

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF THE
GUAM ECONOMIC DEVELOPMENT AUTHORITY

December 5, 2016

Call to Order

§1. The regular meeting of the Board of Directors of the **Guam Economic Development Authority** (referred to as “GEDA” or the “Authority”) was held on December 5, 2016 at the hour of 1:34PM at the Guam Economic Development Authority conference room, Fifth Floor Suite 511, ITC Building, Tamuning, Guam. The meeting was called to order by Chairman Edward J. Calvo to consider several items on the agenda.

Attendance and Quorum

§2. Roll Call. As determined by the roll call, the following directors were present:

Directors:

Edward J. Calvo

David J. John

Vera Wu

Ernesto Espaldon Jr

Monte Mesa

Jay Rojas

Mana Silva Taijeron

Absent and excused was:

George Chiu

Offices or Positions:

Chairman

Vice Chairman

Secretary

Director

Director

Administrator

Deputy Administrator

Director

Also present were:

Lara Ozaki	Glimpses Publications
John O'Connor	Guam Daily Post
Angelene Guzman	GEDA
Mary Camacho	GEDA
Tina Garcia	GEDA
Bernice Torres	GEDA
Sydney Leon Guerrero	GEDA
Claire Cruz	GEDA
Mark Mendiola	GEDA
Mike Cruz	GEDA
RaeAnn LeFever	GEDA
John San Nicholas	GEDA
Ed Camacho	GEDA
Sheena Mitchell	GEDA
Diane Ollet	GEDA
Tony Arriola	GEDA
Matt Baza	GEDA
Julius Santos	GEDA
Larry Toves	GEDA
Jha'Aunie Leon Guerrero	GEDA
Tria Paulino	GEDA
Terry Brooks	Legal Counsel – Brooks Concepcion Law, PC

Approval of Agenda

§3. The first item considered was approval of the agenda. On motion duly made by Vice Chairman John and seconded by Director Espaldon to approve the agenda, the motion was unanimously approved.

Approval of Minutes

§4. Approval of minutes from the October 2016 board meeting was next on the agenda for consideration. Motion to approve the minutes was made by Director Espaldon and seconded by Director Mesa. The motion was unanimously approved.

Communications

§5. The next item on the agenda was Communications. Administrator, Jay Rojas wanted to recognize our MagPro winners – Supervisor of the Year and Merit of Excellence, Antonette Leon Guerrero and Manager of the Year, Claire Cruz. No decisions were made by the board.

Old Business

§6. The next item on the agenda was Old Business. Real Property Division presents the Ypao Park Lights Contract:

December 5, 2016

To: GEDA Board of Directors

From: Administrator

RE: IFB 17-001: Design and Construction of Lighting Improvements at Ypao Beach Park

BACKGROUND:

On October 5, 2016, GEDA publicized IFB 17-001 for the Design and Construction of Lighting Improvements at Ypao Beach Park. As of the bid closing date on the November 14, 2016 deadline, 5 bids were received. RPD, with concurrence with DPR staff, have evaluated all bids as follows:

- | | |
|-----------------------------|--------------|
| - Polyphase Systems Inc. | \$293,160.00 |
| - Canton Construction | \$301,500.00 |
| - REX International | \$476,500.00 |
| - Maeda Pacific Corporation | \$520,000.00 |
| - GPCC | \$578,281.96 |

ANALYSIS:

The estimated the cost for construction of these improvements were pegged at approximately \$230,000 for the base bid which consists of replacing and adding lighting fixtures, poles and electrical panels and controls, in and around the "festival" area of Ypao Beach Park which is adjacent and around the park's amphitheater structure.

Although the lowest bid was submitted by Polyphase, their bid contained some deficiencies as documented in the attached analysis by GEDA staff. However, each of these deficiencies were considered "minor informalities" as allowed by the procurement law on the basis that they did not affect the base bid price.

The IFB also identified optional work which might be undertaken depending upon DPR needs, cost and available project budget. Bid options include additional electrical and lighting infrastructure improvements to the rest of the park and its parking areas. Exercise of these options will be based on collaboration with DPR.

RECOMMENDATION:

GEDA staff recommends that the Board of Directors approve the award of a contract to Polyphase Systems, Inc. in the amount of \$293,160.00 for the base bid items of the Design and Construction of Lighting Improvements at Ypao Beach Park Project with options to be added as allowed within the project funding. Staff also recommends that the Board authorize the Administrator to execute the contract upon final review by Legal Counsel. Thereafter, BBMR, AG and Governor approvals will be required.

Approved

Disapproved

_____ Date: _____

EDWARD J. CALVO

Chairman of the Board

Attachment

MEMORANDUM

Date: November 22, 2016

To: GEDA Procurement Officer

From: Real Property Division Manager

Subject:IFB 17-001 Bid Analysis

In accordance with Section 5201 of Guam Procurement Law, all bidders were evaluated to determine if they were responsive to the requirements of the IFB. While Polyphase System's bid did not enter an amount on the first base bid item for 50% and 100% design, Rex International's bid indicated that it would have to confirm its subcontractors and Maeda Pacific's bid did not include a safety program and a quality control program, we have determined that the

absence of these in the Polyphase, Rex and Maeda bids constitute a "minor informality" because the absence of these have a negligible effect on price, quantity, quality, delivery or contractual conditions pursuant to 2 GAR Section 3109(m)(4). As a result, we have determined that all bidders submitted responsive bids.

Polyphase System Inc.'s bid package was further evaluated to determine if it was responsible and responsive. The results of our analysis are presented below.

5 GCA 5201(f) defines a responsible Bidder or Offeror as "a person who has the capability in all respects to perform fully the contract requirements, and the integrity and reliability which will assure good faith performance." Our findings are presented below:

1. Polyphase is licensed by Rev/Tax.
2. Polyphase has B and C Guam Contractor Licenses and Other for fire alarms, epoxy injection, solar power system, waterproofing, A/C and Sheet Metal. We have reviewed Polyphase's Guam Contractors License Board certifications and have determined that the C-13 and C-13A certifications allow Polyphase to conduct design and construction of electrical improvements as called for in IFB 17-001.
3. Polyphase had over \$4M in construction projects since 2013. Most of the projects were for the U. S. military however, in these projects, Polyphase was a subcontractor. Polyphase was the prime contractor in only one recent CNMI contract for repair of overhead and electrical distribution systems on Saipan after the recent major typhoon. As a result, we contacted by phone, the 3 references provided in Polyphase's bid package. DZSP 21, BME and Sons, Inc. and P&S Construction have indicated that Polyphase is a professional contractor who does good work. Contact with the Department of Public Works provided the same assessment of Polyphase's performance. Limited experience as a prime contractor is not expected to affect overall performance.
4. There are two subcontractors identified in Attachment E of the bid
 - a. Aquilino Cabrias, PE, SE is identified to perform Civil and Structural Design. All of his personal professional licenses (PE in Structural and Civil from California, PE from Guam, PE from CNMI) mentioned in the bid package have expired. As a result, the Guam PEALS Board registration list was checked and Mr. Cabrias is registered under CE1460/SE1710 and his registration is current.
 - b. Edilberto G. Sarmiento, PE will work on electrical design. Mr. Sarmiento's resume indicates that he is a "Professional Engineer (Electrical), Guam, No. 536, 1981." A PEALS certification is not included in the bid package so we checked to see whether he is currently locally registered. Mr. Sarmiento's PEALS license is EE536 and is current.
5. The project manager Raul Maniago, seems to be qualified but his resume showed experience only up to 2007. However, the bid form requires bidders to justify why this project manager was selected and this justification indicates his involvement in more recent projects (2013 to 2015).

Responsive Bidder means a person who has submitted a bid which conforms in all material respects to the Invitation for Bids. Our findings are presented below:

1. Polyphase did not enter an amount on the first base bid item for 50% and 100% design. However, contact with Polyphase by GEDA's Procurement Officer revealed that the cost for the first base bid item is

consolidated into the costs for the rest of the base bid items for a total base bid price of \$293,160. As IFB 17-001 is design-build, it is reasonable to combine design with construction costs. We have determined that the absence of a price in the first base bid item is a minor informality pursuant to 2 GAR Section 3109(m)(4) "Mistakes Discovered After Opening but Before Award" because the total base bid price includes all base bid items. The absence of a price in the first base bid item did not have an "effect on price, quantity, quality, delivery, or contractual conditions."

2. Bid bond is \$109,500 as opposed to 15% of base bid amount or \$43,974. Although we are unsure of the reason for submitting a higher bid bond, there is no problem in doing so.
3. Attachment F-6 states at No. (4) "Instructions – please attach the most recent wage determination applicable to Guam to this executed declaration when submitting as part of bid." While the executed declaration was submitted, the wage determination was not attached to the bid. We have determined that the completed declaration demonstrates a commitment to compliance with the wage determination so the absence of the pages that identify wages for various positions is a minor informality pursuant to 2 GAR Section 3109(m)(4). The absence of these pages has a negligible effect on price, quantity, quality or delivery.

Attached is an analysis of the requirements of the IFB and a determination on whether the bidders supplied that information in their bid package. Also attached is a comparison of the bids from each bidder, indicating that Polyphase's base bid is the lowest of all bids submitted.

Recommendation

Based upon our analysis, Polyphase Systems Inc. is the lowest, responsive and responsible bidder. We recommend award of the contract under IFB 17-001 to Polyphase System Inc.

LARRY TOVES

Attachments

The motion to approve was made by Director Mesa and seconded by Director Espaldon. The motion was unanimously approved by the board.

New Business

§7. The next item on the agenda was New Business. There was none.

Reports

§8. The next item on the agenda was Reports. Real Property Manager, Larry Toves gave updates. Bill 371-33 was passed by the legislature. The bill allows GEDA to lift the \$27 Million cap on the budget on the museum. The purpose and intent of this bill was to be able to pay the contractors and subcontractors because of the delays in the construction to get the museum open. Through the grace and support of Senator Rodriguez, we were able to get this bill introduced and unanimously approved by the legislature last week. GEDA will work with what we have within the HotBonds to finish the museum –about \$800,000.00. Part of the museum is currently open. The second floor is not finished – we are waiting for the exhibits in the main hall to be done, they are being fabricated right now and they are looking to have it completed by March 2017. The entire first floor is open to the public. Revenue is starting to be generated. Larry Toves then thanks the Management and the Board and most importantly, the RPD staff for supporting him with this project.

Tumon Flood –the Notice to Proceed was issued on November 29, 2016 and the contractor is going through the permitting process. Most of the permits were obtained by our consultant, Stanley Group. A lot of the preliminary leg-work has been done – it’s just a matter of the contractors stepping up to the plate to obtain their permits and proceed with the construction. In the next few months, up until about June – you’ll see work being done including installation of some trench drains in front of entrances to the hotels to capture more of the storm water. More storm water inlets will be added across San Vitores Road. The creation of some rain gardens - one of the options that GEDA was looking, is also being considered. There is quite a bit that will be happening with Phase II including the cleaning out of the existing Fujita Ponding Basin. GEDA is still looking into Phase III, the preferred option is to expand the retention area and ponding basin. GEDA would like to obtain more property to expand the existing retention system – while expensive it is less than other alternatives, including pumping the storm water out from Tumon. Vice Chairman asked if we’ve asked Stanley the question – How much less capacity would be required if we went instead of the 10 year flood, maybe a 3 year flood or an annual flood? Should we get the storm of all storms – tourists won’t be walking the streets. What we need is to ensure that when it rains on a day like today, for 15 minutes – that our drains aren’t flooding in something like that. Larry Toves responds that with the analysis that Stanley Group did – the 10-year plan required a 7-acre expansion. The 2-year plan required only an acre. Administrator, Jay Rojas mentioned that GEDA has all the studies – but a final review to determine which phase would be the best solution under current funding abilities has not been completed. When it is it will be shared with the board. Chairman Calvo asked about the cleaning out of the existing ponding basin – it’s not maximized? Larry Toves says that once they clean out some of the sediments, it’ll actually allow for more water retention. Larry also mentioned that he and his staff have been in touch with the adjacent land-owners, with the hope to do some expanding. There is a new owner of the property, Evergreen International. Vice Chairman John suggests that we purchase or lease an acre and a half and they can use it as their ponding basin. Chairman Calvo asks if we’ve had any feedback and Larry mentions that

they've had language barriers, but will continue to work with them. They are also looking at the old Fujita Hotel property as another option. So, Phase II is actively being pursued at this point and will work on Phase III before they complete Phase II. The only other project that's open is the Ypao Lights Contract.

Administrator, Jay Rojas mentioned that with SSBCI, some money has become available at the federal level in the amount of about \$60,000.00. GEDA has requested that the additional allocation be made to us. This money is in addition to our original allocation (from the states that weren't certified to offer that money for SSBCI) for small business lending. GEDA uses SSBCI to fund the loan guarantee program that we have with Community First and the Bank of Guam.

Director Mesa would like for us to work on some initiatives for 2017 with GIAA, GVB and the Port. He would like for us to be look at three objectives: 1) The regional cruise ship industry development. Mr. Mesa felt Guam must take the initiative to push this industry. Currently, cruise ships are coming from Japan, Australia and trans-Pacific travel. They look to have two phases, 1) a port call, to get numbers of people coming to Guam on cruise ship and 2) the development of economic activity for the region, having a small home port, especially for luxury yachts that are currently already going to Palau and Yap. We will need a cruise company to come in and look at Guam for that. 2) Director Mesa would like to have a working group to explore the opportunity for airline development for airline groups to attract them to Guam. 3) The Hotel QC, actively look for potential developers to come to Guam and invest Guam right now. Administrator Rojas mentions that we can do a road show similar to our investor conference that we are doing for our bond investors.

Rules and regulations have not been approved by CLTC, once that gets approved – we can look at the list of properties that we have to get them leased out or get them developed. Director Mesa would like for us to sit with some of the investors and land-owners for the Tumon properties, to see if they have any plans to develop.

Director Mesa would also like us to follow up on the Southern Redevelopment Plan sponsored by the Preservation Trust. Chairman Calvo would like to call a roundtable to see how we can move forward for potential development that can be good opportunities for the people of the south. Roundtable to include Guam Preservation Trust, Southern Mayors and GEDA. Vice Chairman John would like for us to be careful in what we push – he would like to help support it but not push it. Secretary Wu would like to see GEDA's role more defined. Chairman Calvo also mentioned that GEDA is very flexible. An MOA with Department of Chamorro Affairs regarding Chamorro Village is still with the Office of the Attorney General.

Business Development Manager, Ed Camacho reported on the success of the Guam Product Seal fair at GPO on Black Friday. 27 of our GPS members set up from 8AM-5PM at GPO, showcasing their products. Director Mesa mentioned that GPO is open to a possible GPS kiosk at GPO for GPS members to switch out on different days to sell their products to the public. All GPS were contacted to participate in the fair – the first 27 members that contacted us with interest were picked to participate in the Black Friday fair. Director Mesa also mentioned to open up the GPS kiosk idea to the other shopping centers to see if they would like to offer something to our GPS members to get more exposure.

Administrator, Jay Rojas welcomed Tria Paulino, Industry Specialist of Business Development and Diane Ollet of Administrative Services Division as their Accounting Supervisor filling Tom Paulino's position.

Larry Toves also mentioned that GEDA received payment for SH Enterprises' rent in the form of a cashiers check from First Hawaiian Bank.

No board approval was not needed.

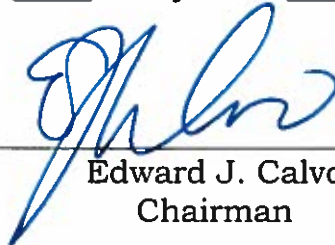
Public Comments

§9. The next item on the agenda was Public comments. There were none.

Adjournment


§10. Having no further items to discuss, on motion to adjourn duly made by Director Espaldon and seconded by Director Mesa, at 2:29PM, the meeting was adjourned.

Dated this 29th day of December, 2016



Edward J. Calvo
Chairman

ATTEST:



Vera Wu
Secretary