



(Calvo, Fisher & Jacob, LLP)

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Industry Development Specialist  
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Administrative Assistant  
Real Property Assistant  
Manager  
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Real Property Manager  
Finance and IT Manager  
Business Development Manager  
Public Finance Officer  
Loans and Compliance Manager  
Executive Assistant

### ***Approval of Agenda***

§3. The first item considered was approval of the agenda. On motion duly made by Vice Chairman John to remove Item VII Section B. Administrators Report – Organizational Chart from the agenda seconded by Director Mesa, the agenda was unanimously approved.

### ***Communications***

§4. The next item on the agenda was Communications. Deputy Administrator Mana Tajjeron informed board members, Office of the Public Auditor recently issued their audits on QC and items on the report are being addressed by GEDA. Administrator Taitano indicated issue are domestic (insurance) issues and will provide the board with an update on the next board meeting.

### ***Old Business***

§5. The next item on the agenda was Old Business. Mr. Larry Toves addressed the Board regarding Services during Construction by Designers - Guam and Chamorro Educational Facility (Guam Museum).

Public Law 30-228, which authorized the use of proceeds from the Hotel Occupancy Tax bond, requires the design and construction of a \$27 Million

Guam and Chamorro Educational Facility (GCEF). To carry out this mandate, GEDA issued Request for Proposals (RFP) 12-003 to obtain professional services for both the design of the GCEF and the subsequent construction administration services by the designers. Of the four respondents to the RFP, the evaluation team determined Architects Laguana + Cristobal ("ALC") to be the highest ranked submitter.

During subsequent fee negotiations, ALC's original fee proposal of over \$3.3 million was reduced in part of contract administration services until a more thorough understanding of the nature and extent of construction could be obtained from completion of design plans. At the end of negotiations, the fee agreement reached with ALC to complete design activities for the GCEF was \$2,197,000. ALC facility design was completed in the second quarter of this year, at which time the construction contract for the facility was publicly bid and awarded. Now that construction is underway, continued engagement by the ALC design team is needed in order to support the successful construction of the museum.

Project designers customarily participate in the construction phase of a project. Referred to as "services during construction" or "contract administration (CA)" services, these activities were required elements in the original design RFP, and they were also intentionally deferred during original fee negotiations with ALC. Major CA services required of the ALC design team during construction will include: (1) responding to Requests for Information (RFIs) concerning design requirements submitted by the construction contractor; (2) reviewing and approving of contractor "shop drawings", particularly those that require engineering calculations; (3) administration of museum exhibit fabrication; (4) providing supplemental documentation as required for clarification (interpretations and decisions) and any approved change orders; (5) contribution to and approval of the construction "punch list"; (6) reviewing and approving contractor pay requests for quality and workmanship; and (7) creating final record drawings ("As-Builts") at the completion of construction.

ALC's CA services have been carefully reviewed to assure there is synchronization with, but no overlap between, the construction management services being performed by Pacific Alliance. GEDA's PMO consultant, RW Armstrong, with the assistance of the Department of Chamorro Affairs as the end-user of the GCEF, has actively engaged in scope and fee negotiations with ALC to arrive at this recommendation. The project budget accommodates this cost.

As the construction contractor is now on board, approval of this request for CA services is necessary. The Board should also expect that additional requests for contract amendments for such essential items as media production, exhibit fabrication, security and information technology services will be requested in the future and any flexibility that can be granted to the Administrator by the Board would assist in expediting completion of this legacy project.

As advised by RWA, GEDA staff recommended that the Board of Directors approve a contract modification not to exceed amount of \$540,000 to ALC to provide the services during construction identified above. Staff also recommended that the Board authorize the Administrator to execute the contract modification upon final approval of the contract by Legal Counsel. Thereafter, approval from the Attorney General and the Governor would be required.

After discussion, motion was made by Director Mesa, seconded by Vice Chairman John and the following resolution was unanimously approved:

**Resolution No: 13-045**

***RESOLVED, that the Board approve a contract modification not to exceed amount of \$540,000 to ALC to provide the services during construction identified above and to authorize the Administrator to execute the contract modification upon final approval of the contract by Legal Counsel.***

The next item for discussion was the Design/Build Contract Award – Scenic Parks, Byways, Overlooks, and Historic Sites presented by Mr. Larry Toves.

Public Law 30-228 authorized the use of proceeds from the Hotel Occupancy Tax bond to complete improvements at specific parks, byways, overlooks, and historic sites located around the island. To carry out this mandate, GEDA issued Invitation For Bid (IFB) 12-006 on September 18, 2012 to obtain Design/Build services for the completion of said improvements. IFB 12-006 was a two-step procurement, wherein respondents first submitted technical qualifications for review and scoring. All three respondents that submitted proposals - Maeda Pacific Corporation, Masoud & Company, and Reliable Builders, Inc. were determined to meet the qualifications established under IFB

12-006 and were eligible to participate in the second step of the procurement. Step two of the procurement commenced on July 9, 2013, and bid pricing was received by GEDA from all three bidders prior to the deadline.

Bids were opened on the due date, August 12, 2013. The scope of work upon which bid pricing was requested was divided into Base Bid activities and Bid Option activities. Bidders were informed during procurement that bids would be evaluated based on the lowest responsive and responsible Base Bid. The following table summarizes the base bid pricing received:

RW Armstrong, GEDA's PMO consultant, determined that the low Base Bid was submitted by Reliable Builders, Inc. However, in reviewing all bids, RWA determined that certain information was either absent or inconsistent so legal advice was requested to determine if any and all bidders meet the responsiveness and responsibility criteria.

The government estimate for all scope of work activities (Base + Option) was \$1,994,413.00. The budget for this project is \$2.4 Million. Assuming that the Notice to Proceed can be issued in the near future, substantial completion of all improvements at the project locations is estimated for completion in the 2<sup>nd</sup> Quarter of 2014.

Counsel is researching the responsiveness and responsibility of the bids submitted. In addition, the Guam Department of Parks and Recreation ("DPR"), as owner and manager of all the various project locations, has yet to provide confirmation of the Bid Option activities they desire to be completed in addition to the Base Bid activities. Although additional time is needed to obtain advice from legal counsel and input from DPR, all base bids are within budget and GEDA staff believe that Board action can be taken as indicated in the recommendation below.

As advised by RWA, GEDA staff recommends that the Board of Directors authorize the Administrator to award a contract to the responsive and responsible bidder as determined by legal counsel, in the order from lowest base bid to highest base bid. In other words, if Reliable Builders, Inc. as the lowest base bidder, is determined to be both responsive and responsible by legal counsel, the Board authorizes the Administrator to execute a contract with Reliable Builders, Inc. If Reliable Builders, Inc. is determined not to be responsive or responsible by legal counsel and counsel determines that the next lowest bidder (Maeda Pacific Corporation) is both responsive and responsible, the Board authorizes the Administrator to execute a contract with Maeda Pacific Corporation. If both Reliable Builders, Inc. and Maeda Pacific Corporation are determined not to be responsive or responsible by legal counsel and counsel determines that the next lowest bidder (Masoud & Company) is both responsive and responsible, the Board authorizes the Administrator to execute a contract with Masoud & Company.

To allow GEDA staff to work with DPR in determining the bid options to implement, GEDA staff further recommends that the Board approve a contract amount not to exceed the government's estimate of \$1,994,413.00. This amount covers the base and bid options prices provided by both Reliable Builders, Inc., and Maeda Pacific Corporation, and the base bid offered by Masoud & Company. Any remaining funding could be reprogrammed to other projects as determined by the Board and the Governor. Approval of the final contract from the Attorney General and the Governor is also required.

After discussion, a motion was made by Director Mesa, seconded by Vice Chairman John and the following resolution was unanimously approved:

**Resolution 13-047**

***RESOLVED, that the Board authorizes the Administrator to: (a) award a contract to the responsive and responsible bidder responding to IFB 12-006 as determined by legal counsel, in the order from lowest base bid to highest base bid; and (b) approve a contract amount not to exceed the government's estimate of \$1,994,413.00.***

**New Business**

§6. The next item on the agenda was New Business. The item for discussion was the approval of the issuance and sale of A.B. Won Pat International Airport Authority, Guam, (the "Authority"), General Revenue Bonds and approving and authorizing the execution of related documents, agreement and actions on the terms and conditions set forth in PL 32-062.

The Authority previously entered into an indenture, dated as of September 1, 2003, as supplemented and amended (the "Indenture"), providing for the issuance of A.B. Won Pat Guam International Airport Authority General Revenue Bonds, 2003 Series A, 2003 Series B, 2003 Series C and 2003 Series D (collectively, the "2003 Bonds"); and

The Authority has proposed to issue and sell additional general revenue bonds (the "2013 Bonds") under the Indenture for the purposes of financing and refinancing the acquisition, construction, reconstruction, improvement, betterment and extension of the Airport, refunding the outstanding 2003 Bonds,

paying related costs of issuance and funding a debt service reserve fund for the 2013 Bonds; and

As required by Section 1208 of the Act and said Section 50103(k), the authorization provided by this resolution is subject to the approval by the Legislature of Guam of the terms and conditions of the 2013 Bonds and their issuance; and

The Legislature has provided such approval by the enactment of Public Law 32-062 (the "Bond Act"); and

Pursuant to Section 50103(k) of Division 2 of Title 12, Guam Code Annotated, agencies and instrumentalities of the Government of Guam shall issue bonds and other obligations only by means of and through the agency of the Guam Economic Development Authority ("GEDA"); and

The Authority has requested that GEDA approve the issuance and sale of the 2013 Bonds and carry out such proceedings as are necessary to comply with the requirements of the Internal Revenue Code of 1986 (the "Code"), including requirements of the Tax Equity and Fiscal Responsibility Act of 1982 ("TEFRA") prior to the issuance of such 2013 Bonds; and

The Board has determined that it is in the public interest for the Authority to issue and sell the 2013 Bonds for the purposes described in this resolution; and there have been presented to this Board proposed substantially final forms of a supplemental indenture, pursuant to which the Indenture is proposed to be amended and the 2013 Bonds are proposed to be issued by the Authority (the "Supplemental Indenture"), a preliminary official statement relating to the 2013 Bonds (the "Preliminary Official Statement"), and a bond purchase agreement pursuant to which the 2013 Bonds are proposed to be sold (the "Bond Purchase Agreement");

After discussion, a motion was made by Director Mesa, seconded by Director Bordallo and the following resolution was unanimously approved:

**Resolution 13-046**

***Resolved, that the board approves the issuance and sale of A.B. Won Pat International Airport Authority, Guam, General Revenue Bonds and approving and authorizing the execution of related documents, agreement and actions.***

**Section 1.** The issuance and sale of the 2013 Bonds in an aggregate principal amount not to exceed the limits set forth in the Bond Act are hereby approved in accordance with said §50103(k).

**Section 2.** The form of Supplemental Indenture presented to this meeting is hereby approved for execution and delivery by the Authority in substantially such form, with such additions, changes and modifications as the appropriate officers of the Authority may approve upon consultation with legal counsel, such approval to be conclusively evidenced by the execution and delivery of such Supplemental Indenture by the Authority.

**Section 3.** The form of Bond Purchase Agreement presented to this meeting is hereby approved for execution and delivery by GEDA in substantially such form, with such additions, changes and modifications as are approved by the Chairman or Vice-Chairman of this Board or the Administrator or the Public Finance Division Manager of GEDA (collectively, the "Designated Officers of GEDA") upon consultation with legal counsel, such approval to be conclusively evidenced by the execution and delivery of such Bond Purchase Agreement by one of the Designated Officers of GEDA, each of whom is hereby authorized to execute and deliver the Bond Purchase Agreement on behalf of GEDA.

The Bond Purchase Agreement shall specify the aggregate principal amount of 2013 Bonds to be issued, the number of series of such 2013 Bonds, the maturity or maturities of such 2013 Bonds, and the fixed interest rates of the 2013 Bonds, all in accordance with the limitations set forth in the Bond Act.

Notwithstanding any other provision of this resolution, the 2013 Bonds and all obligations of the Authority under the Indenture shall be payable solely from the revenues and other assets of the Authority available for such purpose and shall not be a debt or liability of the Government of Guam.

The Chairman of the Board of the Authority, the Executive Manager of the Authority or members of the Authority staff designated in writing by said Chairman or Executive Manager (individually or collectively, the "Designated Officers of GIAA"), upon appropriate authorization and delegation by the Authority, and the Designated Officers of GEDA are hereby also expressly authorized to arrange for such bond insurance, reserve fund surety bond or other supplemental security arrangements for all or such



portion of the 2013 Bonds as they may deem in the public interest, and to enter into any other agreements or amendments deemed by them to be necessary or appropriate in connection therewith.

**Section 4.** The Preliminary Official Statement in the form presented to this meeting is hereby approved, and the distribution of the Preliminary Official Statement in connection with the offering and sale of the 2013 Bonds, with such changes, omissions and insertions as shall be approved by the Designated Officers of GIAA, is hereby authorized and approved. GEDA hereby approves and acknowledges the review of the Preliminary Official Statement by the Designated Officers of GIAA and their certification on behalf of GIAA that the Preliminary Official Statement is “deemed final” as of its date, except for the omission of certain terms and pricing information permitted to be omitted therefrom pursuant to Securities and Exchange Commission Rule 15c2-12.

GEDA further hereby approves and acknowledges the preparation of a final version of the Official Statement by the Designated Officers of GIAA (such final version of the Official Statement, in the form of the Preliminary Official Statement, with such changes, insertions and omissions as shall be approved by the Designated Officers of GIAA, upon consultation with the Administrator and legal counsel, being hereinafter referred to as the “Official Statement”), and their execution of the Official Statement and any amendment or supplement thereto, in the name of and on behalf of GIAA, and their causing the Official Statement and any such amendment or supplement to be delivered to the purchasers and distributed in connection with the sale of the 2013 Bonds.

**Section 5.** The Designated Officers of GEDA are hereby authorized and directed to do any and all things and to execute and deliver any and all certificates, agreements and documents which they may deem necessary or advisable in order to effectuate the purposes of this resolution. Such actions may include, but are not limited to, participation in the pricing and sale of the 2013 Bonds, the distribution of information and material relating to the 2013 Bonds, the publication of any notices and consummation of any proceedings necessary to comply with the requirements of the Code, including any TEFRA requirements, the holding of any appropriate information meetings concerning the 2013 Bonds and the execution and delivery of any certificates or amendments to be delivered in connection with the issuance, sale or delivery of the 2013 Bonds and the refunding of the 2003 Bonds.

**Section 6.** All actions heretofore taken by the officers, representatives or agents of GEDA in connection with the issuance and sale of the 2013 Bonds are hereby ratified, confirmed and approved.

**Section 7.** This resolution shall take effect from and after its adoption.

Next for discussion was the approval of authorized signatories for GEDA accounts. Mr. Taitano submitted a revised list of new signatories for GEDA accounts, as follows:

**Authorized Certifying Officers**

- a. Administrator – Henry J. Taitano
- b. Deputy Administrator – Mana Silva Taijeron
- c. Administrative Services Officer – Gloria G. Molo

A motion was made by Director Mesa, seconded by Director Bordallo, and the following resolution was unanimously approved:

**Resolution 13-048**

***Resolved, that the Board approves the revised listing of new signatories for GEDA accounts as follows: Administrator, Henry J. Taitano, Deputy Administrator, Mana Silva Taijeron, and Administrative Services Officer, Gloria G. Molo.***

**Reports**

§7. The next item on the agenda is Division Reports. Division reports were provided in the packet.

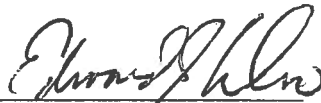
**Public Comments**

§9. The next item on the agenda is public comments. There were none.

**Adjournment**

§10. There being no further business to address before the Board, on motion duly made by Director Mesa, seconded by Vice Chairman John and unanimously approved by the Board, the meeting was adjourned at 2:46p.m.

Dated this 24<sup>th</sup> day of October, 2013



Edward J. Calvo  
Chairman

ATTEST:



Arlene P. Bordallo  
Secretary