

October 31, 2012

Ms. Mary Torres
General Manager
Port Authority of Guam
Jose D. Leon Guerrero Commercial Port
1026 Cabras Highway, Suite 201
Piti, Guam 96915

Dear Ms. Torres:

Subject: Final Update Report Regarding PUC Order PAG Docket 11-01 Reporting Requirement for Repair Strategy Portion of Analysis of Alternate Management Regimes for the Gregorio D. Perez and Agat Marinas, Island of Guam, United States of America

In response to your request, we completed the following marina-related update report. In May 2011, our predecessor firm completed an Analysis of Alternate Management Regimes for the Gregorio D. Perez and Agat Marinas, Island of Guam. Under Government of Guam ownership, the Port Authority of Guam ("PAG") controls the Gregorio D. Perez and Agat Marinas. PAG's core business is to oversee the Guam Commercial Port, which provides the people of Guam with ocean commerce, shipping, recreational and commercial boating as well as sea vessel navigation. PAG provides a critical role with a reported 90 percent of the day-to-day goods and supplies consumed by Guam residents passing through the Port. Control of Guam's marinas was transferred to PAG in 1984, partially because of its expertise in managing harbors, ship docking and implementing harbor safety.

By Guam Public Utilities Commission (PUC) Order, PAG Docket 11-01 (included herein as Exhibit 1), regarding a Petition of Tariff Rate Relief by the Port Authority of Guam, PAG was required to file a plan for the upgrade to the marina facilities. Our assignment was to update as determined necessary the 'repair strategy' portion and other interrelated portions that may be impacted by any such revision of our prior consulting study in order to meet the impacted reporting requirement of PUC Order 11-01 docket dated February 17, 2012.

Since our May 2011 report, numerous badly needed marina repairs have been completed or proposed. However, a PAG management plan to improve marina operations, which should include a more formal repair and upgrade plan along with other recommendations in our prior report, has not been completed. Overall, PAG's commitment to improving the GDP marina justifies, in our opinion, an increase in the GDP marina tariff rates.

Guam's marinas provide a gateway to the island's vast oceanic resources. The marinas support Guam's boater population, which reportedly includes over 300 offshore subsistence, recreational and commercial fisherman and boaters. The marinas remain also critical to Guam's visitor industry, with estimates of more than 250,000 visitors annually using the marinas. For many years, Guam's marinas have suffered from neglect and both marinas are in overall poor to fair condition. Most recently, marina-related concerns are being addressed and various major repair work projects remain on-going or are proposed.

Our assignment scope included the following items:

- Reviewed prior January 2011 Analysis of Alternate Management Regimes report for Guam marinas.
- Reviewed PAG Docket 11-01.
- Reviewed 2011 and 2012 marina repairs and ongoing projects.
- Reviewed FY 13 repair project plans.
- Inspected subject properties.
- Interviewed PAG staff, marina user representatives, GFD and DOA staff, USFWS staff and others.
- Detailed review and update of Repair Strategy (Section 6.0) section of our January 2011 consulting study.
- Analyzed impact of recent repairs and repair strategy on other sections of our prior report.
- Updated analyses and reported conclusions.

Repair Strategy Update – The historically somewhat informal repair strategy for the Guam marinas has evolved over the years, and has taken on an increasing level of importance under the Calvo administration. However, the current accounting system and procurement requirements have not changed since our prior study. Due to the nature of marina properties, which involve high capital improvement costs, sinking funds or reserves accounts are necessary in theory, but are difficult to effectuate. It is extremely difficult to develop a comprehensive repair strategy without adequate staff, and a reliable budget. Budgeting major repairs is particularly difficult due to unknowns associated with funding.

The subject marinas previously suffered from neglect for many years and were in poor condition through 2010. Dangerously poor floating docks, rusting sheet piling, shallow waterways, damaged bathrooms and fueling facilities, deteriorating utilities and generally poor maintenance have historically resulted in a poor quality product provided to marina users and an image problem with the high number of tourists visiting the marinas. However, major upgrade projects commenced in 2011 and significant repair work is on-going and proposed as detailed herein.

PAG management has pushed forward with badly needed repair work at the GDP Marina. Phase I repairs were completed in April 2012 and included 461 linear feet of removal and installation of new bollards, new sheet piles, walkway, railings and other work. Funding for the \$1.5 million Phase I project involved a two grant award from the US Department of Interior under the Capital Improvement Program. On February 22, 2012, PAG received notice of a \$2.5 million award for Phase II renovations. On September 20, 2012, PAG awarded the \$1.69 million Phase II GDP Marina renovation contract to Black Construction. Phase II includes 520 linear feet of removal and installation of bollards, new railing, ladders, sheet piles, walkways and replacement of the concrete monitoring station building and a new storm water deep sump catch. Details regarding these projects are included on the following pages.

As reflected by these recent projects, marina repair costs can be substantial. We previously noted that the budgeted capital expenditure for marinas nationwide reflected an average of approximately \$1,500 per slip per year. Considering the higher costs of construction on Guam, it would not be unreasonable to budget up to \$2,000 per slip per year, or approximately \$250,000 to \$300,000 per year for capital expenditures only. This figure assumes that all required upgrades have already been completed.

Due to the significant costs associated with marina repairs, we previously recommended that an experienced, transparent and efficient management structure be implemented for Guam marinas, inclusive of a financial reporting and accountability framework. Quality management may result in additional federal grants to improve Guam's marinas.

Marina users have provided valuable feedback and recommendations regarding Guam's facilities. Marina users have historically provided services including minor repairs, security, and even periodic rescue operations. It is important that repair strategies, which evolve over time, consider and incorporate marina user comments and recommendations. The Guam Fishermans Cooperative Association (GFCA), along with other private sector commercial operators, previously provided PAG with a list of priority projects and estimated costs for the GDP and Agat marinas. A summary of these GFCA figures was included in our prior report and is shown as follows.

SUMMARY OF ONGOING CIP PROJECTS RENOVATIONS - REPAIR STRATEGY
GDP and Agat Marinas
Agana and Agat, Island of Guam

No.	Project	NTP Date	Amount (\$)
1	GDP Marina Renovation & Site Improvements Project (conservative estimate)	N/A	\$2,500,000
2	GDP Marina Dock "B" Repairs	4/25/2012	\$318,000
3	GDP Marina Dock "A" & Dock "B" Pile Extension	N/A	\$96,230
4	GDP Marina Dock "C" Repair	N/A	\$278,700
5	Concrete Storm Drain Channel System Upgrade (conservative estimate)	N/A	\$400,000
6	GDP Marina New Water Line System (conservative estimate)	N/A	\$160,000
7	Agat Marina Fish Utility Boom Repair (conservative estimate)	N/A	\$6,875
8	Agat Marina Ramp's Left Side Concrete Catwalk Repair (conservative estimate)	N/A	<u>\$35,000</u>
		Total:	<u>\$3,794,805</u>

Source: PAG Engineering/CIP Division

FY13 Capex for marinas:			
<u>FEDERAL</u>			
Repair Dock A, Dock B, Pilings, Water Blasting - GDP Marina	Ongoing	Federal	200,665
GDP Marina Actual Renovation & Site Improvements - Phase II (Funding Source DOI OIA 2011)	Ongoing	Federal	330,000
GDP Marina Actual Renovation & Site Improvements - Phase II (Funding Source DOI OIA 2012)	Ongoing	Federal	937,500
Agat Small Boat Marina Dock A Repairs	Ongoing	Federal	187,500
Harbor of Refuge: Anchorage & Moorage Repair	Plan	Federal	200,000
			1,855,665
<u>PAG</u>			
CM Services, GDP Marina Renovation & Site Improvement Plans	Ongoing	PAG	247,061
GDP Marina New Waterline	Ongoing	PAG	110,000
Agat Marina Loading Dock Structural Repair & Assessment	Plan	PAG	200,000
Agat Marina Hydro/Top Survey	Plan	PAG	90,000
			647,061
		TOTAL PAG:	

<u>GDP Marina Items</u>	<u>Estimated Cost¹</u>
Immediate Needs	
• Extend Dock Pilings 5 feet	\$150,000
• Fire Suppression	\$100,000

<u>GDP Marina Items</u>	<u>Estimated Cost¹</u>
• Limited Dredging	\$400,000
a) Access Channel	
b) Entrance to Outer Marina	
c) Obstacles removal	
Long Term Needs	
• Dry dock improvements	< \$1,000,000
• Boat ramp and parking	\$1,500,000
• Fuel dock replacement	\$40,000
• Multi-purpose building	\$500,000
• Docks in Outer Marina (75)	\$3,000,000
• Sheet Piling	<u>\$1,500,000</u>

Total	<u>\$8,190,000±</u>
<u>Agat Marina Items</u>	<u>Estimated Cost¹</u>

Immediate Needs	
• Replace docks	\$1,300,000
• Security Cameras	\$100,000
• Fishing Platform	\$300,000
• Channel Markers	\$100,000
• Dock "D" sediment mitigation	\$350,000

Long Term Needs	
• Repair Concrete Fuel Pier Area	\$500,000
• Dredging	<u>\$1,200,000</u>

Total	<u>\$3,850,000±</u>
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¹ Source: April 8, 2011 GFCFA letter to PAG.

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The total estimated GDP and Agat marina repair cost included in our prior study reflected over \$12 million, of which approximately \$4.0± million was subsequently secured via federal grants. If the recent rate of federal grant funding continues, or other sources of funds are identified, most major improvements can be completed within 5 years. However, the GDP Marina master plan includes additional projects. It is unclear what the final investment would be, but additional costs of \$6.0 to \$11.0 million should be expected. As previously noted, massive costs and limited revenues tend to limit PAG's ability to seek alternate management options, except under a cost plus type of agreement.

In addition to providing the prior cost estimate, the GFCA and private firms also previously identified possible funding sources. These sources were included in our prior report and are as follows.

<u>Funding Source</u>	<u>Potential</u>
• HUD Block Grant for multi-purpose building (Rescue and Police)	\$500,000
• Bond Program funded by GVB (\$500,000 per year)	\$8,000,000
• US EDA	\$1,300,000
• Sportsfish Restoration Fund (\$500,000 per year)	\$2,500,000
• Visitor Fee (\$2 per head)	\$2,000,000

The prior GFCA letter noted that 2012 funding currently available reflected \$2,800,000 based on HUD, US EDA, Sportsfish, and assumed GVB funding. Notably, there was no reference to additional revenue that could be generated through a commercial user fee, based on a percentage of gross sales, as is currently in place in Hawaii. Such a commercial user fee is reasonable, but unpopular on Guam. There was also no reference to increased revenue via higher tariff rates for uses, another unpopular concept. GDP marina users have indicated that a tariff increase may now be appropriate due to the recent and proposed upgrade projects.

We are aware of other prior cost estimates including a \$6.0 million GDP Marina renovation and site improvement study completed in 2009 by N.C. Macario & Associates, Inc. This study included \$3.2 million for new sheet piles, concrete and cathodic protection and other work. This study was superseded by subsequent cost estimate and project studies.

The U.S. Fish and Wildlife Service's Division of Federal Aid administers the Sportfish Restoration Funding. The funds are intended to support recreational boating access, fish and wildlife management and conservation and other programs. In 2011, a total of \$1,278,000 was requested. One program totaling \$453,308 was approved and includes surveys, technical assistance, kids fishing derby and other fishery resource management. A summary of these details is included in our prior report. In FY 2012, a total of \$1,165,878 was awarded and \$1,193,623 is proposed for FY 2013.

A summary of FY 2012 Sport Fish Restoration federal aid for Guam includes \$1.5 million for a new fisheries building, numerous studies, surveys, operational aid, and three specific marina projects totaling \$844,712 (detailed in the Addenda under Exhibit 2) including:

<u>Item</u>	<u>Cost</u>
• Agana Boat Basin ramp, docks, and piling	\$744,106
• Agat Marina repair of boat ramp facility	\$98,606
• Agana Marina fishing platform	\$2,000

In our prior study, we recommended that a comprehensive repair strategy should ultimately be developed by the Marina Manager (position remains unfilled), in conjunction with available and projected funding. The repair strategy would list items to repair by priority, with safety issues considered most important. Repair strategies should consider the impact on marina users, and the implementation of repairs could be structured to minimize negative impacts, based on input from the Marina Users Group and GFCA. PAG must also recognize the impact of Guam's marina's on the tourism industry, and may wish to consider possible revisions to governing documents in this regard.

Federal grants are critical considering the high costs of these Marina repair projects. Once quality management is in place, major marina repairs are completed, and a comprehensive maintenance plan is implemented, it is unlikely that Guam's marinas will again deteriorate to the poor conditions reflected in 2010.

Repair strategies could further incorporate items of major renovation. These items were previously summarized and could cost between \$10 to \$15 million, possibly higher if all phases of the GDP Marina master plan are implemented. Major items of renovation must also be prioritized and developed in conjunction with the key participants, starting with PAG. A repair strategy must also incorporate GEPA, as tradeoffs will be required along with inevitable repair impacts on the environment.

Since PAG collects fees for slip usage, a Memorandum of Understanding and a cost-sharing formula was developed and previously approved by PAG, Department of Agriculture and the U.S. Fish and Wildlife to allow Boating Access funds to be used, with Sportfish Restoration funding up to 82.5 percent of the cost of GDP Marina dock repairs. We previously advised that the repair of decking should involve non-wood solutions, and that extending the pilings was critical to avoid substantial damage during future typhoons. The extension height is critical due to the potential for flood related dock damages. Replacing docks prior to extending pilings increases typhoon related damage risk.

Ideally, the repair strategy and implementation process would be managed by the Marina Manager with support from PAG leadership. There are factors that may require years of study before approvals are granted. For example, dredging at the Agana Boat Basin will require GEPA approvals, which will be protracted and costly due to possible hazardous materials (PCB and others) which may be located within the sediment to be dredged. In addition, if GEPA allows the GDP marina dry dock area to be paved (in exchange for remediation projects), significant improvements could follow. The ultimate cost issues associated with these projects could vary widely depending on the nature of the findings.

The GSA Chief Procurement Office's primary responsibility is to acquire materials and services for Government of Guam departments and agencies, including PAG. An alternate procurement process, that bypasses the inefficient GSA process involves the PMC process. In November 2010, Senator Tom Ada introduced Bill 488-30. The Bill identifies that the Port requires a public-private partnership through a Performance Management Contract (PMC) that will provide specialized expertise and resources to improve finance, management, etc. during the implementation of the Port Modernization Plan. The Bill was designed to allow for specialized management of the Commercial Port due to the substantial increases in activity projected along with Guam's military build-up.

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The Bill subsequently passed into law and the RFP and other processes were completed. The law for Public-Private Partnership Through a Performance Management Contract is included in our prior report. The RFP selection process remains on-hold due to litigation and the future of PMC for Commercial Port operations remains pending, especially in light of the significant recent changes in the proposed military build-up.

This recently passed law also authorizes the Port Board of Directors to enter into a public-private partnership through a performance management contract for other aspects of the Port operations it deems necessary, provided all processes in the law are followed. Therefore, such a process could be implemented to manage Guam's marinas. No updates in this regard were presented to the consultant.

We previously reported that a Performance Management Contract (PMC) system would allow for much improved repair payment processes; however, a funding source is required. If a cost accounting system that allocated marina income and expenses separately is implemented, perhaps up to \$200,000 per year could be utilized for repairs and other marina expenses.

Separate Cost Accounting – The current accounting process for Guam's marinas still does not allow for critical analysis of operations. For alternate management operations to be seriously considered, we previously recommended that a separate cost accounting should be implemented by PAG for the marinas. Accurate historic income and expense figures for the subject marinas will allow for open, transparent negotiations with future prospective management partners, or an assessment of Marina Manager abilities to control expenses. The cost accounting should include an allocation for personnel expenses, insurance and other PAG expenses, which will allow for an overall analysis of each marina as a standalone profit (or loss) center for PAG. Our prior report includes details to a recommended uniform system of accounts.

In order to comply with the Rules and Regulations requirement that fees and charges shall be based on the expenses of operation, maintenance and improvements at the marinas, it is essential that such cost figures be easily obtained. Available reported historic income and expenses were included on our prior report. Updated annual revenue remains at approximately \$250,000.

Client reported historic expenses include utilities, maintenance, operational supplies and contractual. In FY 2010, total water charges were reported at \$95,657 and total power charges were reported at \$53,709 for a total reported annual utility cost of \$149,366. Total reported maintenance for FY 2010 was reported at \$25,644. The combined reported expense for utilities and maintenance in FY 2010 reflects \$175,010. There are numerous expenses that are absorbed by PAG but not allocated such as personnel, insurance, and other costs. We were informed that no significant changes in expenses have occurred, although the water line repair at the GDP Marina has significantly reduced very high water expenses (from \$125,857 in FY 2011 to \$33,852 in FY 2012).

Identification of Total Operational Costs – We previously recommended that the limited, reported expenses for Guam marina operations should be expanded in order to provide a reasonable estimate of total expected operational costs. Total marina expenses typically include cost of sales and operating expenses. Cost of sales refers to labor and materials directly related to the sales of goods and services. These costs can be identified with a specific type of revenue. Operating expenses are all expenses required to operate the business. Guam marinas are relatively basic and no cost of sales account is needed.

GFCFA previously estimated a reasonable annual operating budget for both Guam marinas at \$300,000 per year, although this is preliminary and excludes reserve funds for major items of repair and replacement, which could double this budget. Overall, changes in accounting and management are required to produce accurate total operational costs for Guam's marinas. Marina operations must flow through to a formal repair strategy.

Identification of Potential Revenue Flows – The Guam Marina Rules and Regulations provide that fees and charges shall be:

- Based on the expenses of operation, maintenance and improvements at the marina
- Reasonable
- Fixed with due regard to the primary purposes of providing public recreational facilities and promoting the fishing industry.

A common user complaint regarding fees is that the commercial rates in Agana are lower than the non-commercial rates in Agat. It is further noted that the Marina Rules and Regulations provide (under the Commercial Activities section) that, "No regular or extensive use of any Port Authority property or facilities at a Marina for private gain or private purposes shall be permitted without corresponding and reasonable benefits and returns to the Port Authority and to the public." The interpretation of this provision may be a critical factor in assessing future potential marina revenue growth.

Currently, the only reported income generated at the subject marinas involves slip rentals with minimal dry storage income from GDP Marina, and limited rental income from Agat Marina. Users typically report that higher fees could be justified if the marinas are properly maintained and managed. The most obvious potential revenue flow involves slip rental fee increases for the GDP Marina, up to Agat rates. The recent and proposed improvements at GDP marina likely justify such an increase. Another obvious potential revenue flow involves increasing slip capacity.

Recent and proposed improvements at the GDP Marina will warrant revised rates. PAG should determine whether or not a commercial user fee (Hawaii rate based on 3.9 percent of gross sales) is appropriate. Higher rates for commercial users can be an unpopular suggestion on Guam; however, commercial user fees are common in the industry and Hawaii rates reflect the greater of double the recreational rate or 3 percent of gross sales. Reportedly, an average of 500 visitors per day utilize the marinas. Although this estimate could not be verified, paragliding, diving and fishing charters generate substantial foot traffic at the marinas. Another unverified estimate pegs total commercial revenue at the marinas at \$10 million per year, which would result in \$300,000 of additional marina revenue utilizing the Hawaii commercial rate of three percent of gross sales. We previously identified potential revenue streams typically associated with marina operations including:

- Utilities
- Fuel
- Parking
- Boat Launch
- Haul Out/Repairs
- Rentals
- Other (Transfer fees, etc.)

The potential revenue flows from additional sources must be considered within the context of existing operations and agreements, which could ultimately impact a repair strategy. For example, it is unlikely that any proposal to charge fees for boat launching could be implemented because of historic and cultural fishing rights. Further, the GFCA has the exclusive right to fueling operations at the GDP Marina. In Agat, there are unknown costs associated with the repair of the non-operational former Shell fueling facility. Fuel operations contribute a national average of 10 percent of marina revenues, and the service is considered essential for safety and the convenience of marina users. A repair strategy must include cost estimates for such improvements.

The Guam marina operations could potentially benefit from utility fees, which are currently included in the slip rental. Hawaii marinas charge flat utility rates for different types of users, from around \$10 to \$25 per month. The wash down area in Agana is widely utilized and a fee for this service may be appropriate. Parking and transfer fees could also generate additional revenue.

Potential Revenue Projections – In our prior report, we utilized all available local, regional and national data in order to compile five year potential income projections for the subject marinas. We completed a range of versions based on separate assumption models. A summary of analysis versions follows.

<u>Version</u>	<u>Assumed Management Regime</u>
1	Public Sector As-Is
2	Public Sector As-Improved
3	Privatization
4	Public-Private Partnership

It is noted that neither revenues nor net income estimates were the primary components of analyzing alternate management regimes. However, projected financial operations were analyzed, within the context of the alternate management regimes studied in that report. Overall, the recent repairs and upgrades completed do not have a significant impact on the conclusions contained in our prior report.

In addition to possible additional revenues from new slips, revised fees and new services, additional revenues could be generated from federal grants. We previously noted the GFCA and private firm identified sources including HUD Block Grant GVB bond program, US EDA, Sportsfish fund and recommended visitor fee. These sources may or may not be appropriate to seek based on internal PAG and Government of Guam's Executive Branch decisions. However, once internal management changes are implemented, it is likely that new sources of grants will become available. One such program that we previously identified involves the Clean Marina Program.

The Clean Marina Program is a public-private partnership involving several federal agencies, private industry and academia, including NOAA Sea Grant, EPA and other partners which coordinate to allow jurisdictions a way to meet many of the marina management requirements of the Coastal Pollution Control Program established by Congress in 1990. This involves a voluntary, incentive based program that encourages marina operators and boaters to practice environmentally sound operating and maintenance procedures. A Marina Manager could insure compliance with grant related reporting requirements.

Recognition of Required Subsidy – The Guam marinas were neglected for many years and, although upgrades are underway, still require significant investment. Fortunately, federal grant money has been awarded, and additional funding may be available from a variety of sources. It is extremely unlikely that any alternate management program will allow for major expenditures. PAG is currently subsidizing marina operations at a level that is difficult to assess due to accounting and expense allocation issues.

Our prior as-is analysis reflected a preliminary subsidy estimate of \$65,000 per year (plus capital expenditures). However, the subsidy will likely increase because repairs and expenses have been inadequate for many years. Increased fees, along with marina improvements, will reduce the required subsidy. An alternate management regime would also likely reduce the required PAG subsidy in the near term. Over time, it will be possible to accurately identify (through cost accounting) and minimize or eliminate the subsidy on marina operations. However, major capital expenditures, including federal and PAG components, will likely continue to be part of long term marina operations on Guam.

Notably, the current management structure is ideal for the solicitation of additional funding for required marina upgrades. Existing PAG management includes grant writing staff and relationships with federal government entities that oversee marina grants. However, it is essential that, prior to formalizing alternate management options to PAG, recognition that further grants or local government funding is necessary to improve the condition of the marinas. Once major expense items are corrected, a more accurate summary of actual and future projected financial operations could be obtained.

Updated Alternate Management Analyses Overview – In our prior study, we reported that, considering the importance of focusing on its core mission and other factors, PAG was studying the viability of alternate management regimes for Guam's marinas. In order to complete alternate management regime analyses, we completed detailed research regarding marina management and alternate management regimes through the U.S. We completed interviews with existing management and marina users. We studied national marina market data, obtained specialized marina industry materials, and identified alternate management regimes. We completed SWOT (strengths, weaknesses, opportunities, and threats) analyses including a detailed evaluation of operations and management, including an identification of short and long term problems categorized as follows.

- Management Structure and Programs
- Operational Facility Costs and Fees
- Role and Opportunities of Marinas
- Repair Strategy

In addition to SWOT analyses, we completed cash flow projections under the alternate management regimes studied. The cash flow projections were somewhat preliminary in nature due to uncertain future income and expenses, but reflected the importance of long-term planning.

We reviewed our prior work considering the marina related changes and PUC requirements as detailed herein. Due to the lack of cost accounting, no Marina Manager, flat revenue and a lack of other progress, there are no significant changes to our prior analyses and conclusions.

Overall, we recommend that the client continue to improve internal management and prepare for a future transition to Public-Private Partnership. The Public Sector As-Improved option, once completed, will allow for a well supported future solicitation of interest from private partners. The Public-Private Partnership model of management allows for a combination of strengths from both PAG and the private entity selected.

We previously developed a framework for the recommended alternate management regime implementation process. This framework included risk mitigation considerations as well as near-term, mid-term and long-term recommendations. In order to minimize risk associated with management change, the client was advised to study and identify unknown factors that would impact negotiations including:

- Dredging Issues
- Future CAPEX
- Increased Fees Potential
- Framework for PPP
- Typhoon risk mitigation

Our Alternate Management Regime Implementation Plan included suggestions that the client incorporate into this process. This framework could be modified based on PAG priorities and commitment to change. Our framework summary, which includes minor revisions based on this update report, is detailed as follows.

Near Term Recommendations (0-12 months)

- Continue to maintain & improve marinas
- Fund health and safety required repairs (docks, bathrooms, pump, fueling, siltation issues, navigation, fire suppression and security)
- Recognize marinas as business unit
- Modify accounting to include separate marina cost accounting (including allocations for hidden costs)
- Complete cost accounting and determine actual level of marina subsidy
- Revise Commercial Manager Job Description to include separate line item for marinas
- Analyze Master Plan for GDP – commit to completion or revise as necessary
- Plan to complete Phase II of GDP Marina portion of the Paseo de Susana Master Plan within 36 months.
- Expand Grant writing program for Guam marinas
- ID and secure additional grant funding (NOAA etc.)
- Request US DOI to designate PAG as recipient for majority (or all) of DJ Sport Fish grant for use in improving and maintaining Guam's marinas
- Hire Marina Manager
- Allow Commercial Division flexibility to solve marina problems and complete repairs
- Commence AAA Fee Review process (requires accurate cost accounting to support fee increases)
- Plan user and community outreach/update meetings

- Coordinate with federal and local partners to obtain dredging approvals and seek funding
- Charge GFD and GPD fair rent and utility costs
- Analyze utilities and costs (investigate water lines and charges at GDP Marina)
- Restore user confidence in PAG management and plan for transition to Public-Private Partnership
- Adopt best practices program
- Review and improve operational layout of marinas including Loading Zones and parking management
- Review and renew Jan Z's tenant lease
- Review and update compliance with 2008 Master Plan

Mid-Term Recommendations (12 to 24 months)

- Study successful PPP marina models
- Identify specific goals of PPP
- ID Partner requirements
- Determine allocation of partnership (Equal?)
- Solicit input via RFI
- Detail PAG CAPEX Commitments
- Determine required insurance cost allocation/reimbursement
- Complete AAA process and revise fees including possible commercial user fee (and exemptions)
- Analyze potential loan guaranty commitment for partner to allow additional development, if desired
- Develop short list of potential partners
- Develop controls for oversight of partner
- Develop PPP RFP Materials
- Review and update compliance with 2008 Master Plan

Long-Term Recommendations (24 to 36± months)

- Solicit interest from potential partners
- Negotiate agreement
- Transition operations
- Regular reporting and oversight
- Public and user outreach
- PAG manages CAPEX and long term development
- Partner manages operations
- Review and update compliance with 2008 Master Plan

Impact on Alternate Management Regime Study Conclusions – In our prior study, we recommended that the client pursue a combination of alternate management regimes including Public Sector As-Improved in the near term, with a mid-term transition to Public-Private Partnership. Although the Public-Private Partnership allows for a combination of public and private sector strengths, our analyses suggest that such a partnership should be explored after internal management changes are implemented. A phased process will allow for a better understanding of operations that will support fair, transparent negotiations with a future private partner. Our recommended alternate management regime implementation strategy involves a multi-step process as further detailed in that report, with the ultimate goal of entering into a Public-Private Partnership for management of Guam's marinas. Based on our updated repair strategy study, there are no changes to our prior report conclusions.

Conclusions – Overall, although progress is evident by the recent and on-going repair and upgrade projects at the Gregorio D. Perez Marina, there are no significant changes that would impact our prior alternate management recommendations. Updates to the repair strategy portions of that report are included herein.

It is noted that W. Nicholas Captain, CRE has completed numerous consulting reports regarding port and/or harbor front properties on Guam and Hawaii and has further experience with wharfage fee structures in the Republic of Palau. He completed significant research into the subject operations as well as marina management options for purposes of our prior report and this update. He is competent to complete this consulting report.

The undersigned hereby certifies that, to the best of my knowledge and belief:

- the statements of fact contained in this report are true and correct;
- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions;
- I have no present or prospective interest in the property that is the subject of this report, and no personal interest with respect to the parties involved;
- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment; our engagement in this assignment was not contingent upon developing or reporting predetermined results;
- we have provided prior consulting assistance to the client regarding the subject properties;
- our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined conclusion that favors the cause of the client, the attainment of stipulated results, or the occurrence of a subsequent event directly related to the intended use of this report;

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- this report is subject to the Code of Professional Ethics of The Counselors of Real Estate;
- I made personal inspections of the subject properties;
- No one provided real property consulting assistance to the person signing this report.

Thank you for the opportunity to complete this update assignment for you. We sincerely appreciate the support we received from your Commercial Division in completing this study. We appreciate your patience in the delivery of this update, which was delayed due to various circumstances that were beyond our control.

Sincerely,

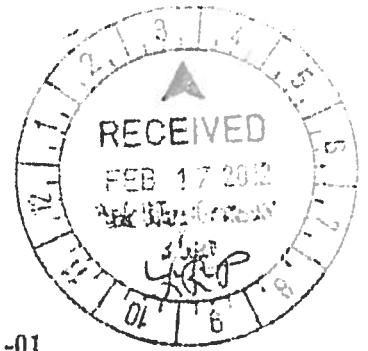
CAPTAIN & ASSOCIATES



W. Nicholas Captain, MAI, CRE
President

WNC/vd/gfl

ADDENDA



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN RE:	PETITION FOR TARIFF RATE)	PAG DOCKET 11-01
	RELIEF BY THE PORT)	ALJ REPORT
	AUTHORITY OF GUAM)	
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INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the "PUC") pursuant to the February 14, 2012 request by the Jose D. Leon Guerrero Commercial Port, Port Authority of Guam (hereinafter referred to as "PAG"), attached and incorporated hereto as "Exhibit A," to extend certain submission deadlines for reports required by the PUC's January 11, 2012 Order, and to implement the approved terminal tariff and corresponding increase of rates on March 1, 2012.

DISCUSSION

On June 28, 2011, PAG filed a Base Rate Case Petition requesting that the PUC approve an increase of rates in PAG's terminal tariff by 3.95%, as well as other tariff rate adjustments detailed in the schedule attached thereto. On November 14, 2011, the ALJ filed an ALJ Report regarding PAG's June 28, 2011 Petition. Included in the ALJ Report were his findings based on the review of: PAG's June 28, 2011 Petition; the June 23, 2011 PAG Board of Directors' Resolution approving the proposed terminal tariff regulations and rate changes prepared and recommended by Cornell, PAG's consultant; the financial schedules attached to the Petition; the written testimony from PAG management, staff, and PAG's consultants; the October 27, 2011 and October 28, 2011 public hearings;

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as well as the December 30, 2010 Report filed by Cornell, and the September 28, 2011 and November 3, 2011 reports prepared by Slater Nakamura, the PUC's consultant.

The ALJ recommended that the PUC approve the proposed terminal tariff and rates indicated in the Slater Nakamura report and that the PUC adopt the proposed tariff regulations contained Cornell's report. The ALJ also recommended that PAG return within six (6) months to file a five (5) year rate plan, which would detail any tariff rate increases for the next five (5) years.

In addition, the ALJ further recommended, based on the recommendations of Slater Nakamura, that the PUC also order the following: (1) that PAG conduct a sensitivity analysis to determine the impact of the recent events in Japan and the United States, along with the current throughput of materials on the ability of PAG to generate the revenue it needs to service its debts, and file a report on such sensitivity analysis within six (6) months of the PUC's approval of the rate Petition; (2) that PAG file a plan for the upgrade to the marina facilities within six (6) months of the PUC's approval of the rate Petition; and (3), that PAG file a financing plan for the completion of Phase I and Phase II of the 2007 Port Master Plan within nine (9) months of the PUC's approval of the rate Petition. The ALJ additionally recommended, based on the recommendation of Slater Nakamura, that the PUC authorize the ALJ to conduct proceedings necessary to establish an appropriate debt service coverage ratio for PAG.

On January 11, 2012, the PUC approved the proposed terminal tariff and rates indicated in "Appendix A" of the Slater Nakamura Report.

On February 10, 2012, PAG management conferenced with the ALJ regarding implementation of the terminal tariff and corresponding increase of rates, and extension of the deadlines indicated in the PUC's January 11, 2012 Order. On February 14, 2012, PAG transmitted to the ALJ its request to schedule implementation of the revised terminal tariff and rate increase for March 1, 2012, as well as to extend the deadlines outlined in the January 11, 2012 Order.

In its request, PAG maintains that after an internal assessment of its "information technology capabilities to fully implement the terminal tariff and in order to conduct an outreach program" to its users, PAG determined that the revised tariff should be implemented on March 1, 2012, and not February 1, 2012. Based on this internal assessment, the ALJ finds that PAG's request to implement the revised terminal tariff and rate increase on March 1, 2012 is reasonable as it provides both PAG and its users additional time to become acclimated with the revised terminal tariff and increase in rates. In addition, in tandem with the March 1, 2012 date of implementation, the ALJ further finds that extending the deadlines ordered in the PUC's January 11, 2012 by one (1) month is similarly reasonable and would provide PAG with additional time to better facilitate implementation of the revised tariff and the rate increase, and to prepare its submission of the required reporting.

CONCLUSION AND RECOMMENDATION

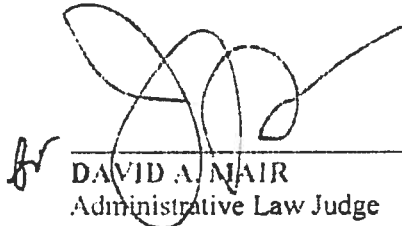
Based on the findings above, the ALJ hereby recommends the following: that the PUC grant PAG's request to implement the duly-approved terminal tariff and corresponding increase of rates on March 1, 2012. The ALJ further recommends that the

PUC permit the extension of deadlines for the events itemized in the PUC's January 11, 2012 Order issued in this docket. In particular, the ALJ recommends that the PUC order new deadlines as follows:

1. By August 22, 2012, PAG shall file a five (5) year rate plan, which shall detail any tariff rate increases for the next five (5) years.
2. By August 22, 2012, PAG shall conduct a sensitivity analysis to determine the impact of events in Japan and the United States, along with the current throughput of materials on the ability of PAG to generate the revenue it needs to service its debts, and shall file a report on such sensitivity analysis.
3. By August 22, 2012, PAG shall file a plan for the upgrade to the marina facilities.
4. By November 22, 2012, PAG shall file a financing plan for the completion of Phase I and Phase II of the 2007 Port Master Plan.

Finally, the ALJ recommends that all other provisions ordered by the PUC in its January 11, 2012 Order should remain in effect.

Dated this 17th day of February, 2012.

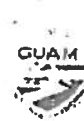


DAVID A. NAIR
Administrative Law Judge

P128017.JRA



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



Eddie Baza Calvo
Governor of Guam
Ray Tenorio
Lieutenant Governor

February 13, 2012

Mr. David Mair, ESQ.
Administrative Law Judge for Public Utilities Commission
MAIR, MAIR, SPADE & THOMPSON, L.L.C.
238 A.F.C. Flores Street
Suite 801, DNA Building
Hagåtña, Guam 96910

Hafa Adai Attorney Mair:

First, I would like to thank you for taking time out to discuss the Port's request on the tariff implementation as well as the time sensitive reporting requirements on Friday.

As indicated in our discussions, we were anticipating the effective date of the terminal tariff to take place on February 1, 2012; however, after assessing our informational technology capabilities to fully implement the terminal tariff and in order to conduct an outreach program to our users, the Port has decided to re-consider the implementation date for terminal tariff to be effective on March 1, 2012.

Also in the PUC order, PAG Docket 11-01, the Port was required to submit a sensitivity analysis and marina facilities upgrade plan within the next six (6) months or by July 2012 and a financing plan for the modernization plan within the next nine (9) months or by October 2012. We are respectfully requesting your approval to extend such submission deadlines for the reports by an additional month to coincide with the newly proposed implementation date.

Your kind consideration on this request is greatly appreciated.

Si Yu'os Ma'ase,


PEDRO A. LEON GUERRERO, JR.
General Manager

Cc: Board of Directors
Corporate Services Manager
Financial Affairs Controller
Commercial Manager

Port of Guam, Jose D. Leon Guerrero Commercial Port is an Equal Employment Opportunity Employer.
Complaints of discrimination should be sent to the Human Resources Division.

EXHIBIT A



USFWS Sport Fish Restoration Federal Aid FY 2012

<p>F11AF00145 Amend #1 (F-1-R-19) Guam Sport Fish Investigations The Guam Division of Aquatic and Wildlife Resources, Department of Agriculture, will: perform creel and participations surveys of inshore and offshore fishers,; provide technical assistance, and carry out visual censuses of fish populations in marine preserves, and control areas. Information will asst in management of Guam's fishery resources and ensure that full consideration is given to these resources during project development and approval processes. Approval is recommended.</p> <p>Beginning Date: 10/1/2011 Ending Date: 9/30/2012 Sport Fish Restoration: \$ 371,14700 Boating Cost(s): \$0.00 Congressional District(s): Guam</p>	<p>F11AF00211 (F-9-D-8) Amnd #1 Guam Maintenance & Deployment of DAWR FADS and Shallow Water Mooring (SWMS) and Establish New FADS & SWMS The Division of Aquatic and Wildlife Resources will: 1) maintain, preserve and replace 14 fish aggregating devices (FADS); 2) maintain, replace the 34 shallow water mooring systems, 3) study the feasibility of establishing new SWMS in Tumon MPA, and Piti Bomb Hole MPA, FAD sites on the eastern side of Guam. This project will ensure that fish aggregating devices continue to enhance the catching success of recreational fishers.</p> <p>Beginning Date: 10/1/2012 Ending Date: 9/30/2012 Sport Fish Restoration: \$ 333,317.00 Boating Cost(s): \$0.00 Congressional District(s): Guam</p>
<p>F11AF00182 (F-17-R-3 Amend#1) Guam Freshwater Sport Fish Investigations The Division of Aquatic and Wildlife Resources will monitor the freshwater fish that in habit in the Masso reservoir.</p> <p>Beginning Date: 10/1/2010 Ending Date: 9/30/2012 Sport Fish Restoration: \$ 76,126 Boating Cost(s): \$0.00 Congressional District(s): Guam</p>	<p>GU F-8-D-6 Amend #1 Guam Maintenance & Repair of Fishing Platforms The Division of Aquatic and Wildlife Resources will maintain and repair 3 fishing platforms, including removal of accumulated trash in the vicinity of each platform.</p> <p>Beginning Date: 10/1/2011 Ending Date: 9/30/2012 Sport Fish Restoration: \$ 28,085.00 Boating Cost(s): \$0.00 Congressional District(s): Guam</p>
<p>GU F-19-E-3 Guam Fisheries Aquatic Education The Division of Aquatic and Wildlife Resources will produce and distribute educational outreach materials, maintain the DAWR website, maintain digital library of fish and marine habitats, conduct public presentations, conduct a kids fishing derby, and initiate marine protected area website. Aquatic education activities will inform the public concerning fish and aquatic habitats for better understanding, awareness and management of Guam's marine heritage.</p> <p>Beginning Date: 10/1/2011 Ending Date: 9/30/2012 Sport Fish Restoration: \$ 143,131 Boating Cost(s): \$0.00 Congressional District(s): Guam</p>	<p>GU FW-3C-20 Guam Fish and Wildlife Coordination Objective: 1) plan, coordinate, supervise, and administer all Sport Fish and Wildlife Restoration programs in FY'12, 2) maintain the 120KVdiesel generator for the Administration building occupied by DAWR division, and benefits the provisions are met, GDAWR retains eligibility to receive these grants, and ensure that the projects are managed effectively.</p> <p>Beginning Date: 10/1/2011 Ending Date: 9/30/2012 Sport Fish Restoration: \$ 248,936.00 Boating Cost(s): \$0.00 Congressional District(s): Guam</p>



USFWS Sport Fish Restoration Federal Aid FY 2012

<p>F11AF00145 Amend #4 (F-1-R-14) Guam Sport Fish Investigations- New Fisheries Building The Guam Division of Aquatic and Wildlife Resources, Department of Agriculture, previously to: perform creel and participations surveys of inshore and offshore fishers, provide technical assistance, and carry out visual censuses of fish populations in marine preserves, and control areas. This project was then converted to construction of a new fisheries building.</p> <p>Beginning Date: 10/1/2005 Ending Date: 9/30/2012 Sport Fish Restoration: \$ 1,480,244.00 Boating Cost(s): \$0.00 Congressional District(s): Guam</p>	<p>GU F-15-E-2 Guam Educational Signs along Guam's shores The Guam Division of Aquatic and Wildlife Resources, Department of Agriculture, will install cultural fishing signs in key shores of Guam.</p> <p>Beginning Date: 10/1/2011 Ending Date: 9/30/2012 Sport Fish Restoration: \$ 27,822.00 Boating Cost(s): \$0.00 Congressional District(s): Guam</p>
<p>GU F-6-B-6 Repair and Maintenance of Merizo Boat Ramp and Pier The Guam Division of Aquatic and Wildlife Resources, Department of Agriculture, will provide funding for the repair of the Merizo pier Boat Ramp.</p> <p>Beginning Date: 10/1/2011 Ending Date: 9/30/2012 Sport Fish Restoration: \$ 121,606 Boating Cost(s): \$0.00 Congressional District(s): Guam</p>	<p>GU F-20-B-1 Amend #1 Repair and Maintenance of Agat Marina Boat Ramp Facility The Guam Division of Aquatic and Wildlife Resources, Department of Agriculture, will provide funding for the repair of the Agat Marina boat ramp facility.</p> <p>Beginning Date: 10/1/2011 Ending Date: 9/30/2012 Sport Fish Restoration: \$ 98,606 Boating Cost(s): \$0.00 Congressional District(s): Guam</p>
<p>GU F-21-B-1 Agana Boat Basin Ramp, Docks, and Pilings The Guam Division of Aquatic and Wildlife Resources, Department of Agriculture, will provide funding for the repair of the Agana Boat Basin ramps, docks, and boat basin used by recreational fishers, else, pro-rate usage according to recreational/commercial users.</p> <p>Beginning Date: 10/1/2011 Ending Date: 9/30/2012 Sport Fish Restoration: \$ 744,106 Boating Cost(s): \$0.00 Congressional District(s): Guam</p>	<p>GU F-23-B-1 Hagatna Marina Channel Fishing Platform The Guam Division of Aquatic and Wildlife Resources, Department of Agriculture, will provide funding for the construction of a fishing platform with ADA compliance. Initial funds for staff assistance.</p> <p>Beginning Date: 10/1/2011 Ending Date: 9/30/2013 Sport Fish Restoration: \$ 2,000.00 Boating Cost(s): \$0.00 Congressional District(s): Guam</p>

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

June 25, 2012

INTER-OFFICE MEMEORANDUM

TO: General Manager
VIA: Corporate Services Manager
FROM: Engineer Manager
SUBJECT: Brief Summary Status of Ongoing CIP Projects, aside from Port Modernization

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

1) PROJECT:	GDP Marina Renovation & Site Improvements Project Phase-II
IFP NUMBER:	PAG-012-00
CONTRACTOR:	N/A
PROJECT AMOUNT:	\$2,500,000.00 (Conservative estimate)
FUNDING SOURCE:	Department of Interior of Insular Affairs Grant # 670090 & 770061
NOTIC TO PROCEED:	N/A
COMPLETION TIME:	332 Calendar Days after NTP
PAYMENT TO DATE:	\$0
BALANCE PAYMENT:	\$0
Construction Manager:	N.C.Macario & Associates & Port Engineering/CIP Division
% Completion:	0%
Work Status:	N/A
NOTE:	Construction manager submitted the 100% design submittal for PAG comments & approval. Awaiting letter of authorization from DOI.

2) **PROJECT:** Replacement of Welded Steel Petroleum Distribution Piping
RFP NUMBER: PAG-011-00
PROJECT AMOUNT: \$2,496,332.97 (Conservative estimate)
DESIGNER: N.C. Macario & Associates
CONTRACTOR: N/A
FUNDING SOURCE: 1) A/E Design funded by PAG (\$289,928.18)
 2) CM funded by PAG (\$245,000.00)
 3) Available fund by FHWA (\$2,464,042.22)
A/E Completion Time: February 10, 2012
PAYMENT TO DATE: \$173,956.90
BID OPENING DATE: N/A
NOTICE TO PROCEED: N/A
COMPLETION TIME: 305 Calendar Days
Construction Manager: SSFM International, Inc. & Port Engineering/CIP Division
PAYMENT TO DATE: \$0
NOTE: PAG awaiting MOU from DPW & the Final Design.

3) **PROJECT:** GDP Marina Dock "B" Repairs
IFB NUMBER: PAG-011-001
CONTRACTOR: GEMCCO
PROJECT AMOUNT: \$318,000.00
FUNDING SOURCE: Department of Agriculture, Sport Fish Restoration/Boating
 Access Grant # F-21-B1, & Port Authority of Guam
BID OPENING DATE: November 23, 2010
NOTICE TO PROCEED: April 25, 2012
COMPLETION TIME: August 24, 2012 (122 CD)
PAYMENT TO DATE: \$0
Construction Manager: Port Engineering/CIP Division
Work Status: PAG Engineering Office is reviewing submittals from GEMCCO
 for approval.
NOTE: This is a cost sharing project between Department of Agriculture
 & PAG.

4) **PROJECT:** Port CY Lighting Upgrade Project
IFB NUMBER: PAG-CIP11-001
CONTRACTOR: DCK Pacific Guam
PROJECT AMOUNT: \$748,412.00
FUNDING SOURCE: Homeland Security Grant # PSGP 2007-GB-T7-0437
NOTICE TO PROCEED: January 24, 2012
COMPLETION TIME: Nov. 18, 2012 (300 CD)
PAYMENT TO DATE: \$36,235.80
BALANCE PAYMENT: \$712,176.20
Construction Manager: AmOrient Engineering & Port Engineering/CIP Division
WORK STATUS: DCK Pacific is processing submittals & documents for PAG
 approval.
NOTE: DCK Pacific is negotiating for UDM on long lead items due to
 grant funding time frame to expire.

- 5) **PROJECT:** **Electrical Upgrade on Building's Secondary Distribution Sub-Panel Boards**
IFB NUMBER: PAG-011-002
CONTRACTOR: M.D. Crisostomo, Inc.
PROJECT AMOUNT: \$60,874.00
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: May 21, 2012
COMPLETION TIME: Oct. 20, 2012 (153 CD)
PAYMENT TO DATE: \$0
Construction Manager: Port Engineering/CIP Division
Work Status: MDCl is preparing the required submittal documents for PAG approval
- 6) **PROJECT:** **GDP Marina Dock "A" & Dock "B" Pile Extension**
IFB NUMBER: PAG-012-003
CONTRACTOR: BME & Sons Corp.
PROJECT AMOUNT: \$96,230.00
FUNDING SOURCE: Department of Agriculture, Sport Fish Restoration/Boating Access Grant # F-21-B1
NOTICE TO PROCEED: N/A
COMPLETION TIME: 4 months after NTP
Construction Manager: Port Engineering/CIP Division
NOTE: Procurement awaiting the signed contract from Port's legal office. This is a cost sharing project with DoAg & PAG.
- 7) **PROJECT:** **GDP Marina Dock "C" Repair**
IFB NUMBER: PAG-012-004
CONTRACTOR: Black Construction Corp.
PROJECT AMOUNT: \$278,700.00
FUNDING SOURCE: Department of Agriculture, Sport Fish Restoration/Boating Access Grant #F-21-B1 & Port Authority of Guam
NOTICE TO PROCEED: N/A
COMPLETION TIME: 8 months after NTP issuance
Construction Manager: Port Engineering/CIP Division
NOTE: Procurement is awaiting the contract from Port's legal office. This is a cost sharing project with DoAg & PAG.
- 8) **PROJECT:** **Concrete Storm Drain Channel System Upgrade**
IFB NUMBER: PAG-012-00
CONTRACTOR: N/A
PROJECT AMOUNT: \$400,000.00 (Conservative estimate)
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: N/A
COMPLETION TIME: 6 months after NTP
PAYMENT TO DATE: \$0
Construction Manager: Port Engineering/CIP Division
NOTE: This work exclude the steel grating cost. Technical Provision on the Design-Built packet forwarded to Procurement for IFB bid process

- 9) **PROJECT:** GDP Marina New Water Line System
IFB NUMBER: PAG-012-00
CONTRACTOR: N/A
PROJECT AMOUNT: \$160,000.00 (Conservative estimate)
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: N/A
COMPLETION TIME: 5 Months after NTP
Construction Manager: Port Engineering/CIP Division
NOTE: Engineering forwarded the Technical Provision scope to Procurement for bid packet & advertisement
- 10) **PROJECT:** New 58 ea. 480V Reefer Outlets & Reefer Lights Installation
IFB NUMBER: PAG-012-00
CONTRACTOR: N/A
PROJECT AMOUNT: \$950,000.00 (Conservative estimate)
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: N/A
COMPLETION TIME: 8 months after NTP
Construction Manager: Port Engineering/CIP Division
NOTE: Port Engineering office is finalizing the Technical Provision scope of work for bid packet & will request for funding.
- 11) **PROJECT:** Warehouse I, Bay 2 & 3 Concrete Column Repair & CMU Wall Demolition
IFB NUMBER: PAG-012-00
CONTRACTOR: N/A
PROJECT AMOUNT: \$120,000.00 (Conservative estimate)
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: N/A
COMPLETION TIME: 6 months after NTP
Construction Manager: Port Engineering/CIP Division
NOTE: Port Engineering Office is finalizing the Technical Provision scope of work for bid packet. This is a safety issue with the U.S. Coast Guard citation. \
- 12) **PROJECT:** Agat Marina Fish Utility Boom Repair
RFQ NUMBER: PAG-012-00
CONTRACTOR: N/A
PROJECT AMOUNT: \$6,875.00 (Grant funding)
FUNDING SOURCE: Department of Agriculture, Sport Fish Restoration/Boating Access Grant # F-21-B1
NOTICE TO PROCEED: N/A
COMPLETION TIME: 30 days after P.O. issuance
Construction Manager: Port Engineering/CIP Division
NOTE: Department of Agriculture advice a hold order. Price quote lowest responsive bid is ready for awarding.

- 13) **PROJECT:** Agat Marina Ramp's Left Side Concrete Catwalk Repair
RFQ NUMBER: PAG-012-00
CONTRACTOR: N/A
PROJECT AMOUNT: \$35,000.00 (Conservative estimate)
FUNDING SOURCE: Department of Agriculture, Sport Fish Restoration/Boating Access Grant # F-21-B1
NOTICE TO PROCEED: N/A
COMPLETION TIME: 3 months after P.O. issuance
Construction Manager: Port Engineering/CIP Division
NOTE: Department of Agriculture advice a hold order. Technical provision scope for Bid packet is ready for advertisement.
- 14) **PROJECT:** 10" Waterline Break Repair @ F5, Sta.15+45
P.O. NUMBER: N/A
CONTRACTOR: EUREKA Construction Corp.
PROJECT AMOUNT: \$7,880.00
FUNDING SOURCE: Port Authority of Guam
NOTICE TO PROCEED: N/A
COMPLETION TIME: 21 Calendar days after P.O.
Construction Manager: Port Engineering/CIP Division & Facility Maintenance
NOTE: Facility Maintenance requested Budget section for account number & funding.
- 15) **PROJECT:** Troubleshoot Cathodic Protection System
P.O. NUMBER: 9799 OF
CONTRACTOR: CORRPRO
PROJECT AMOUNT: \$3,250.00
FUNDING SOURCE: Port authority of Guam
NOTICE TO PROCEED: May 5, 2012
COMPLETION TIME: 90 Calendar days
Construction Manager: Port Engineering /CIP Division
NOTE: CORRPRO to check rectifier cabinets for zero readings & inspect handholes for loose/defective splice. Monthly reading report shows five zero amp readings.

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

Cc: Deputy General Manager
 Engineer Manager

PORT AUTHORITY OF GUAM

JOSE D. LEON GUERRERO COMMERCIAL PORT

1026 Cabras Highway, Suite 201 Piti, GU 96915

Phone: (671) 477-5931 Fax: (671) 477-2689

Website: www.portguam.com



NEWS RELEASE

Port Cuts Ribbon for Hagatna Marina Phase I Renovations & Site Improvements

Piti, Guam, April 24, 2012: The Port Authority of Guam held a ribbon cutting ceremony this morning at the Gregorio D. Perez (GDP) Marina for Phase I renovations and site improvements.

Since its original construction in 1977 by the Army Corps of Engineers, the facility has not had any major renovations or upgrades. "Over the years, the GDP Marina has been essential to Guam's tourism industry, in addition to the island's fishing and recreational users. After serving the community for over 34 years, this marina is getting the attention it has long needed," said Board Vice Chairman Michael T. Benito.

The renovations and site improvements planned for the GDP Marina is divided in three phases. Phase I consists of 461 linear feet of the removal and installation of new bollards, new galvanized pipe railings, new epoxy steel coated ladders, sheet piles, and new walkways. Phase II and III, planned for the near future, will consist of similar renovations to the remaining areas of the marina.

Funding for the \$1.5 million Phase I project was obtained through a grant with the US Department of Interior under the Capital Improvement Program. On February 22, 2012, the Port was notified of a \$2.5 million awarded for Phase II renovations. The Department of Interior (DOI) is currently reviewing the Phase II scope of work and pending the Authorization to Proceed (ATP).

Named after their father/brother/uncle/grandfather Gregorio D. Perez, three generations of the Perez family were present for the momentous occasion. "It is for this reason that we strive to upgrade our facility – for the benefit of our next generation," said General Manager Mary C. Torres. "Thank you to the Board of Directors, Management and Staff for your commitment to improving the Port Authority and thank you to Black Construction and N.C. Macario and Associates for bringing this project to fruition," she added.

Contact: Marketing Division, Josette Javelosa

Phone: (671) 477-5931 ext. 315 Email: jjavelosa@portguam.com

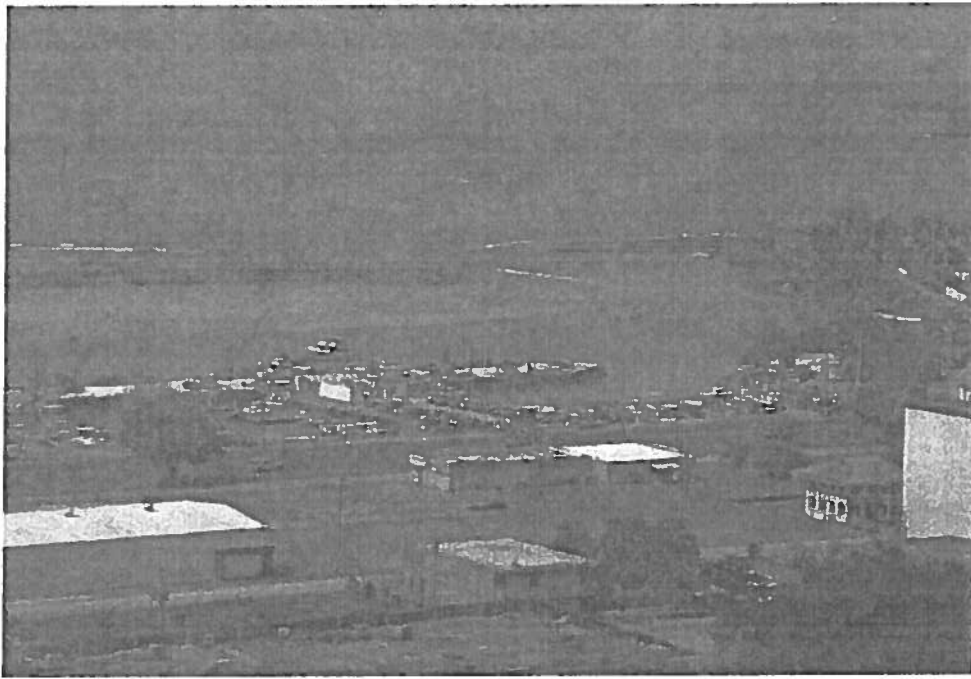


Acting Governor Ray Tenorio, Port Management, and the Perez Family cuts the ribbon for the Gregorio D. Perez Marina Phase I renovations and site improvements. Left – Right: Black Construction Executive Vice President Tom Anderson, PAG General Manager Mary C. Torres, Mary Espinosa, President N.C. Marario & Associates Inc. Nemencio C. Macario, Margaret Pangelinan, Rick Catindig, Acting Governor Ray Tenorio Frank Arriola, Zebadiah Howser, Teresa Arriola, Ciera Arriola, Deputy General Manager Anecia B. Terlaje, Carol Perez, Lourdes Perez, Damian Cadina, Feora Cadina, Albert Perez

Contact: Marketing Administrator Bernadette Meno
Phone: (671) 477-5931 ext. 545 e-mail: bmeno@portguam.com

Guam: Port Awards Contract for Phase II Hagatna Development

Posted on Sep 21st, 2012 with tags [Asia](#), [awards](#), [contract](#), [development](#), [Guam](#), [Hagatna](#), [News](#), [Phase II](#), [port](#).



At its regular meeting on September 20, the Port Authority of Guam Board of Directors unanimously voted to award the construction contract for Phase II Hagatna Marina renovations and site improvements to Black Construction Corporation.

Phase II construction consists of 520 linear feet of the removal and installation of new bollards, new galvanized pipe railings, new epoxy steel coated ladders, sheet piles, new walkways, installation of new sheet piles, installation on new concrete bulkhead and jacket, construction of approximately 10 feet of new riprap, demolition and replacement of existing concrete monitoring station building and modification and construction of new storm water deep sump catch.

Black Construction's bid of \$1,689,877 was \$300,000 less than the Government's estimate of \$2 million for this project. Phase II renovation and site improvement is funded through a grant with the US Department of Interior under the Capital Improvement Program.

In April 2012, the Port Authority held a ribbon cutting ceremony for the completion of Phase 1 renovation and improvement.

