Request for Proposal - RFP No. RFP-001-FY20. Mr. Henry Cruz, GIAA Procurement, 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 eight (8) 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 B
2. Offeror A

The term of the contract is for a period of two (2) years with additional three (3) one (1) year option years to be exercised at the sole discretion of GIAA, not to exceed a total contract period of five (5) years and subject to the availability of funding. The said contract will be funded under the Administration Division's O&M Budget.

Management recommends that the Board approve the ranking results and the contract award to Offeror A and Offeror B for the Legal Services contract, subject to negotiation of fair and reasonable fees to be submitted by the Offeror at a time and in a format determined by GIAA.

Executive Manager Ada announced that the recommendation for the Board to award the contract to both offerors. The Manager pointed out that the firms scored very similar in their evaluations. The incumbent is heavily involved in current litigation proceedings, and Management believes there is enough work to justify both law firms.

Director Belanger inquired if there is anything in Procurement Law that prevents GIAA from hiring two law firms, or to put together a scope of work for two, or do they compete for work. The Executive Manager replied no, they will not compete, there is enough work for two.

Chairman Bamba inquired if GIAA has ever done this before, one RFP and more than one awardee. Mr. Frank Santos replied yes, with an IDIQ, where multiple firms were awarded. Based on what work was needed, the firms would provide a fee proposal.

Executive Manager added that the incumbent currently does not have a retainer fee, the Board approved an hourly rate. Director Belanger added that the current legal counsel went over the cap in the amount of \$60,000 in January, and expressed his concern. Discussion followed relative to Procurement Law, the process of the RFP and fees.

Director Tainatongo announced that she would like the Attorney General's opinion on the referenced RFP before making a decision. Chairman Bamba agreed, and suggested that the Board get legal opinion before proceeding.

Director Belanger inquired if GIAA is at the exposure of have no legal counsel. Executive Manager informed the Board that legal counsel's term expires March 22, 2020, however conflicts counsel Phil Torres will oversee this RFP.

Executive Manager Ada suggested that the Board recess and reconvene the meeting so that conflicts counsel, Phil Torres may be able to attend the meeting and address the referenced RFP.

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

Resolution No. 20-26

The March 11, 2020 Special Meeting of the Board of Directors of A.B. Won Pat International Airport Authority, Guam is hereby adjourned until Monday, March 16, 2020 at 11:00 a.m., to reconvene at the GIAA conference room, 355 Chalan Pasaheru, Tamuning, Guam 96913.

Dated this _____, day of _____, 2020.

Attest:

Brian J. Bamba
Chairman

Donald I. Weakley
Board Secretary

Prepared and Submitted By:

Amanda O'Brien-Rios
Corresponding Secretary

**MINUTES OF THE SPECIAL MEETING OF THE BOARD OF DIRECTORS OF THE
A.B. WON PAT INTERNATIONAL AIRPORT AUTHORITY, GUAM
Monday, March 16, 2020, 3:00 p.m. *Reconvened Meeting*
GIAA TERMINAL CONFERENCE ROOM #3**

1. CALL TO ORDER AND ATTENDANCE

The special meeting of the Board of Directors of the A.B. Won Pat International Airport Authority, Guam ("GIAA" or the "Authority") held on March 11, 2020 was reconvened and called to order by Vice Chairman Sobti at 11:39 a.m. at the GIAA Terminal Conference Room #3, 355 Chalan Pasaheru, Tamuning, Guam, 96913.

Directors Present:

Brian J. Bamba (Via video teleconference)
Gurvinder Sobti
Donald I. Weakley
Lucy M. Alcorn (Via video teleconference)
Zenon E. Belanger
Doyon A. Morato (Via video teleconference)
Rosie Tainatongo (Via video teleconference)

Offices or positions:

Chairman
Vice Chairman
Board Secretary

Directors Absent:

None

GIAA Officials:

Thomas C. Ada	Executive Manager
John M. Quinata	Deputy Executive Manager
Jean M. Arriola	Airport Services Manager
Vince Naputi	Chief, Airport Police
Raymond Mantanona	Chief, ARFF
Ken McDonald	P&F Superintendant
Joseph Javellana	Program Coordinator IV
Antoinette Bautista	Accounting Supervisor
Victor Cruz	Engineering Supervisor
Rolenda Faasuamalie	Airport Marketing
Henry Cruz	GIAA Procurement

Janalynn A. Damian, Esq.	GIAA Legal Counsel
Phil Torres	GIAA Conflicts Counsel
Frank R. Santos	GIAA Consultant

Vice Chairman Sobti announced that in accordance with Video Teleconference Policy, the Vice Chairman shall preside over the meeting if the Chairman is attending the meeting via video teleconference.

2. NEW BUSINESS

A. Approval of Award for Legal Services - RFP No. RFP-001-FY20 - *Tabled*

The item requiring Board action was the award for Legal Services, under Request for Proposal - RFP No. RFP-001-FY20. Executive Manager Ada informed the Board that the initial solicitation was to procure the services of a single law firm. After reviewing the resumes of the two (2) offerors, Management concluded that both offerors were equally qualified. The Executive Manager reminded the Board of Management's desire to award both firms, due to there being enough legal work for both.

Executive Manager Ada announced that language in the initial RFP, "Offerors are reminded that the legal services will be awarded to one of the highest ranked offerors", unnecessarily limits the Executive Manager's ability to make the best decision possible in interest of the Airport. In order to proceed with awarding both firms, it would require the Board to authorize the Executive Manager to make necessary modifications to the language in RFP. Another option is to cancel and re-issue the RFP, which would be a waste of resources for the Airport and the offerors.

Conflicts Counsel, Phil Torres added that with respect to the Procurement Law and Regulations, it does not completely address this particular situation. The law states that GIAA has the right to make changes and negotiate during discussions. The policy says that you do not cancel a solicitation due to expense and efforts made by the parties, it would be unfair in that regard. In this case, if not to cancel, the Board would be acknowledging the changing needs of the Airport when it comes to legal services. The prejudice that would go to one firm as opposed to the other, is so ambiguous because no firm is guaranteed work. The workload of the firms would be at the discretion of Management, and what firm is best suited to the needs and timeliness of the work. Conflicts Counsel added that GIAA currently has multiple attorneys, a primary law firm, more than one conflicts counsel, his opinion is that with the basic policy under the regulation, the GIAA Board can make a decision to reject and cancel the RFP or to proceed with a modification to the RFP and negotiate with two (2) separate firms.

Director Tainatongo asked that due to the current legal counsel's term not expiring until March 22, is it possible to extend the term for 30 days, and due to the RFP asking for one firm, amend the RFP to have two firms, one firm solely for litigation and the other firm for GIAA operations. Conflicts Counsel replied that what Director Tainatongo is suggesting is a different type of modification. Due to the fact that the evaluations have already been done, the typical reasons to cancel a solicitation is if there is no money for the services, if the services are no longer necessary, or collusion. None of those factors apply to this situation. It is up to the Board to accept the RFP as is, and cancel the RFP or to allow Management to proceed with negotiating with and hiring two (2) firms. Discussion followed relative to what is permissible by procurement law and the time that it would take to re-issue the RFP and negotiating process.

Chairman Bamba expressed his concern with changing the process, and deviating from the regular process.

Director Morato inquired if it is legally possible to cancel right an RFP right before awarding. Conflicts Counsel replied yes, GIAA has not awarded, however GIAA would need to provide a justification for the cancellation, and state that GIAA's needs have changed during the solicitation process.

Chairman asked that Conflicts Counsel state what options the Board has. Conflicts counsel announced the three (3) options:

1. Accept RFP as literally written, and allow Management to only proceed with awarding to one (1) firm.
2. Cancel the RFP, provide justification for the cancellation and re-issue the RFP with referenced language removed, allowing Management to award to more than one (1) firm.
3. Allow Management to proceed with current RFP, modify the language and award to two(2) firms.

Discussion followed relative to the options. Conflicts counsel provided a statement from procurement law regarding flexibility of rejecting proposals, stating that there is flexibility.

Director Taintaongo expressed her concern of approving the award without approving knowing the negotiation terms. Discussion followed negotiation terms and details of cancelling and re-issuing the RFP.

After further discussion, on motion duly made by Director Belanger, seconded by Director Weakley, the following option was voted on:

"To allow Management to award a contract to both offerors, subject to negotiations"

Roll call vote:

Brian Bamba	Against
Donald Weakley	In favor
Lucy Alcorn	Against
Zenon Belanger	In favor
Doyon Morato	Against
Rosie Taintaongo	Against

Motion failed with two (2) votes in favor and four (4) votes against.

After further discussion, on motion duly made by Director Alcorn, seconded by Director Tainatongo, the following option was voted on:

“To cancel the RFP and re-issue”

Roll call vote:

Brian Bamba	In favor
Donald Weakley	Against
Lucy Alcorn	In favor
Zenon Belanger	Against
Doyon Morato	Against
Rosie Tainatongo	In favor
Bic Sobti	In favor

Motion passed with four (4) votes in favor and three (3) votes against.

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

Resolution No. 20-26

The Board hereby authorizes Management cancel Request for Proposal, Legal Services - RFP No. RFP-001-FY20 and re-issue.

Director Morato inquired on the amount of time it will take to re-issue the RFP, and the procedures in the interim. Executive Manager Ada replied it will take approximately four (4) weeks to reissue the RFP and bring back to the Board for approval of award. In the interim, the incumbent firm will continue working on litigation matters that are in progress, and any new matters that arise will be assigned to one (1) of two (2) conflicts counsels.

3. ADJOURNMENT

Motion to adjourn duly made by Director Belanger, seconded by Director Weakley; motion unanimously passed. The meeting was adjourned at 1:07 p.m.

Dated this _____, day of _____, 2020.

Attest:

Brian J. Bamba
Chairman

Donald I. Weakley
Board Secretary

Prepared and Submitted By:

Amanda O'Brien-Rios
Corresponding Secretary

Antonio B. Won Pat International Airport Authority, Guam

September 30, 2019 Audit

April 23, 2020 Presentation to the Board



Audit Reports and Opinions Issued

Audit Reports and Opinions To Be Issued for FY2019

Auditor's report on the Authority's basic financial statements

- ▶ Unqualified opinion in accordance with US generally accepted accounting principles

Report on compliance for each major federal program; report on internal control over compliance and report on schedule of expenditures of federal awards required by the Uniform Guidance

- ▶ Unmodified opinion in accordance with the Uniform Guidance
 - ▶ One major program:
 - ▶ Airport Improvement Program

Report on internal control over financial reporting and on compliance and other matters

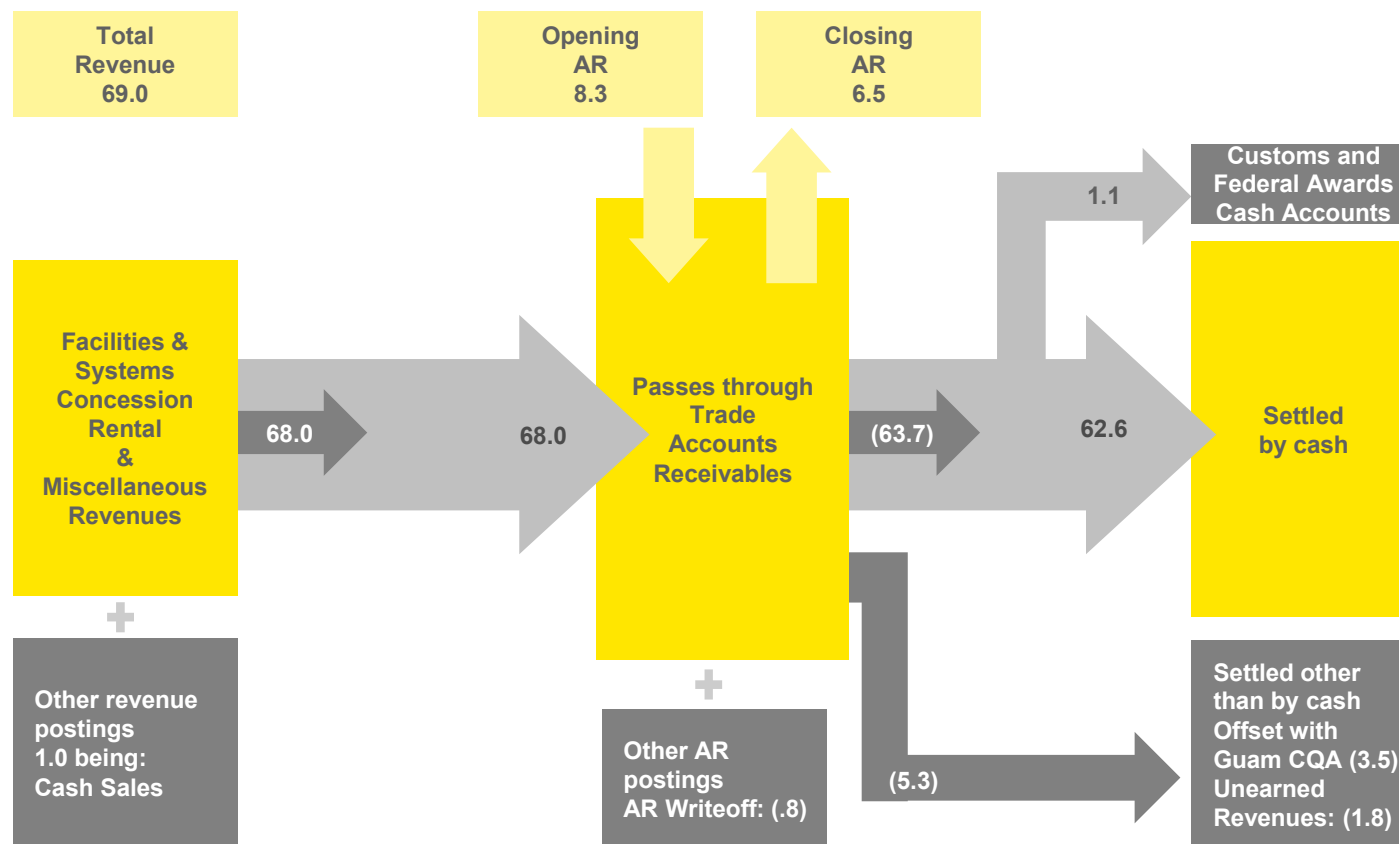
- ▶ Unmodified opinion in accordance with government auditing standards
 - ▶ One finding – Compliance with the cash management requirement

Report on Compliance and Internal Control and Schedule of Passenger Facility Charges Collected and Expended

- ▶ Unmodified opinion
 - ▶ One finding - Remittance of PFCs from Air Carriers

Financial Analysis

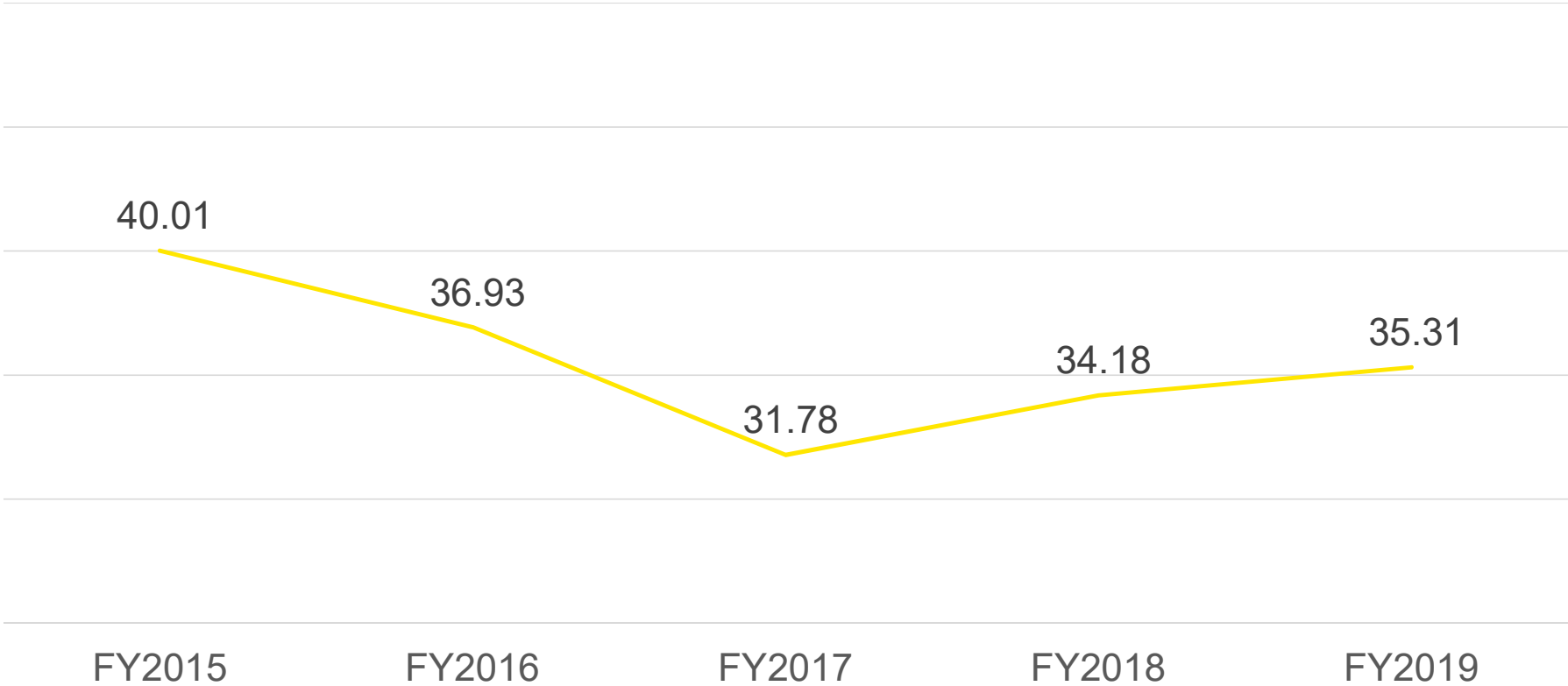
The Authority's relationship between revenue, receivables and cash (in millions)



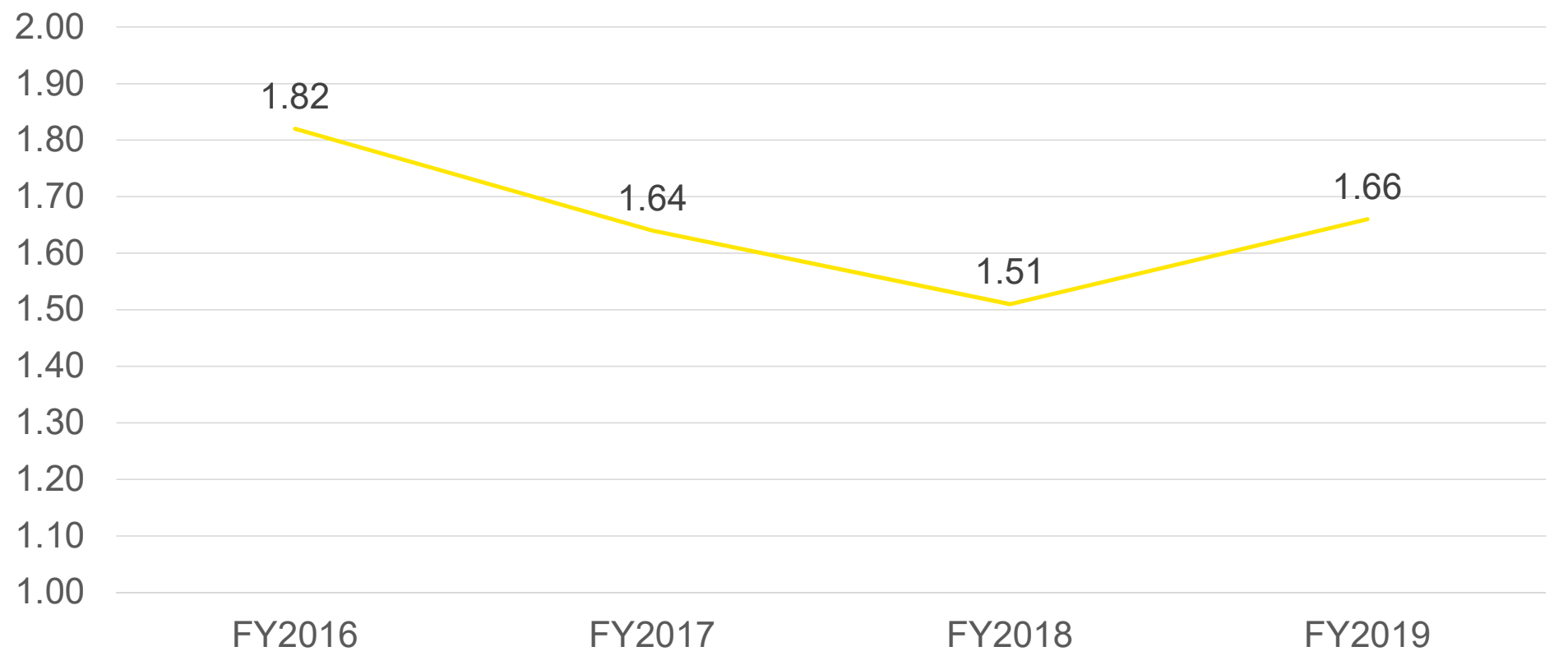
Accounts receivable analysis

	Analysis date 9/30/2019	%	Analysis date 9/30/2018	%
0-30 days	\$ 5,682,000	87.74%	\$ 6,228,000	74.86%
31-60 days	22,000	0.34%	29,000	0.35%
61-90 days	56,000	0.86%	497,000	5.97%
91-120 days	38,000	0.59%	36,000	0.43%
121-180 days	38,000	0.59%	46,000	0.55%
181-365 days	46,000	0.71%	138,000	1.66%
>365 days	594,000	9.17%	1,345,000	16.17%
Total	<u>\$ 6,476,000</u>	100.00%	<u>\$ 8,319,000</u>	99.99%
Allowance for doubtful accounts	\$ 628,000		\$ 1,447,000	
>90 days	\$ 716,000		\$ 1,565,000	

Accounts receivable Average Collection Period (days)



Debt Service Ratio



**Thank you for all your kind
cooperation throughout the audit.**

Appendices

Comparative Income Statements

	FY2019	FY2018	Change \$	%
Revenues:				
Facilities and systems usage charges	\$ 31,342,258	\$ 28,306,092	\$ 3,036,166	11%
Concession fees	22,222,181	23,043,383	(821,202)	-4%
Rental income	12,821,451	12,008,558	812,893	7%
Miscellaneous	2,566,926	5,571,796	(3,004,870)	-54%
	68,952,816	68,929,829	22,987	0%
Operating costs and expenses:				
Contractual services	25,529,980	27,672,687	(2,142,707)	-8%
Personnel services	18,131,872	13,884,736	4,247,136	31%
Material and supplies	1,236,583	1,187,924	48,659	4%
Total operating costs and expenses	44,898,435	42,745,347	2,153,088	5%
Income from operations before D&A	24,054,381	26,184,482	(2,130,101)	-8%
Depreciation and amortization	28,071,895	28,017,440	54,455	0%
Loss from operations	(4,017,514)	(1,832,958)	(2,184,556)	119%

Comparative Income Statements

	FY2019	FY2018	Change \$	%
Loss from operations	(4,017,514)	(1,832,958)	(2,184,556)	119%
Non-operating income (expense):				
Passenger facility charge income	7,362,377	7,081,113	281,264	4%
Interest income	2,472,916	2,077,360	395,556	19%
Grants from the United States Government	415,108	413,100	2,008	0%
Grants from Government of Guam - OHS	-	11,368	(11,368)	-100%
Interest expense	(7,528,494)	(9,719,495)	2,191,001	-23%
Other (income) expense	(3,071,554)	(4,634,079)	1,562,525	-34%
Non-recurring expenses	(127,001)	(79,591)	(47,410)	60%
Total non-operating expenses	(476,648)	(4,850,224)	4,373,576	-90%
Loss before capital contributions	(4,494,162)	(6,683,182)	2,189,020	-33%
Capital grants from the US Gov't	7,766,386	7,928,287	(161,901)	-2%
Increase in net assets	\$ 3,272,224	\$ 1,245,105	\$ 2,027,119	163%

Comparative Balance Sheets

	FY2019	FY2018	Change \$	%
Assets				
Unrestricted assets:				
Cash	2,264,110	630,783	1,633,327	259%
Passenger facility charge cash	69,019	2,601	66,418	2554%
Accounts receivable trade, net	5,833,123	6,879,825	(1,046,702)	-15%
Passenger facility charge receivable	964,618	1,420,524	(455,906)	-32%
Receivables from the US Government	134,334	541,478	(407,144)	-75%
Accounts receivable from tenant	129,600	129,600	-	0%
Notes receivable	-	183,580	(183,580)	-100%
Inventory, other (prepaid expenses) and accrued interest	364,597	567,236	(202,639)	-36%
Total unrestricted current assets	9,759,401	10,355,627	(596,226)	-6%
Customs fees, cash	274,773	14	274,759	1962564%
Customs fees, receivable	1,607,081	2,289,918	(682,837)	-30%
Total restricted current assets	1,881,854	2,289,932	(408,078)	-18%
Total current assets	11,641,255	12,645,559	(1,004,304)	-8%

Comparative Balance Sheets

	FY2019	FY2018	Change \$	%
Accounts receivable - trade (long term)	507,600	637,200	(129,600)	-20%
General Revenue Bonds:				
Investments & cash w/ trustees, unrestricted	91,231,195	85,449,399	5,781,796	7%
Investments & cash w/ trustees, restricted	39,266,254	63,351,017	(24,084,763)	-38%
Depreciable capital assets, net	265,084,340	288,953,643	(23,869,303)	-8%
Non-depreciable capital assets	181,469,370	143,588,374	37,880,996	26%
Avigation easements	7,845,350	9,121,529	(1,276,179)	-14%
Deferred outflow of resources				
Pension	4,597,034	3,794,526	802,508	21%
Other Postemployment Benefits	13,379,839	4,323,359	9,056,480	209%
Total assets and deferred outflows of resources	615,022,237	611,864,606	3,157,631	1%

Comparative Balance Sheets

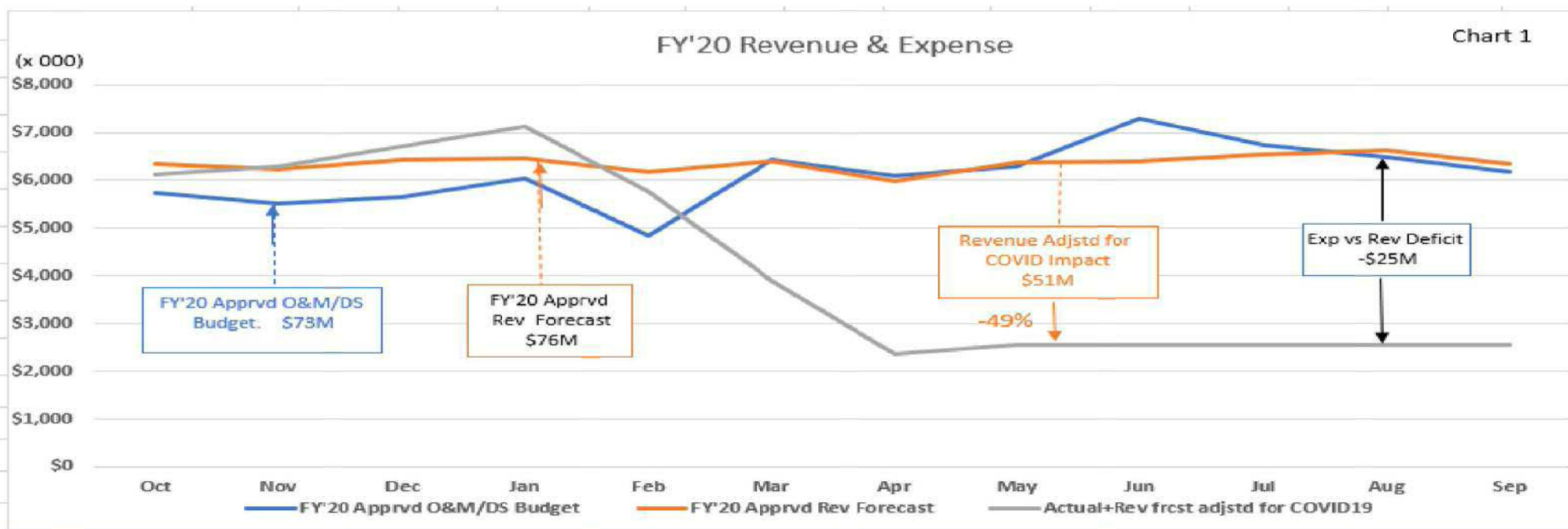
	FY2019	FY2018	Change \$	%
Liabilities				
Current Liabilities:				
Payable from unrestricted assets:				
Accounts payable - trade	4,524,016	3,866,222	657,794	17%
Accounts payable - construction	10,998,824	11,200,853	(202,029)	-2%
Other liabilities	5,038,022	4,651,520	386,502	8%
Security deposits and deferred revenue	2,319,707	2,434,277	(114,570)	-5%
Current portion of annual leave	407,129	433,858	(26,729)	-6%
Current portion of loan payable to bank	1,255,257	1,185,279	69,978	6%
Total payable from unrestricted assets	24,542,955	23,772,009	770,946	3%
Payable from restricted assets:				
Customs fees, payable to Treasurer of Guam	2,037,979	2,448,259	(410,280)	-17%
General Revenue Bonds:				
General revenue bonds, current portion	12,605,000	12,010,000	595,000	5%
General revenue bonds, accrued interest	5,634,000	5,934,250	(300,250)	-5%
Total payable from restricted assets	20,276,979	20,392,509	(115,530)	-1%
Total current liabilities	44,819,934	44,164,518	655,416	1%

Comparative Balance Sheets

	FY2019	FY2018	Change \$	%
Non-Current Liabilities:				
Payable from unrestricted assets:				
Accrued sick leave	148,110	185,143	(37,033)	-20%
Long-term portion of annual leave	831,129	872,202	(41,073)	-5%
Long-term loans payable	4,793,384	5,999,752	(1,206,368)	-20%
Net pension liability	33,826,304	32,118,582	1,707,722	5%
Total collective other postemployment benefit liability	45,048,838	46,614,484	(1,565,646)	-3%
Payable from restricted assets:				
General revenue bonds, long-term	181,908,408	194,669,374	(12,760,966)	-7%
Total non-current liabilities	266,556,173	280,459,537	(13,903,364)	-5%
Total liabilities	311,376,107	324,624,055	(13,247,948)	-4%
Deferred inflows of resources				
Deferred bond issue costs	117,061	172,676	(55,615)	-32%
Other postemployment benefits	17,869,987	4,114,765	13,755,222	334%
Pension obligation	898,574	1,464,826	(566,252)	-39%
	330,261,729	330,376,322	(114,593)	0%

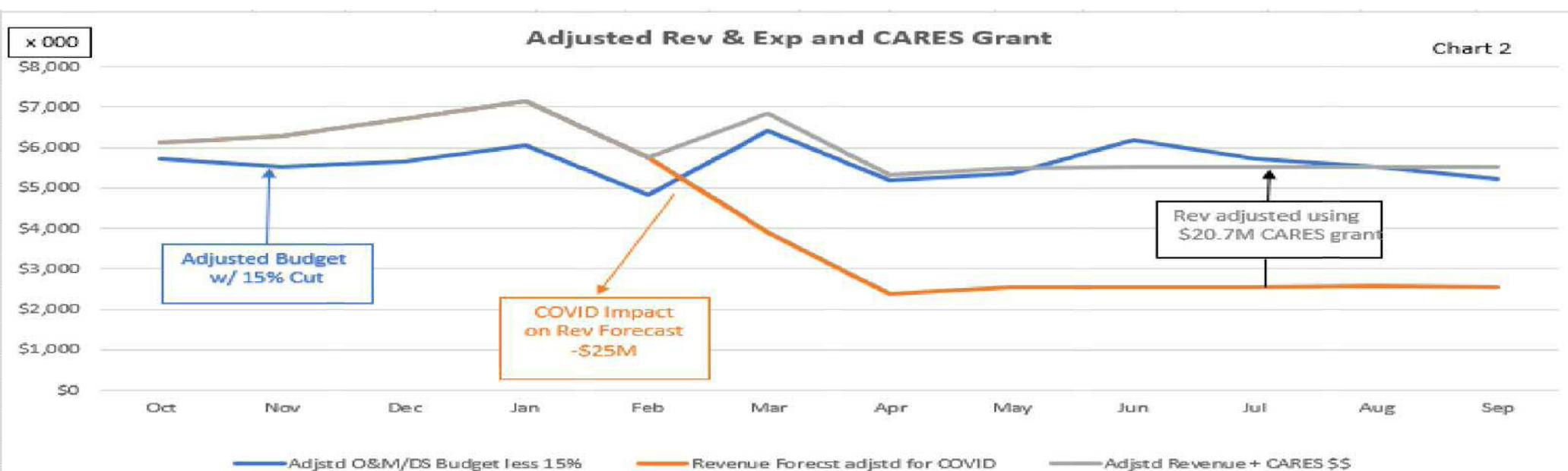
Comparative Balance Sheets

	FY2019	FY2018	Change \$	%
Net position				
Net investment in capital assets	253,719,950	227,626,465	26,093,485	11%
Restricted for:				
Capital Projects	39,266,254	63,351,017	(24,084,763)	-38%
Debt service	(5,634,000)	(5,934,250)	300,250	-5%
Unrestricted	(2,591,696)	(3,554,948)	963,252	-27%
Total net assets	284,760,508	281,488,284	3,272,224	1%
 Total liabilities and net assets	 615,022,237	 611,864,606	 3,157,631	 1%



NOTE: Read from left to right, **(1)** the FY'20 budget for O&M and Debt Svc payments was approved for \$73M. **(2)** The approved Rev forecast of \$76M reflects the experiences of previous years and an optimistic outlook. **(3)** Towards end of February, five (5) months into FY'20, COVID19 brings the travel industry to a near halt, resulting in an est. 49% decrease in Revenues. This resulted in a new Rev forecast of \$51M, and a \$25M deficit between planned O&M and DS spending and projected revenues.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total	
FY'20 Apprvd O&M/DS Budget	\$5,727	\$5,522	\$5,661	\$6,047	\$4,844	\$6,422	\$6,102	\$6,297	\$7,285	\$6,746	\$6,486	\$6,169	\$73,307	
FY'20 Apprvd Rev Forecast	\$6,352	\$6,245	\$6,418	\$6,456	\$6,194	\$6,407	\$5,983	\$6,384	\$6,417	\$6,534	\$6,621	\$6,353	\$76,364	\$3,057
Actual+Rev frst adjstd for COVID19	\$6,133	\$6,300	\$6,710	\$7,139	\$5,757	\$3,898	\$2,370	\$2,548	\$2,563	\$2,564	\$2,568	\$2,561	\$51,110	-\$22,196
Diff Rev Forecast vs Adjstd	-4%	1%	4%	10%	-8%	-64%	-152%	-151%	-150%	-155%	-158%	-148%	-49%	-\$25,254



NOTE: Read from left to right, **(1)** the FY'20 budget for O&M and Debt Svc payments was initially approved for \$73M. Recognizing the negative impact of COVID, Budget adjusted to reflect actual expenditures in 1st Qtr of FY'20 and 15% budget reduction. **(2)** The approved Rev forecast of \$76M reflects the experiences of previous years and an optimistic outlook. Towards end of February, five (5) months into FY'20, COVID19 brings the travel industry to a near halt, resulting in an est. 49% decrease in Revenues. This resulted in a new Rev forecast of \$51M; a decrease of \$25M. **(3)** However, the infusion of \$20.7M from the CARES Act off-set the projected revenue losses, resulting in positive net revenue for FY '20.

	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Total	
Adjstd O&M/DS Budget less 15%	\$5,727	\$5,522	\$5,661	\$6,047	\$4,844	\$6,422	\$5,186	\$5,352	\$6,192	\$5,734	\$5,513	\$5,244	\$67,444	
Revenue Forecast adjstd for COVID	\$6,133	\$6,300	\$6,710	\$7,139	\$5,757	\$3,898	\$2,370	\$2,548	\$2,563	\$2,564	\$2,568	\$2,561	\$51,110	-\$25,254
Adjstd Revenue + CARES \$\$	\$6,133	\$6,300	\$6,710	\$7,139	\$5,757	\$6,854	\$5,326	\$5,504	\$5,519	\$5,520	\$5,524	\$5,517	\$71,804	\$4,360
	CARES Grant		\$20,693	No. of mos Grant allocated				7	\$2,956	Budget Cut			15%	85%



CARES ACT

Coronavirus
Aid, Relief, and
Economic Security Act



Purpose

For any purpose airport revenue may lawfully be used to keep airports:

- ✓ in a reliable and safe operation
- ✓ keep airport workers employed
- ✓ keep credit ratings stable



Funds Allocated to GIAA

\$20,693,369

- No local share
- Formula based allocation
 - CY'2018 data for enplanements, debt service, and unrestricted cash and investments



Grant Execution

- Application completed & grant agreement in Apr 2020
- Expense based reimbursement commencing Jan 20, 2020
- No sunset date
- Retention of 90% of workforce through end of CY'2020



Grant Adequacy

Uncertainties exist as to the end date of this Pandemic and duration of recovery!



Recommendation for use of Grant

\$20.7M be dedicated to:

- Debt Service
- Operations & Maintenance expenses

*This action would also improve the airport's cash flow due the 90-day deferment program.



Proposed Allocation of Grant Funding

Use Grant \$\$\$ to fund the following
sample listing of costs for the period
Jan 20–May 2020:

1. Bond & Loan Debt Service:	\$14,837,235
2. Payroll:	\$12,484,786
3. Utilities and Communication:	\$10,312,333
4. Opns & Maint contracts:	<u>\$ 5,949,898</u>
	\$43,584,252

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

INVITATION FOR BID

**RENTAL OF TRASH BINS/CONTAINERS
AND COLLECTION AND DISPOSAL SERVICES**
IFB NO. GIAA-001-FY20

April 23, 2020

Purpose

Board action is requested to approve the bid awards for Rental of Trash Bins/Containers and Collection and Disposal Services under Invitation For Bid ("IFB") No. GIAA-001-FY20.

Background


The IFB solicited general trash, cardboard and mixed waste collection and disposal services, to include the use of the vendor's trash containers, at various locations within the Main Terminal at the Antonio B. Won Pat International Airport for a contract term of five (5) years with two (1) one-year options to be exercised at the sole discretion of GIAA.

Procurement Background

The solicitation announcement was advertised through the local newspapers on November 15, 20, and 26 and December 3, 2019. The bid submission deadline was December 10, 2019, and the bid opening took place at 2:15 p.m. on the same day.

Eleven (11) firms and/or individuals purchased or downloaded the bid package and four (4) firms submitted bids before the submission deadline. As required by the Procurement Rules and Regulations, the bids were publicly opened and read aloud in the presence of procurement officials.

The submitted bids are presented below in the order it was received and opened:



Bidder:	<u>Bid Item</u> <u>No. 1:</u> 3-CY Container (General Trash) <i>*Annual Cost</i>	<u>Bid Item</u> <u>No. 2:</u> 10-CY Container (General Trash) <i>*Annual Cost</i>	<u>Bid Item</u> <u>No. 3:</u> 10-CY Container (Cardboard Boxes Only) <i>*Annual Cost</i>	<u>Bid Item</u> <u>No. 4:</u> 24-CY Container (General Trash) <i>*Annual Cost</i>	<u>Bid Item</u> <u>No. 5:</u> 10-CY Container (Mixed Waste) <i>*Annual Cost</i>	<u>TOTAL BID PRICE:</u>
Pacific Waste Systems, LLC.	\$9,536.64	\$81,647.40	\$12,223.08	\$117,824.52	\$699.50	\$221,931.14
Guahan Waste Control (dba Mr. Rubbishman)	\$8,697.00	\$42,835.00	\$11,804.00	\$67,932.80	\$984.00	\$132,252.80
Morrigo Equipment LLC	NO BID	\$84,544.20	\$18,720.00	\$67,635.36	\$600.00	\$171,499.56
HCP Inc. (dba Lagu Sanitation)	\$8,892.00	\$71,500.00	\$12,740.00	\$102,960.00	\$550.00	\$196,642.00

Morrigo Equipment LLC's ("Morrigo") bid included a "Letter of Deviation" explaining conditions attached to its bid price. The IFB provides that "All prices shall remain firm during the term of the Contract." The IFB also requires bidders to price the tipping fees based on cubic yards. While the other bidders provided prices for tipping fees based on cubic yards as required, Morrigo's Letter of Deviation explains that its prices for tipping fees are measured by the ton. In addition, Morrigo's Letter of Deviation states that its disposal fee is subject to change per vendor and also included a fee for soiled/wet cardboard.

By placing conditions on its price and adding an additional fee, Morrigo has made it impossible for GIAA to compare its bid (which is subject to change) with the other bids (which are unconditional). (See 2 GAR Div. 4 § 3109(m)). Therefore, because Morrigo's bid affects price in a manner that prejudices other bidders, it was deemed non-responsive and rejected.

The remaining three (3) bidders were deemed responsive. Furthermore, all three (3) bidders were determined to have met the standards of responsibility as outlined in the Guam Procurement Law and Regulations.

Legal Review

Upon approval of awards, the contracts will be processed in conformance with the Government of Guam Procurement Regulations.

Financial Review

The total contract award for this IFB is \$131,818.80. Funding is available under the Property and Facilities Division O&M budget.

Recommendation

It is my recommendation to award contracts to the following bidders who have been determined to have met the standards of responsibility as outlined in the Guam Procurement Law and Regulations and who have submitted the lowest responsive Total Unit Price for the following bid items:

Bid Item	Number of Containers	Frequency of Collection	Bidder:	Lowest Responsive Unit Price (Annual):
Item No. 1: (3)-Cubic Yard Container (General Trash) to include rental, collection and disposal	3	1 time per week	Guahan Waste Control (dba Mr. Rubbishman)	\$8,697.00
Item No. 2: (10)-Cubic Yard Container (General Trash) to include rental, collection and disposal	1	5 times per week	Guahan Waste Control (dba Mr. Rubbishman)	\$42,835.00
Bid Item No. 3: (10)-Cubic Yard Container (Cardboard Boxed Only) to include rental, collection and disposal	1	2 times per week	Guahan Waste Control (dba Mr. Rubbishman)	\$11,804.00
Bid Item No. 4: (24)-Cubic Yard Container	1	4 times per	Guahan Waste Control	\$67,932.80

Bid Item	Number of Containers	Frequency of Collection	Bidder:	Lowest Responsive Unit Price (Annual):
(General Trash) to include rental, collection and disposal		week	(dba Mr. Rubbishman)	
Bid Item No. 5: (10)-Cubic Yard Container (Mixed Waste) to include rental, collection and disposal	1	2 times per year	HCP Inc. (dba Lagu Sanitation)	\$550.00
TOTAL ANNUAL COST:				\$131,818.80

The total contract award for all bid items is **\$131,818.80 per year**. The term of the contract is five (5) years with two (1) one-year options to be exercised at the sole discretion of GIAA. Due to reduction in traffic as a result of COVID-19 travel and operational restrictions, services will be initially reduced based on current GIAA operational demand. Services will be adjusted throughout the term consistent with the demand for such services.

APRIL 20, 2020

MEMORANDUM:

TO: THOMAS C. ADA
EXECUTIVE MANAGER

FROM: HENRY M. CRUZ
SUPPLY MANAGEMENT ADMINISTRATOR

SUBJECT: RENTAL OF TRASH BINS/CONTAINERS AND COLLECTION AND DISPOSAL SERVICES, IFB No. GIAA-001-FY20

Procurement Background:

The above referenced Invitation for Bid was publicly announced through the local newspaper on November 15, 20, and 26 and December 3, 2019. The bid submission deadline and bid opening took place on December 10, 2019 at 2:00 p.m.

Eleven (11) firms and/or individuals purchased or downloaded the bid package and four (4) firms submitted a bid prior to the bid submission deadline. The bid submittals were opened publicly in the presence of several GIAA representatives. The bid price submittals were read aloud by the Supply Management Administrator and tabulated by a member of the Procurement staff.

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

Bidder:	<u>Bid Item No. 1: 3-CY Container (General Trash) *Annual Cost</u>	<u>Bid Item No. 2: 10-CY Container (General Trash) *Annual Cost</u>	<u>Bid Item No. 3: 10-CY Container (Cardboard Boxes Only) *Annual Cost</u>	<u>Bid Item No. 4: 24-CY Container (General Trash) *Annual Cost</u>	<u>Bid Item No. 5: 10-CY Container (Mixed Waste) *Annual Cost</u>	<u>TOTAL BID PRICE:</u>
Pacific Waste Systems, LLC.	\$9,536.64	\$81,647.40	\$12,223.08	\$117,824.52	\$699.50	\$221,931.14
Guahan Waste Control (dba Mr. Rubbishman)	\$8,697.00	\$42,835.00	\$11,804.00	\$67,932.80	\$984.00	\$132,252.80

Bidder:	<u>Bid Item</u> No. 1: 3-CY Container (General Trash) *Annual Cost	<u>Bid Item</u> No. 2: 10-CY Container (General Trash) *Annual Cost	<u>Bid Item</u> No. 3: 10-CY Container (Cardboard Boxes Only) *Annual Cost	<u>Bid Item</u> No. 4: 24-CY Container (General Trash) *Annual Cost	<u>Bid Item</u> No. 5: 10-CY Container (Mixed Waste) *Annual Cost	<u>TOTAL BID PRICE:</u>
Morrico Equipment LLC	NO BID	\$84,544.20	\$18,720.00	\$67,635.36	\$600.00	\$171,499.56
HCP Inc. (dba Lagu Sanitation)	\$8,892.00	\$71,500.00	\$12,740.00	\$102,960.00	\$550.00	\$196,642.00

Bid Analysis and Evaluation:

Pursuant to Section 11 of the *Instructions to Bidders*, the contract is to be awarded to the responsible and responsive bidder(s) who submits the lowest Total Unit Price for each Bid Item, provided the bid is reasonable and is in the best interest of GIAA to accept. To determine the responsibility of bidders, the IFB specified the required documents that bidders must submit with their bid packages. The attached abstract illustrates the inventory of required documents and bidders' submittals.

Pacific Waste Systems, LLC: The bidder submitted a Bidder's Qualification Statement form, which included lists of projects from 2004-2019 with resumes attached. The bidder submitted a copy of its current Guam Business License #201465 and Solid Waste Management Permit. All other required documents are complete and in conformance with the Invitation for Bid. Bidder was determined to have met the standards of responsibility as outlined in the Guam Procurement Law and Regulations.

Guahan Waste Control (dba Mr. Rubbishman): The bidder submitted a Bidder's Qualification Statement form, which included lists of projects from 2004-2019 with resumes attached. The bidder submitted a copy of its current Guam Business License #201466 and Solid Waste Management Permit. All other required documents are complete and in conformance with the Invitation for Bid. Bidder was determined to have met the standards of responsibility as outlined in the Guam Procurement Law and Regulations.

Morrico Equipment LLC: The bidder submitted a Bidder's Qualification Statement form, which included lists of projects from 2004-2019 with resumes attached. The bidder submitted a copy of its current Guam Business License #2012106 and Solid Waste Management Permit.

Morrico Equipment LLC's ("Morrico") bid included a "Letter of Deviation" explaining

conditions attached to its bid price. The IFB provides that “All prices shall remain firm during the term of the Contract.” The IFB also requires bidders to price the tipping fees based on cubic yards. While the other bidders provided prices for tipping fees based on cubic yards as required, Morrico’s Letter of Deviation explains that its prices for tipping fees are measured by the ton. In addition, Morrico’s Letter of Deviation states that its disposal fee is subject to change per vendor and included a fee for soiled/wet cardboard.

By placing conditions on its price and adding an additional fee, Morrico has made it impossible for GIAA to compare its bid (which is subject to change) with the other bids (which are unconditional). (See 2 GAR Div. 4 § 3109(m)). Therefore, because Morrico’s bid affects price in a manner that prejudices other bidders, it was deemed non-responsive.

HCP Inc. (dba Lagu Sanitation): The bidder submitted a Bidder’s Qualification Statement form, which included lists of projects from 2004-2019 with resumes attached. The bidder submitted a copy of its current Guam Business License #2012106 and Solid Waste Management Permit. All other required documents are complete and in conformance with the Invitation for Bid. Bidder was determined to have met the standards of responsibility as outlined in the Guam Procurement Law and Regulations.

Recommendation:

Pursuant to the guidelines in Section 11 of the *Instructions to Bidders*, the award of contract will be made to the responsible and responsive bidder(s) who submit the lowest Total Unit Price for each Bid Item, provided the bid is reasonable and is in the best interest of GIAA to accept it. Morrico’s Bid, because of the Letter of Deviation, is non-responsive. Therefore, Morrico’s bid should be rejected (it submitted the lowest bid for Bid Item No. 4). Furthermore, the following bidders have been determined to have met the standards of responsibility as outlined in the Guam Procurement Law and Regulations and have submitted the lowest responsive Total Unit Price for the following items and therefore they should be awarded as indicated below:

Bid Item	Number of Containers	Frequency of Collection	Bidder:	Lowest Responsive Unit Price (Annual):
Item No. 1: (3)-Cubic Yard Container (General Trash) to include rental, collection and disposal	3	1 time per week	Guahan WasteControl (dba Mr. Rubbishman)	\$8,697.00
Item No. 2: (10)-Cubic Yard Container (General Trash) to include rental, collection and disposal	1	5 times per week	Guahan Waste Control (dba Mr. Rubbishman)	\$42,835.00
Bid Item No. 3				

Bid Item	Number of Containers	Frequency of Collection	Bidder:	Lowest Responsive Unit Price (Annual):
(10)-Cubic Yard Container (Cardboard Boxed Only) to include rental, collection and disposal	1	2 times per week	Guahan Waste Control (dba Mr. Rubbishman)	\$11,804.00
Bid Item No. 4 (24)-Cubic Yard Container (General Trash) to include rental, collection and disposal	1	4 times per week	Guahan Waste Control (dba Mr. Rubbishman)	\$67,932.80
Bid Item No. 5 (10)- Cubic Yard Container (Mixed Waste) to include rental, collection and disposal	1	2 times per year	HCP Inc. (dba Lagu Sanitation)	\$550.00
TOTAL ANNUAL COST:				\$131,818.80

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



HENRY M. CRUZ
 SUPPLY MANAGEMENT ADMINISTRATOR


APPROVED:




THOMAS C. ADA
 EXECUTIVE MANAGER

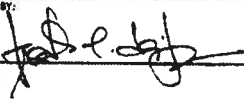
Attachment:

cc: Admin/Proc/P&F

Invitation for Bid: GIAA-001-FY20 Proposal Name: Rental of Trash Bins/Containers and Collection and Disposal Services		<div style="text-align: center;">  <p>Antonio B. Won Pat International Airport Authority, Guam BID ABSTRACT</p> </div>															Bid Submission Deadline: 13-Dec-19 Opening Time: 2:15 PM		
DESCRIPTION OF SUPPLIES OR SERVICES: Rental of Trash Bins/Containers and Disposal and collection services for Terminal Building.		DETERMINATION FOR PROPOSER'S RESPONSIVENESS/RESPONSIBLENESS																	
BIDDER'S NAME	Bid Form	Bid Security (A)	Bid Amount (B)	Affidavit Ownership & Commissions	Affidavit Non Collusion	Affidavit No Gratuities or Kickbacks	Affidavit - Contingent Fees	Affidavit - Ethical Standards	Discrimination Compliance with U.S. DOL Wage & Benefits	Designation of Subcontractors	Bidder's Qualification Statement	Bidder's Financial Statement	Title VI Solicitation Notice	Local Procurement	Service Member Disabled Veteran	Enclosed Contract	Guam Bus License		
1 Pacific Waste Systems, LLC	-	CKJ-004-19	198.14	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	✓
2 Guahan Waste Control dba: Mr. Rubickman	-	19,837.92		-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	✓
3 Monica Equip. LLC	-	19,837.92	19,837.92	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	✓
4 HCP Inc. dba: Laguna Sanitation	-	15,211.8	15,211.8	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	✓
5																			
6																			
7																			
8																			
9																			
10																			


I hereby certify that all bids received in response to this invitation were opened under my personal supervision, and that the names of all bidders have been entered hereon.

SIGNATURE: 

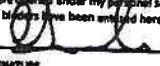
SIGNATURE: 

SIGNATURE: _____

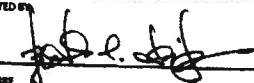
Henry M. Cruz, Supply Management Administrator, Acting

Invitation for Bid: GAA-001-PY20		 Antonio B. Won Pat International Airport Authority, Guam BID ABSTRACT DETERMINATION FOR PROPOSER'S RESPONSIVENESS/RESPONSIBLENESS								Bid Submission Deadline: 13-Dec-19 Opening Time: 2:15 PM		Page 2 of 2 pages No. of Packages Issued: No. of Bids Received:													
Proposal Name: Rental of Trash Bins/Containers and Collection and Disposal Services		Description of Supplies or Services: Rental of Trash Bins/Containers and Disposal and collection services for Terminal Building.		Special Requirements to Prospective Bidders		Acknowledgment Receipt Form		Acknowledgment of A & B		Bid Item No. 1		Bid Item No. 2		Bid Item No. 3		Bid Item No. 4		Bid Item No. 5		Total Bid Price		Time & Date of Submission		PROCUREMENT USE ONLY	
BIDDER'S NAME																									
1	Pacific Waste Systems, LLC	-	-	-	-	9,536.64	81,647.40	12,222.08	117,824.52	699.50	221,931.14	11:01 pm	DID NOT MEET ALL REQUIREMENTS DEEMED NON-RESPONSIVE & NON-RESPONSIBLE; THEREFORE, PROPOSAL IS REJECTED												
2	Guahan Waste Control, LLC	-	-	-	-	8,697.-	42,825.-	11,804.-	67,982.80	984.-	132,252.80	1:35 pm	DID NOT MEET ALL REQUIREMENTS DEEMED NON-RESPONSIVE & NON-RESPONSIBLE; THEREFORE, PROPOSAL IS REJECTED												
3	Morisco Equip. LLC	-	-	-	-	No Bid	69,544.20	18,720.-	67,635.36	600.-	171,499.56	1:42 pm	DID NOT MEET ALL REQUIREMENTS DEEMED NON-RESPONSIVE & NON-RESPONSIBLE; THEREFORE, PROPOSAL IS REJECTED												
4	HEP Inc. Deal Lago Sanitation	-	-	-	-	8,892.-	71,500.-	12,740.-	102,962.-	550.-	196,642.-	1:44 pm	DID NOT MEET ALL REQUIREMENTS DEEMED NON-RESPONSIVE & NON-RESPONSIBLE; THEREFORE, PROPOSAL IS REJECTED												
5													DID NOT MEET ALL REQUIREMENTS DEEMED NON-RESPONSIVE & NON-RESPONSIBLE; THEREFORE, PROPOSAL IS REJECTED												
6													DID NOT MEET ALL REQUIREMENTS DEEMED NON-RESPONSIVE & NON-RESPONSIBLE; THEREFORE, PROPOSAL IS REJECTED												
7													DID NOT MEET ALL REQUIREMENTS DEEMED NON-RESPONSIVE & NON-RESPONSIBLE; THEREFORE, PROPOSAL IS REJECTED												
8													DID NOT MEET ALL REQUIREMENTS DEEMED NON-RESPONSIVE & NON-RESPONSIBLE; THEREFORE, PROPOSAL IS REJECTED												
9													DID NOT MEET ALL REQUIREMENTS DEEMED NON-RESPONSIVE & NON-RESPONSIBLE; THEREFORE, PROPOSAL IS REJECTED												
10													DID NOT MEET ALL REQUIREMENTS DEEMED NON-RESPONSIVE & NON-RESPONSIBLE; THEREFORE, PROPOSAL IS REJECTED												

I hereby certify that all bids received in response to this invitation were opened under my personal supervision, and that the names of all bidders have been entered herein.

SIGNATURE: 

Henry M. Cruz, Supply Management Administrator, Acting

TABULATED BY: 

SIGNATURE: _____

AFFIDAVIT DISCLOSING OWNERSHIP and COMMISSIONS

CITY OF Tamuning)
) ss.
)

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

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

☒ The bidder is a corporation, partnership, joint venture, or association known as *[please state name of bidder company]*, 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>
DBM Holdings, LLC	PO Box 8452 Tamuning, Guam 96913	26%
Paul M. Calvo	138 Marty St. Hagatna, Guam 96910	25%
Phillip Flores	PO Box 216 Hagatna, Guam 96910	19%

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>
NA		

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.

Robert Perron

Signature of one of the following:

Bidder, if the bidder is an individual:
Partner, if the bidder is a partnership;
Officer, if the bidder is a corporation.

Subscribed and sworn to before me this day
of Dec 7, 2019.

NOTARY PUBLIC

My commission expires May 9, 2020.

RYAN MANALAC
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: **MAY 09, 2020**
155 E.T. Calvo Memorial Parkway Suite 100 Tamuning, GU 96913



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

AFFIDAVIT DISCLOSING OWNERSHIP and COMMISSIONS

CITY OF _____)
) ss.
_____)

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

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

☒ The bidder is a corporation, partnership, joint venture, or association known as *[please state name of bidder company]*, 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>
Hyung Cheol Park	P.O. Box 4277; Hagatna, Guam 96932	100%
_____	_____	_____
_____	_____	_____

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>
_____	_____	_____
_____	_____	_____
_____	_____	_____

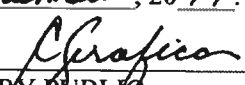
C. If the ownership of the offering business should change between the time this affidavit is made and the time an award is made or a contract is entered into, then I promise personally to update the disclosure required by 5 GCA §5233 by delivering another affidavit to the government.

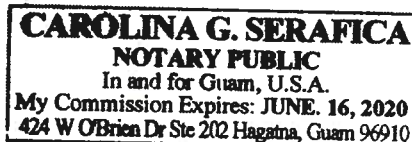

KYUNG SANG YOO, Vice President

Signature of one of the following:

Bidder, if the bidder is an individual;
Partner, if the bidder is a partnership;
Officer, if the bidder is a corporation.

Subscribed and sworn to before me this day 25th
of November, 2019.


NOTARY PUBLIC
My commission expires June 16, 2020



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



KHLG-GIAA
CO 11-PCO-BATCH#1

**Contractor's Request for Change Order No. 11 - PCO BATCH #1
Review / Recommendations
for**

**A.B. WON PAT GUAM INTERNATIONAL AIRPORT AUTHORITY
TERMINAL BUILDING STRUCTURAL UPGRADE AND CONCOURSE
ISOLATION PROJECT**

**CLIENT PROJECT NO: GIAA-FY14-01-1
AIP NO: 3-66-0001-097
OFB NO: GIAA-C06-FY16
GIAA CONTRACT NO: GIAA-17-003 (C)**

PROJECT CONSTRUCTION MANAGER: Kent Hsieh, KHLG & Associates

Submitted by:
Kent Hsieh, Construction Manager



14 April 2020

A.B. Won Pat Guam International Airport Authority
P.O Box 8770
Tamuning, Guam 96931

Attention: Mr. Thomas C. Ada
Executive Manager

Through: Mr. Victor J. Cruz
Engineer Supervisor

Subject: Construction Manager Recommendation for Approval of **Change Order No. 11 – [Batch #01]**
A.B. Won Pat Guam International Airport Authority
Terminal Building Structural Upgrade and Concourse Isolation Project
Project No.: GIAA-FY14-01-1
AIP No.: 3-66-0001-097; IFB No.: GIAA-C06-FY16
GIAA Contract No.: GIAA-17-003(C)

Dear Mr. Ada,

We are endorsing our recommendation for the approval of **Change Order No. 11** in the amount of **One Million Two Hundred Three Thousand Nine Hundred Ninety Five Dollars and No Cents (\$1,203,995.00)** for the additional cost the Contractor will incur on the Project associated with Change Order Work as shown in the enclosed Matrix Tabulation entitled as BCC-KHLG [BATCH #01] GIAA PENDING PCO NEGOTIATION RESULTS; Date of Negotiation: February 18, 2020.

These works shall be invoiced for payment based on completed and accepted work in placed.

Briefly summarized, this proposed change order package consists of (15) fifteen EA individual PCO's numbers identified as follows:

PCO-021R1	PCO-039	PCO-050	PCO-084	PCO-088
PCO-028	PCO-041	PCO-054	PCO-085	PCO-106
PCO-037	PCO-045A	PCO-069	PCO-086	PCO-111

KHLG has completed price negotiation on the above PCO's with BCC last 18 February 2020, and based on our determination, finds the negotiated total amount of **\$1,203,995.00** as fair and reasonable and in the best interest of GIAA.



Should you have any comments, questions and/or concerns, please do not hesitate to contact the undersigned.

KHLG & ASSOCIATES, INC.

Kent Hsieh, P.E.
Senior Project Manager
Email: kenth@khlgassociates.com

Enclosure: 1) BCC-KHLG [BATCH #01] GIAA PENDING PCO NEGOTIATION RESULTS;
Date of Negotiation: February 18, 2020

Cc: Frank Santos, Transportation Management Group
Victor J. Cruz, GIAA Engineering

BCC-KHLG [BATCH #01] GIAA PENDING PCO NEGOTIATION RESULTS
Date of Negotiation: February 18, 2020

		(A)	(B)	(C)	(D)	(E)	(F)	(G)
PCO No.	Scope/ Description	BCC Proposal	KHLG Estimate	KHLG/ BCC % Percentage Ratio	PCAS Team Estimate Review/ Comments	KHLG Cost Evaluations	Negotiated Amount	Remarks
PCO-021R1	Fireproofing of add'l. steel columns and beams at 5 pods	\$ 49,185	\$ 45,957	93.44%	DOR recommended the use of sprayed on fireproofing in lieu of intumescent fireproofing as stipulated in the contract documents.	Reduced BCC Direct Labor Costs by \$342; Prime OH on Sub-Contractor reduced from 5% to 3%; Prime's Home Office O.H. reduced from 6% to 3%; Prime's Profit reduced from 11% to 6%	\$ 47,500	Original BCC estimate of \$179,356 was for intumescent fireproofing. Per contract requirements, DOR recommends to use instead spray applied fireproofing. Majority of work is by Sub-Contractor. Refer to Negotiation Memorandum Notes.
PCO-028	40' of Int. Wall, Floor & Ceiling Exp. Joints	\$ 5,176	\$ 4,117	79.54%	PCAS/DOR finds cost as reasonable and acceptable.	Reduced BCC Direct Labor Costs by \$304. Prime H.O.O.H. of BCC reduced from 8% to 3%. Prime Profit of 10% applied vs. 12%	\$ 5,000	Refer to Negotiation Memorandum Notes.
PCO-037	Existing Brace Condition at Concourse Level GL W9 and W10	\$ 2,287	\$ 680	29.73%	PCAS/DOR finds cost on the "high side" cost analysis for L, M and E is \$225.99 See Note A.	Reduced BCC Direct Labor Costs by \$772; Prime's Home Office O.H. reduced from 6% to 3%; Prime's Profit reduced from 11% to 10%	\$ 1,950	Refer to Negotiation Memorandum Notes.
PCO-039	Stiffener plate and T-section modifications at roof beam retrofit at W10.9 (Note: not enough room for T-section due to 4.5 concrete thickness	\$ 3,468	\$ 1,956	56.40%	PCAS/DOR recommends "zero" value for PCO 39. See Note B.	Reduced BCC Direct Labor Costs by \$481	\$ 2,600	Refer to Negotiation Memorandum Notes.
PCO-041	Add'l steel, detailing and installation costs due to relocation of Pod 2	\$ 5,912	\$ 4,050	68.50%	PCAS/DOR evaluation cost total L, E, M is \$1,238.97. See Note A.	Reduced BCC Direct Labor Costs by \$673; Prime's Home Office O.H. reduced from 6% to 3%; Prime's Profit reduced from 11% to 10%	\$ 5,000	Refer to Negotiation Memorandum Notes.
PCO-045A	Building 2 Differing Site Conditions Impacting Planted Columns Bracket and Baseplate Installation	\$ 42,005	\$ 33,371	79.45%	PCAS/DOR review did not adress the cost components in detail. See Note A.	Reduced BCC Direct Labor Costs by \$2,135; Prime's Home Office O.H. reduced from 6% to 3%; Prime's Profit reduced from 11% to 10%	\$ 39,000	Refer to Negotiation Memorandum Notes.
PCO-050	Building 3 Differing Site Conditions Impacting Planted Columns Bracket and Baseplate Installation	\$ 48,869	\$ 38,270	78.31%	PCAS/DOR scope and hours are reasonable; PCAS estimated labor cost for 9 locations @ \$1,980 = \$17,820. See Note A.	Reduced BCC Direct Labor Costs by \$2,804; Prime's Home Office O.H. reduced from 6% to 3%; Prime's Profit reduced from 11% to 10%	\$ 46,000	Refer to Negotiation Memorandum Notes.
PCO-054	Relocating, modifying X-Brace at Apron Level including Wall Mods, Door and Exhaust Fan/Duct Relocations, Etc.	\$ 94,234	\$ 64,545	68.49%	PCAS/DOR cost evaluation for L, E, M is \$3,722.85. See Note A.	Reduced BCC Direct Labor Costs by \$13,958; Allow Insurance, Tax & Fringe Benefits for Sub-Contractor Work - 15%; Prime's Profit reduced from 11% to 10%	\$ 64,545	Refer to Negotiation Memorandum Notes.
PCO-069	Security and Data Conduit Locations Impacted by GL E15 Seismic Bracing at Basement and Apron Levels	\$ 127,684	\$ 112,662	88.24%	None Provided. See Note B.	Reduced BCC Direct Labor Costs by \$2,805; Prime's Home Office O.H. reduced from 6% to 3%; Prime's Profit reduced from 11% to 10%	\$ 120,000	Refer to Negotiation Memorandum Notes.
PCO-084	Additional Welding Work at E5.1A-Brace	\$ 2,171	\$ 1,423	65.55%	PCAS/DOR recommends zero amount for PCO 84. See Note A.	Reduced BCC Direct Labor Costs by \$284; Prime's Home Office O.H. reduced from 6% to 3%; Prime's Profit reduced from 11% to 10%	\$ 1,800	Refer to Negotiation Memorandum Notes.
PCO-085	New Angle Bracing for Main Roof Eave Beam Supporting Roof Deck and PC Concrete Fascia	\$ 113,785	\$ 88,961	78.18%	No evaluation by PCAS/DOR. See Note B.	Reduced BCC Direct Material Costs by \$8,642; Reduced BCC Direct Labor Costs by \$541; Reduced BCC Equipment Costs by \$1,755; Prime's Home Office O.H. reduced from 6% to 3%	\$ 108,000	Refer to Negotiation Memorandum Notes.
PCO-086	EFC-156 Brace Relocation at E8 into Lotte Food Court Area and all Related MEP and Security System Revisions	\$ 517,746	\$ 283,898	54.83%	No evaluation by PCAS/DOR. See Note B.	Reduced BCC Material Costs by \$44,984; Reduced BCC Direct Labor Costs by \$34,632; Prime's Profit reduced from 11% to 5%	\$ 440,000	Refer to Negotiation Memorandum Notes.
PCO-088	Additional Gymsum Board and Trespa Panels to Cover Exposed Gussets in Sterile Corridor at Windows and Below Ceilings	\$ 144,882	\$ 126,211	87.11%	PCAS/DOR recommended cost reduction of \$30,214.30	Reduced BCC Direct Labor Costs by \$959; Prime's Home Office O.H. reduced from 6% to 3%; Prime's Profit reduced from 11% to 10%	\$ 130,400	Refer to Negotiation Memorandum Notes.
PCO-106	Vertical and Horizontal Rebar Conflict at E8 Buttress	\$ 2,899	\$ 1,773	61.16%	PCAS/DOR recommends zero amount for PCO 106. See Note B.	Reduced BCC Direct Labor Costs by \$438; Prime's Home Office O.H. reduced from 6% to 3%; Prime's Profit reduced from 11% to 10%	\$ 2,200	Refer to Negotiation Memorandum Notes.

BCC-KHLG [BATCH #01] GIAA PENDING PCO NEGOTIATION RESULTS
Date of Negotiation: February 18, 2020

		(A)	(B)	(C)	(D)	(E)	(F)	(G)
PCO No.	Scope/ Description	BCC Proposal	KHLG Estimate	KHLG/ BCC % Percentage Ratio	PCAS Team Estimate Review/ Comments	KHLG Cost Evaluations	Negotiated Amount	Remarks
PCO-111	Gate 4 Vestibule Extension Per CCD-003	\$ 209,194	\$ 160,879	76.90%	None Provided. See Note B.	BCC Rental Equipment costs \$6,250.00 deleted; BCC Direct Material costs for Sub-Contractor Work - \$25,802 deleted. BCC Direct Labor costs for Sub-Contractor Work - \$6,114 deleted.	\$ 190,000	Refer to Negotiation Memorandum Notes. PCO - 111 is Owner initiated per CCD #003.
(15) TOTALS		\$ 1,369,497	\$ 968,753	70.74%			\$ 1,203,995	

	PRICE PROPOSAL NEGOTIATION MEMORANDUM NOTES:
	The PCAS Team Review of proposed "Additive and Deductive" cost breakdown of BCC's proposal did not provide an as Accurate and Reasonable Analysis of the details of the work to be added/deleted. Request for Clarification to the PCAS was A. considered, however with the intent to provide an independent evaluation, this was no longer pursued.
	KHLG review of the PCAS independent cost analysis shows to be non-responsive with respect to individual elements of cost. Documented files also indicated several PCO's submitted by BCC was dis-approved by the PCAS and even recommended zero cost change. Further review by KHLG on the record timeline of events, letter of justification and shop drawings as provided by BCC, clearly defines that changes in scope to the contract is a modification to the contract which the PCAS Team failed to acknowledged.Considering that the contractor was directed by the PCAS Team to perform an item of work for the acceptable completion of contract, additional costs for materials, labor and equipment were incurred and likewise thoroughly discussed and clarified with BCC during the negotiations.Based on our determination, BCC should be fairly compensated for such B. modification.
	The applied labor burdened rates of 32.53% and Field O.H of 20.37% were substantiated with BCC latest audited rates and verified C. against BCC original Bid Schedule Breakdown. Labor Burdened Rate of 32.53% and Field O.H. of 20.37% are applied to the cost.
	D. Profit - Value Percentage of Profit Computation were determined using weighted guidelines method similar to DFARS 215.404.71(b) approach.
	The negotiated amount of an Equitable Adjustment for each PCO was determined by the amount of " <u>Increase and Decrease</u> " E. in the Contractor's cost of performance.
	F. Determination of Fair and Reasonable Price is based on cost analysis for each cost elements of the Price Proposal.
	BCC's cost proposal was higher than KHLG Cost Evaluation. Adjustments in Direct Costs, H.O.OH and Profit resulted in a negotiated cost acceptable to both parties. G. KHLG estimate was adjusted during negotiations to reflect a realistic cost and reasonableness for the work performed.
	H. Negotiated cost is agreed to be fair and reasonable and in the best interest of GIAA.



**PROJECT: TERMINAL BUILDING STRUCTURAL UPGRADE AND
CONCOURSE ISOLATION**

Project No.: GIAA-FY14-01-1
AIP No.: 3-66-0001-97
Contract: GIAA-17-003 (C)
Change Order No.: 11 (Batch 1)

In connection with Contract No. GIAA-17-003 (C), a construction contract between Black Construction Corporation (Contractor) and Antonio B. Won Pat International Airport Authority - Guam (Owner), dated January 26, 2017 for the Terminal Building Structural Upgrade and Concourse Isolation Construction, the following change order is made in accordance with the Contract Document General Provisions, Section 35, Paragraph 35.8:

1. Description of Change Order No. 11:

- a. PCO 021 R1: Fireproofing of Additional Steel Columns and Beam at 5 PODS
 - i. The Contractor shall provide the application of intumescent paint on additional exposed steel columns at POD 2, 4, 5, 7, and 8 per DOR response/directive in RFI-0155, RFI-0213, and S.I 0015
 - ii. Amount of PCO 021 R1 \$ 47,500.00
- b. PCO 028: 40 LF Interior Wall, Floor, and Ceiling Expansion Joints
 - i. The Contractor shall provide the installation of 40 LF of expansion joint covers between Building 1 and 2 at Grid Line W11/A1-AC which includes interior wall, floor, and ceiling.
 - ii. Amount of PCO 028 \$ 5,000.00
- c. PCO 037: Existing Brace Condition at Concourse Level GL W9 and W10
 - i. The Contractor shall provide small and shaped steel plates to be welded in place of the gaps after shifting the columns away from the existing braces
 - ii. Amount of PCO 037 \$ 1,950.00
- d. PCO 039: Stiffener Plate and T-section Modifications for Roof Beam Retrofit at W10.9
 - i. The Contractor shall break the continuous stiffener plate into segments and to be welded with complete joint penetration (CJP) directly to and under the beam
 - ii. Amount of PCO 039 \$ 2,600.00



- e. PCO 041: Additional Steel, Detailing, and Installation Costs due to relocation of POD 2
 - i. The Contractor shall provide required additional detailing works, fabrication, and installation of steel plates per major modifications directed by RFI-0213.
 - ii. Amount of PCO 041 \$ 5,000.00

- f. PCO 045A: Building 2 Differing Site Conditions Impacting Planted Columns Bracket and Base Plate Installation
 - i. The Contractor shall provide the following actions:
 - Procure new, larger base plates and/or re-cutting of base plates on-hand for planted columns to fit existing conditions;
 - Creation of side plates to strengthen planted column connections;
 - Concrete chipping for exploration to connect planted columns to existing concrete beams;
 - Filling created void areas with grout;
 - Additional reinforcing bar insertions into existing concrete beams;
 - Adjustment (cutting) length of planted columns to match existing field conditions;
 - Drilling of extra holes and epoxy grout for anchor bolts for side plate connections;
 - Demolition of conflicting concrete curbs not indicated on as-built drawings to allow placement of base plates and planted columns.
 - ii. Amount of PCO 045A \$ 39,000.00

- g. PCO 050: Building 3 Differing Site Conditions Impacting Planted Columns Bracket and Base Plate Installation
 - i. The Contractor shall provide the following actions:
 - Procure new, larger base plates and/or re-cutting of base plates on-hand for planted columns to fit existing conditions;
 - Creation of side plates to strengthen planted column connections;
 - Concrete chipping for exploration to connect planted columns to existing concrete beams;
 - Filling created void areas with grout;
 - Additional reinforcing bar insertions into existing concrete beams;
 - Adjustment (cutting) length of planted columns to match existing field conditions;
 - Drilling of extra holes and epoxy grout for anchor bolts for side plate connections;
 - Demolition of conflicting concrete curbs not indicated on as-built drawings to allow placement of base plates and planted columns.
 - ii. Amount of PCO 050 \$ 46,000.00



**KHLG-GIAA
CO-11-PCO-BATCH #1**

- h. PCO 054: Relocating, Modifying X-Brace at Apron Level including Wall Mods, Door, and Exhaust Fan/Duct Relocations, etc.
 - i. The Contractor shall provide relocation of exhaust fan and double doors, minor electrical and mechanical works, demolition and re-building works, gusset plate modifications, and modification of retrofitting brace beams.
 - ii. Amount of PCO 054 \$ 64,545.00

- i. PCO 069: Security and Data Conduit Locations Impacted by GL E15 Seismic Bracing at Basement and Apron Levels
 - i. The Contractor shall provide necessary electrical works due to relocation of security conduits, demolition and re-building of CHB wall, deactivation of FM200 and Argon Fire Suppression Systems, and temporary relocation and re-installation of a dry-type transformer in the vicinity of the beam retrofit steel assembly work.
 - ii. Amount of PCO 069 \$ 120,000.00

- j. PCO 084: Additional Welding Work at E5.1 A-Brace
 - i. The Contractor shall provide additional welds at the brace ends in accordance with EFC #118.
 - ii. Amount of PCO 084 \$ 1,800.00

- k. PCO 085: New Angle Bracing for Main Roof Eave Beam Supporting Roof Deck and PC Concrete Fascia
 - i. The Contractor shall provide angle bracings to provide a lateral reaction at the bottom of the W18 x 35 beam that will resist the torsional moment, eliminating the twist.
 - ii. Amount of PCO 085 \$ 108,000.00

- l. PCO 086: Brace Relocation at E8 into Lotte Food Court Area and all related MEP and Security Systems Revisions in accordance with EFC-156
 - i. The Contractor shall convert the BRB V-Brace along E8, between D & E into an HSS A-Brace, to be relocated along E8, between B.1 & C as per DOR's full response on EFC-156. Relocation and change of the bracing required the procurement of roughly 6 tons of new steel bracing due to different dimensions of the B.1-C bay where the original bracing would not fit. Also, extensive relocation of numerous utilities including Electrical, Security, Paging, CCTV, and Door Access conduits/fiber optic cables, as well as Mechanical items for Water Lines, Sprinkler System and Ducting, and New Architectural Treatment shall be provided.
 - ii. Amount of PCO 086 \$ 440,000.00



- m. PCO 088: Additional Gypsum Board and Trespa Panels to Cover Exposed Gussets in Sterile Corridor at Windows and Below Ceiling
 - i. The Contractor shall provide the following actions as per Architectural DOR's response on RFI #593:
 - Exposed gusset plates below the curved ceiling shall be painted with intumescent paint.
 - Exposed gusset plates at floor level shall be cladded with Trespa Panels.
 - Window panes at cladded areas shall be tinted with "Opaque Window Film"
 - ii. Amount of PCO 088 \$ 130,400.00
- n. PCO 106: Vertical and Horizontal Rebar Conflict at E8 Buttress
 - i. The Contractor shall cut and splice vertical rebars and transition from the original vertical alignment to the inside portion of the beam rebar in order to accommodate and solve the conflict, thereby meeting the concrete cover requirements. Also, the Contractor shall provide a 5'-0" lap splice and 3 - #4 ties @ 2" O.C. at each end of the lap splice.
 - ii. Amount of PCO 106 \$ 2,200.00
- o. PCO 111: Gate 4 Vestibule Extension as per CCD-001
 - i. The Contractor provide a glass partition enclosure between Gates 4 and 5, Concourse Level W15 to W14 and necessary renovation works.
 - ii. Amount of PCO 111 \$ 190,000.00

TOTAL AMOUNT OF CHANGE ORDER NO. 11 \$1,203,995.00

2. This Change Order No. 11 is only for the Work Defined above.

3. Conditions:

- a. The aforementioned change order works affected thereby are subject to all contract requirements and covenants;
- b. The rights of A.B. Won Pat International Airport Authority, Guam, are not prejudiced;



**KHLG-GIAA
CO-11-PCO-BATCH #1**

- c. Duration of Change Order 11 shall be 0 Calendar Days;
- d. All claims against A.B. Won Pat International Airport Authority, Guam, which are incidental to, or as a consequence of the aforementioned change order works, are satisfied in their entirety.

4. Justification of Change Order item:

See individual PCO.

5. Modification to the Contract:

- | | |
|---|-------------------------|
| a. Original Amount: | \$ 96,932,000.00 |
| b. Previous Change Orders: | <u>\$ 14,871,413.36</u> |
| c. Contract Amount prior to Change Order No. 11: | \$111,803,413.36 |
| d. Amount of Change Order No. 11: | <u>\$ 1,203,995.00</u> |
| e. Current Revised Contract Amount: | \$113,007,408.36 |
| f. Notice to Proceed Date: | March 01, 2017 |
| g. Original Contract Time: | 927 Calendar Days |
| h. Original Contract Completion Date: | September 13, 2019 |
| i. Change Order No. 7 Contract Time Extension | 325 Calendar Days |
| j. Contract Time Extension for Change Order No. 11: | -0- Calendar Days |
| k. Revised Contract Completion Date: | August 4, 2020 |

PROJECT: TERMINAL BUILDING STRUCTURAL UPGRADE AND CONCONCOURSE ISOLATION

Project No: GIAA-FY14-01-1
AIP NO: 3-66-0001-97
Contract: GIAA-17-003 (C)

Change Order No.: 11

In connection with Contract No. GIAA-17-003(C), a construction contract between Black Construction Corporation (Contractor) and Antonio B. Won Pat International Airport Authority, Guam, (Owner), dated January 26, 2017 for the Terminal Building Structural Upgrade and Concourse Isolation Construction, the following Change Order is made in accordance with the Contract Document General Provision, Section 35, Paragraph 35.8:

1. Description of Change Order No. 11:

Additional work for Building Structural Upgrade and Concourse Isolation. Change Order No. 11 of Fifteen (15) PCOs: PCO-021RA, PCO-028, PCO-037, PCO-039, PCO-041, PCO-045A, PCO-050, PCO-054, PCO-069, PCO-084, PCO-085, PCO-086, PCO-088, PCO-106, and PCO-111.

See enclosed List of Negotiated PCOs.

Amount of Change Order: \$1,203,995.00

2. This Change Order No. 11 is only for the work defined above.

3. Conditions:

- a. The aforementioned change order works affected thereby are subject to all contract requirements and covenants.
- b. The rights of A.B. Won Pat International Airport Authority, Guam, are not prejudiced.
- c. Duration of Change Order 10 shall be 0 Calendar Days.
- d. All claims against A.B. Won Pat International Airport Authority, Guam, which are incidental to, or as a consequence of the aforementioned change order works, are satisfied in their entirety.

4. Justification of Change Order Items:

See individual PCO.

5. Modification to the Contract:

a. Original Contract Amount:	\$ 96,932,000.00
b. Previous Change Orders:	<u>\$ 14,871,413.36</u>
c. Contract Amount prior to Change Order 11:	\$111,803,413.36
d. Amount of Change Order No. 11:	<u>\$ 1,203,995.00</u>
e. Current Revised Contract Amount:	\$113,007,408.36
f. Notice to Proceed Date:	March 01, 2017
g. Original Contract Time:	927 Calendar Days
h. Original Contract Completion Date:	September 13, 2019
i. Change Order No.7 Contract Time Extension:	325 Calendar Days
j. Contract Time Extension for Change Order No. 11:	-0- Calendar Days
k. Revised Contract Completion Date:	August 4, 2020

In witness thereof, the parties have signed this Change Order this _____ day of April 2020.

APPROVED:

**A.B. WON PAT GUAM INTERNATIONAL
AIRPORT AUTHORITY**
(Contracting Officer)

**CONTRACTOR:
BLACK CONSTRUCTION CORP.**

By: _____
Thomas C. Ada
Executive Manager

By: _____
Leonard K. Kaae
Senior Vice President/General Manager

Date: _____

Date: _____

CERTIFIED FUNDS AVAILABLE:

By: _____
Antonnette Bautista
Certifying Officer, GIAA

Date: _____

BOARD SUMMARY

Modification to IAC Contract

- I. Project: International Arrivals Corridor (Terminal Building Structural Upgrade & Concourse Isolation) Project**
- II. Contractor: Black Construction Company**
- III. Modification: Change Order No. 11**
- IV. Amount: \$1,203,995**
- V. Time Extension: None**
- VI. Description: Change Order No. 11 consists of fifteen aging individual PCOs that were negotiated by the Construction Manager's sub-consultant. The major items included the brace relocation at the food court; the Gate 4 vestibule extension; additional work to cover exposed gusset plates; relocation of security and data conduits.**

Additional batches of PCOs are being validated and package. These will be presented at the next Board of Directors meeting.
- VII. Funding Source: Net revenues or other available monies from prior fiscal years.**

Executive Manager's Report

BoD Meeting

April 23, 2020

1. Release of Non-Essential Employees. On March 19, GIAA began to release non-essential employees to begin self-quarantine at home.
2. Safety and Security Sustained.
 - a. APD remains on full staffing, with exception of some employees who submitted requests to be allowed to self-quarantine due to health concerns.
 - b. ARFF remains on full staffing.
 - c. Operations on full staffing – Control Tower, Terminal Center, and 24-hour duty manager.
 - d. P&F on limited stand-down. Personnel needed to accomplish critical maintenance were asked to come in – and they did. Critical maintenance included:
 - i. painting of runway edge lines, (20,000 feet of it, water blasting rubber residue build up, etc.
 - ii. Plumbing work on backed up drains,
 - e. Administration on limited staffing to process personnel actions, payroll, payables, and procurement.
3. Staying Connected and WFH. Senior Management have been exercising WFH procedures and have been able to continue with our weekly meetings with Division Heads.
4. GIAA Role in COVID19 Response Efforts. Deputy Executive Manager to provide report.