



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

| | | |
|-------------------------------|---|------------------|
| IN THE MATTER OF: |) | |
| |) | PAG Docket 25-01 |
| |) | |
| THE PORT AUTHORITY OF GUAM'S |) | ALJ REPORT |
| PETITION TO INCREASE FUNDING |) | |
| FOR THE WATERLINE REPLACEMENT |) | |
| PROJECT AGREEMENT AND FOR |) | |
| APPROVAL OF AMENDMENT |) | |
| NO. 2 |) | |

INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] pursuant to the February 6, 2025, Port Authority of Guam ["PAG"] Petition to increase funding for the BME & Son's, Inc. Waterline Replacement Project Agreement, and for approval of Amendment No. 2.¹

BACKGROUND

On February 24, 2022, the PUC approved the PAG Waterline Replacement Project Award to BME & Son's, Inc. ["BME"] in the amount of Four Million Eight Hundred Fifty-Six Thousand Five Hundred Sixty-Eight dollars and Ninety-One Cents (\$4,856,568.91).² The project is for the construction of a new waterline piping system and Fire Protection pipelines that will feed all infrastructure buildings inside the Port of Guam yard and Cabras Island.³

BME has proceeded diligently to execute the project. However, the Port and BME have identified several conditions in the field that have prevented BME from performing the

¹ PAG Petition, PAG Docket 25-01, dated February 6, 2025 at p. 1.

² PUC Order, PAG Docket 22-02, dated February 24, 2022 at p. 8.

³ PAG Petition at p. 1.

work as designed and planned. In addition, the current scope of work does not include certain items “necessary to have a complete working waterline system.”⁴ The Port is requesting that the PUC approve Amendment No. 2 to the Construction Agreement between the Port and BME. A true and correct copy of Amendment No. 2 is attached hereto as Exhibit “1”.

Proposed Amendment No. 2 would increase the total funding for the PAG-BME Waterline Replacement Agreement in the amount of \$691,698.65. This cost increase was negotiated by the parties. The six major changes negotiated to the scope of work of the Agreement are as follows:

- (1) Removal and replacement of 22 total Fire Hydrants;
- (2) Realignment of waterline at STA 20 (a devanning ramp was built previously and there is a need for re-routing of the pipes);
- (3) Addition of 140 linear feet to connect piping to the GWA water meter;
- (4) Re-routing of pipes at STA 41;
- (5) Replacement of CFS Building connection pipe for Fire Suppression System (corroded and unusable), and repair of leak;
- (6) Installation of Water Tank Back Flow Preventer appurtenances (not installed when the tank was built).

The full additional services which BME will perform for the change orders to the Scope of Work are set forth in detail in the attachments to Amendment No. 2 (Exhibit 1 hereto). The cost breakdown for each of these six items is indicated in the Memorandum of Negotiations, dated January 10, 2025, and attached hereto as Exhibit “2”.

⁴Id.

The Port has extended the period for performance under the BME Agreement. The original period of performance in the Agreement was for one year (365 calendar days), with the projected completion date as February 4, 2024. The parties, in Amendment No. 1 to the Agreement, extended the time for the waterline project for 331 additional calendar days, with a new contract completion date of December 21, 2024.⁵ If approved by the PUC, Amendment No. 2 would further extend the Contract for 394 Calendar days, for a total of 1090 calendar days from the issuance of the Building Permit. Under the new contract period for performance, the project must be completed by January 29, 2026.⁶

The Port Board of Directors has not yet met to approve the instant petition filed with the PUC. The Port anticipates that the Port Board will approve the petition at its February 27, 2025, monthly meeting.⁷

ANALYSIS

1. PAG's Contract Review Protocol.

The PAG petition indicates that it seeks PUC approval under the Contract Review Protocol, PAG Docket 09-01, Section 10: "PAG shall not incur expenses for PUC approved **internally financed contracts and obligations** in excess of 10% over the amount authorized by the Commission without PUC approval." (emphasis added). However, this particular provision is not applicable to PAG's petition. The Waterline Replacement Project is not an "internally financed contract" or obligation. This project

⁵ PAG Petition at p. 15, Inter-Office Memorandum dated January 22, 2024, Subject: Proposed Amendment No. 1 for No Cost Time Extension for Waterline Project.

⁶ PAG Petition at p. 4, Amendment No. 2; PAG Petition at pgs. 28-29, Inter-Office Memorandum dated January 27, 2025.

⁷ PAG Petition at p. 2.

is funded from Bond Funds.⁸ In accordance with par. 1(d) of the Contract Review Protocol, PAG is required to file a petition with the PUC seeking approval for “any use of bond proceeds.”⁹ In addition, Section 10 of the Protocol provides that “**PAG shall not increase the amount of any externally financed obligation without prior PUC approval.**”¹⁰ (emphasis added).

2. An Increase in Funding for the Waterline Replacement Project Agreement is necessary to ensure that its intended purposes are accomplished.

PAG’s petition states that “[T]he approval of Amendment No. 2 for IFB-PAG-CIP-021-005, Waterline Replacement Project, will ensure and enhance the Port’s capability to supply the water necessary to contain and extinguish a fire.”¹¹ The Port receives, transports and stores a variety of cargo and materials, some of which is highly flammable and/or explosive.¹² Certain specialized equipment at the Port contains significant quantities of fuel and other flammable fluids: “implementing fire safety measures is crucial to safe guarding the Port facilities and logistics terminal from potential fire incidents and ensuring the protection of personnel and assets.”¹³

The current state of the fire hydrants provides a significant challenge to the Port’s fire fighting capabilities should a fire occur on the dock side.¹⁴ As mentioned, 22 total Fire Hydrants will be replaced.

The waterline must be re-routed around the cargo ramp in order to complete the new connections.¹⁵ The PAG engineering Department recommended that there be

⁸ PUC Order, PAG Docket 22-02, dated February 24, 2022, at p. 3.

⁹ Contract Review Protocol, PAG Docket 09-01, par. 1(d) at p. 1.

¹⁰ Id. at par 10, p. 4.

¹¹ PAG Petition at p. 1.

¹² Id.

¹³ Id. at pgs. 1-2.

¹⁴ PAG Petition, Amendment No. 2, at p. 3.

modifications from the point of connection to the new waterline.¹⁶ Repairing the water leak in the CFS fire system will activate the CFS Fire Protection System if no other leaks develop.¹⁷

3. The cost for the additional Waterline Replacement Project is reasonable.

The parties negotiated the cost of the six additional items. The BME Cost Proposal was for \$705,663.98. The negotiated cost was reduced to \$691,698.65.¹⁸ The PAG CIP Manager has reviewed the proposed Amendment No. 2 and finds the amount to be fair and reasonable based on cost comparison and pricing data in the original bid.¹⁹ The PAG team used the contract's schedule of values, as well as market research, and field measurements for quantity, to derive the cost estimates.²⁰

RECOMMENDATION

For the reason set forth herein, the Administrative Law Judge recommends that the PUC approve Amendment No. 2 to the Construction Agreement between Port and BME & Son's, Inc. The Port should be authorized to expend the additional sum of \$691,698.65 for the new items in the scope of work. The total Agreement funding should be increased from \$4,856,568.91 to \$5,548,267.56. The 394 Calendar Days Contract Extension in Amendment No. 2 should also be approved. The completion of the additional cost items indicated in PAG's Petition will improve the Waterline Replacement Project and assist PAG in further modernizing its infrastructure and facilities.

¹⁵ Id.

¹⁶ PAG Petition, Inter-Office Memorandum dated October 8, 2024 from CIP & Engineering Manager to Rory J. Respicio, General Manager, at p. 43.

¹⁷ Id.

¹⁸ See Exhibit "2".


¹⁹ PAG Petition at p. 1.

²⁰ PAG Petition, Memorandum of Negotiations for Amendment No. 2, dated January 10, 2025, at p. 42.

ALJ Report
PAG Petition for Funding Increase
for the Waterline Replacement Project
PAG Docket 25-01
February 14, 2025

A Proposed Order is submitted herewith for the Commissioners' consideration.

Respectfully submitted this 14th day of February, 2025.


Frederick J. Horecky
Chief Administrative Law Judge

AMENDMENT NO. 2

**AMENDMENT TO THE CONSTRUCTION AGREEMENT BETWEEN
THE
JOSE D. LEON GUERRERO COMMERCIAL PORT
AND
BME & SONS, INC.**

This Amendment to the Agreement is entered into by and between the JOSE D. LEON GUERRERO COMMERCIAL PORT (hereinafter referred to as the "Port") whose address is 1026 Cabras Highway, Suite 201, Piti, Guam 96915, and BME & SONS, INC. (hereinafter referred to as the "CONTRACTOR") whose address is P.O. Box 24402, Barrigada, Guam 96921 and (hereinafter referred to collectively as the "Parties").

RECITALS

WHEREAS, the Port and contractor entered into an Agreement for Construction Services on March 3, 2022 for the Waterline Replacement Project (IPB-021-005); and

WHEREAS, the proposed Amendment No. 2 was originally submitted by BME & Sons, Inc. on August 21, 2024, with an original proposed cost of \$705,663.98. The Ports CIP division requested to negotiate with BME & Sons, Inc., and was able to save the Port Authority of Guam \$13,965.33. The new negotiated and agreed amount is \$691,698.65. The Port Authority of Guam's General Manager has approved the negotiated and agreed amount on January 17, 2025 (please see attached supporting documents). This Amendment No. 2 is to address the following challenges currently present on the construction site. The original direction of the path of the waterline on the original approved drawings are currently obstructed by a concrete cargo ramp that is used for Port operations. The construction of this concrete cargo ramp was constructed after the original waterline drawings were signed and approved. Therefore, the waterline must be re-routed around the cargo ramp in order to complete the new connections. Furthermore, when the original drawings and designs were sign and approved, the underground fire hydrants were operable and replacement was not considered. Today, these fire hydrants are deemed corroded and inoperable. The current state of these fire hydrants provides a significant challenge in our firefighting capabilities should a fire occur on the dockside. Additionally, BME and Sons is requesting for an additional 394 calendar day to complete this project. This would make the new completion date January 29, 2026. Both parties have agreed to perform and complete the attached scope of work (Exhibit A). BME and Sons, Inc. must comply to all terms and condition of the agreement IFB 021-005 Waterline Replacement Project.

WHEREAS, the original term of this contract was for a period of performance of Three Hundred and Sixty-Five (365) calendars days from the Notice to Proceed.

WHEREAS, in the proposed Amendment No. 1 letter submitted by BME & Sons, Inc. on January 12, 2022 and approved by the Port Authority of Guam's Acting General Manager, Dominic G. Muna on January 24, 2024. In which both parties have mutually agreed (please see all supporting documents) and



that this approved Amendment No. 1 does not require any additional funding and has been approved for an additional Three Hundred and Thirty-One (331) calendar days,

NOW THEREFORE, by mutual agreement of the parties, in consideration of this amendment. The Agreement is hereby amended in accordance with section 21.8 of the original contract agreement to modify the following sections:

2.1 Terms of Agreement as follows

| | | |
|----|------------------------------------|--------------------------|
| 1. | Original Contract Period | 365 Calendar Days |
| 2. | Contract Extension/Amendment No. 1 | 331 Calendar Days |
| 3. | Contract Extension/Amendment No. 2 | <u>394 Calendar Days</u> |
| 4. | New Contract Period | 1090 Calendar Days |

3.1 Compensation

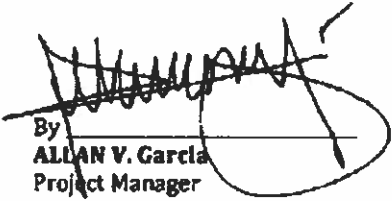
| | | |
|----|--------------------------|----------------------|
| 1. | Original Contract Amount | \$4,856,568.91 |
| 2. | Amendment No. 2 | <u>\$ 691,698.65</u> |
| 3. | New Contract Amount | \$5,548,267.56 |

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to the Agreement by their signatures on the dates as written below:

JOSE D. LEON GUERRERO
COMMERCIAL PORT
Port Authority of Guam

BME & SONS, INC.

By 
RORY J. RESPICIO
General Manager

By 
ALLAN V. Garcia
Project Manager

Date:

1/22/25

Date:

01-21-2025

Reviewed By:

By 
JAMES L. CANTO
Legal Counsel, Port Authority of Guam

Certification of Funds:

By 
JOSE B. GUEVARA III
Chief Financial Officer



BME & SONS INC.

GENERAL CONTRACTOR & EQUIPMENT RENTALS
10000 10th Street, Suite 100
San Diego, CA 92121
(619) 594-1111

PROJECT TITLE: WLRP - WATERLINE REPLACEMENT PROJECT

CONTRACT No: IFB-PAG-CIP-021-005

DATE: 01/08/2025

SUBJECT: ~~SCOPE~~ SCOPE OF WORK - CHANGE ORDER

1.0 PHASE 1A -Additional 140ft. @ Phase 1A, connecting new waterline pipe on the main water meter of GWA, Route 11.

A. Demolition works

- a. Set-up & removal of safety fence / concrete barrier along route 11
- b. Demolition of existing AC pavement along Sta 0+00 up to the master water meter (GWA) along route 11
- c. Waste disposal of demolished materials
- d. GPR scanning for existing underground utilities
- e. Conduct survey, layout & report

B. New Works

- a. Erosion & sediment controls.
 - [a 1] Removal and installation of erosion controls
- b. Earthworks including excavation, bedding, sand, backfill & disposal
 - [b 1] For 16" Ø waterline
 - [b 1 1] excavation & disposal
 - [b 1 2] Placement of bedding
 - [b 1 3] Placement of flowable fill
- c. 16" Ø C900 PVC Pipe, including fittings and other appurtenances
 - [c 1] Provide 16" Ø C900 Pipe

- [d 1] Provide compacted base course
- [d 2] Placement of concrete

Prepared by


Project Engineer

EXHIBIT A



BME & SONS INC.

GENERAL CONTRACTOR & MAINTENANCE
14141 14th Ave. N.E.
Bellevue, WA 98005
Tel: 206.461.1111

PROJECT TITLE WLRP - WATERLINE REPLACEMENT PROJECT

CONTRACT No IFB-PAG-CIP-021-005

DATE 01/08/2025

SUBJECT SCOPE OF WORK - CHANGE ORDER

2.0 Re-routing of waterline @ sta 41+00 to sta.42+50

A. Demolition works

- a Set-up & removal of safety fence / concrete barrier @ PAG Yard
- b Demolish bituminous Pavement
- c Disposal of demolished materials

B. New Works

- b Erosion & sediment controls
 - [a 1] Removal and installation of erosion controls
- b Earthworks including excavation, bedding sand, backfill & disposal
 - [b 1] For 12" Ø waterline
 - [b 1.1] excavation & disposal
 - [b 1.2] Placement of bedding
 - [b 1.3] Placement of flowable fill
- d 12" Ø C900 PVC Pipe including fittings and other appurtenances
 - [d 1] Provide 12" Ø C900 Pipe
 - [d 2] Detectable warning tape and bare copper wire

[e 1] Restoration of affected 3' thick asphalt pavement

Prepared by

01/08/2025 4pm

Project Engineer

EXHIBIT A



BME & SONS INC.

GENERAL CONTRACTORS & EQUIPMENT RENTALS
1000 S. 10TH AVE. SUITE 100
DENVER, CO 80202
(303) 733-1111

PROJECT TITLE WLRP WATERLINE REPLACEMENT PROJECT

CONTRACT No IFB PAG-CIP-021-005

DATE 01/08/2025

SUBJECT SCOPE OF WORK - CHANGE ORDER

3.0 Re-alignment @ Sta.20+66.87 to Sta.15+00

A Demolition works

- a Set-up & removal of safety fence / concrete barrier along route 11
- b Demolition of existing AC pavement along Sta 0+00 up to the master water meter (GWA) along route 11
- c Waste disposal of demolished materials
- d GPR scanning for existing underground utilities
- e Conduct survey, layout & report.

B New Works

- [a] Erosion & sediment controls
- [a 1] Removal and installation of erosion controls

b Earthworks including excavation, bedding sand, backfill & disposal

- [b 1] For 6" Ø waterline
 - [b 1 1] Excavation & disposal
 - [b 1 2] Placement of bedding
 - [b 1 3] Placement of flowable fill
- [b 2] For 12" Ø waterline
 - [b 2 1] Excavation & disposal
 - [b 2 2] Placement of bedding
 - [b 2 3] Placement of flowable fill

c 6" Ø C900 PVC Pipe, including fittings and other appurtenances

- [c 1] Provide 6" Ø C900 Pipe
- [c 2] Detectible warning tape and bare copper wire
- [c 3] 6" Ø x 90° DI Bend MJ
- [c 4] 6" Ø x 22.5° DI Bend MJ
- [c 5] 6" Ø Stargrip 4000
- [c 6] Thrust block
- [c 7] Miscellaneous
- [c 8] Chlorination & Hydrotesting


d 12" Ø C900 PVC Pipe, including fittings and other appurtenances

- [d 1] Provide 12" Ø C900 Pipe
- [d 2] Detectible warning tape and bare copper wire
- [d 3] 12" Ø 11.25° DI Bend MJ
- [d 4] 12" Ø 22.25° DI Bend MJ
- [d 5] 12" Ø x 45° DI Bend MJ
- [d 6] 12" Ø x 90° DI Bend MJ
- [d 7] 12" Ø x 12" Ø DI Tee MJ
- [d 8] 12" Ø Stargrip 4000
- [d 9] Thrust block
- [d 10] Miscellaneous
- [d 11] Chlorination & Hydrotesting

e Restoration of concrete pavement

- [e 1] Provide compacted base coarse
- [e 2] Placement of concrete

Prepared by:

 01.08.2025, 4pm

Project Engineer

EXHIBIT A



BME & SONS INC.

GENERAL CONTRACTOR & SUBCONTRACTOR
1410 South Street
P.O. Box 100
New York, NY 10013-0100
Tel: (212) 251-1234
Fax: (212) 251-1235

PROJECT TITLE WLRP - WATERLINE REPLACEMENT PROJECT

CONTRACT No IFB-PAG CIP-021-005

DATE 01/08/2025

SUBJECT SCOPE OF WORK - CHANGE ORDER

4.0 Replacement of Fire Pump Control Valve and Backflow Preventer next to water tank

A. Demolition works

- [a] Demolish bituminous Pavement.
- [b] Disposal of demolished materials.

B. New Works

- [a] Earthworks including excavation, bedding sand, backfill & disposal

- [a 1] Excavation & Disposal
- [a 2] Placement of bedding
- [a 3] Placement of Flowable Fill

- [b] Installation of 4" Ø Fire Pump Control Flow Valve and Back Flow Preventer

- [b 1] Dis-assembly & installation of Pipes & fittings

- [c] Tapping to existing Lines

- [d] Restoration of concrete pavement

- [d 1] Provide compacted base coarse
- [d 2] Placement of concrete

Prepared by


 01-08-2025, 4pm
Project Engineer

EXHIBIT A



BME & SONS INC.

GENERAL CONTRACTOR & EQUIPMENT RENTAL
1725 S. 10TH AVE. SUITE 100
MILWAUKEE, WI 53215

PROJECT TITLE WLRP - WATERLINE REPLACEMENT PROJECT

CONTRACT No IFB-PAG-CIP-021-005

DATE 01/08/2025

SUBJECT SCOPE OF WORK - CHANGE ORDER

5.0 Replacement of connection Pipe and Appurtenances of CFS, from the connection point of new waterline to the inside wall of CFS Building.

A. Demolition works

- [a] Demolish bituminous Pavement
- [b] Disposal of demolished materials

B. New Works

- [a] Earthworks including excavation bedding sand, backfill & disposal

- [a 1] Excavation & Disposal
- [a 2] Placement of bedding
- [a 3] Placement of Flowable Fill

- [b] Installation of connection Pipe and appurtenances

- [b 1] Dis-assembly of existing pipes & fittings
- [b 2] Assembly & installation of pipes & fittings

- [c] Tapping to existing lines

- [d] Restoration of concrete pavement

- [d 1] Provide compacted base coarse
- [d 2] Placement of concrete

Prepared by


Project Engineer

EXHIBIT A



BME & SONS INC.

GENERAL CONTRACTOR & CONCRETE SPECIALIST
10000 Highway 101, Suite 100
Mississauga, Ontario L4V 1P9
Tel: (905) 270-1111
Fax: (905) 270-1112

PROJECT TITLE WLRP - WATERLINE REPLACEMENT PROJECT

CONTRACT No IFB-PAG-CIP 021-005

DATE 01/08/2025

SUBJECT: SCOPE OF WORK - CHANGE ORDER

6.0 Supply & Installation of Fire Hydrants

6.1 FIRE HYDRANT, STANDPIPE TYPE

A. Demolition works

- (a) Demolish bituminous Pavement**
- (b) Disposal of demolished materials**

B. New Works

- (a) Earthworks including excavation bedding sand backfill & disposal**

- (a 1) Excavation & Disposal**
- (a 2) Placement of bedding**
- (a 3) Placement of Flowable Fill**

- (b) Supply & Installation of pipes fittings & appurtenances**

- (b 1) 6" Ø C900 Pipe**
- (b 2) 6" x 6" Break off riser dipped (painted black) and cement lined**
- (b 3) 6" 316SSTL Hydrant Solid Set Bolt up kit with 1/8" Red Rubber FF Gasket, 6Holes**
- (b 4) 6" x 42" MJ x FE Bury dipped (painted black) and cement lined Rubber FF Gasket, 6Holes**
- (b 5) 6" Stargrip series 4000MJ restraints for C900 Pipes**
- (b 6) Clow model 860 wet barrel FH**
- (b 7) Concrete Thrust Block**
- (b 8) Detectable warning tape & bare copper wire**
- (b 9) Pipe Bollard with paint**

- (c) Dismantling & disposal of Existing Fire Hydrant**

- (d) Restoration of concrete pavement**
 - (d 1) Provide compacted base coarse**
 - (d 2) Placement of concrete**

6.2 FIRE HYDRANT, FLUSH MOUNTED TYPE

A. Demolition works

- (a) Demolish bituminous Pavement**
- (b) Disposal of demolished materials**

B. New Works

- (a) Earthworks including excavation bedding sand backfill & disposal**

- (a 1) Excavation & Disposal**
- (a 2) Placement of bedding**
- (a 3) Placement of Flowable Fill**

- (b) Supply & installation of pipes fittings & appurtenances**

- (b 1) 6" Ø C900 PVC Pipe**
- (b 2) 6" 316SSTL Hydrant Solid Set Bolt up kit with 1/8" Red Rubber FF Gasket, 6Holes**
- (b 3) 6" x 42" MJ x FE Bury dipped (painted black) and cement lined Rubber FF Gasket, 6Holes**



BME & SONS INC.

GENERAL CONTRACTOR & EQUIPMENT RENTAL
1000 N. 10th Street, Suite 100
Tulsa, Oklahoma 74103
(918) 438-1234

- (b 4) 6 Stargrip series 4000MJ restraints for C900 Pipes
- (b 8) FH FLUSH TYPE
- (b 7) Concrete Thrust Block
- (b 8) Detectable warning tape & bare copper wire
- (b 9) C I Manhole Cover

(c) Dismantling & disposal of Existing Fire Hydrant

6.3 FIRE HYDRANT, FLUSH MOUNTED TYPE (@ Concrete Deck)

A. New Works

(a) Supply & installation of pipes fittings & appurtenances

- (a.1) 6" Ø C900 PVC Pipe
- (a.2) 6" 316SSTL Hydrant Solid Set Bolt up kit with 1/8" Red Rubber FF Gasket 6Holes
- (a.3) 6" x 42" MJ x FE Bury, dipped (painted black) and cement lined Rubber FF Gasket, 6Holes
- (a.4) 6" Stargrip series 4000MJ restraints for C900 Pipes
- (a.5) FH Flush Type
- (a 6) C I Manhole Cover
- (a 7) Floating Barge for removal and replacement of existing FH under concrete deck

(b) Dismantling & disposal of existing Fire Hydrant

Prepared by

01-08-20X, 4pm

Project Engineer

EXHIBIT A

AMENDMENT NO. 1

**AMENDMENT TO THE CONSTRUCTION AGREEMENT BETWEEN
THE
JOSE D. LEON GUERRERO COMMERCIAL PORT
AND
BME and Sons, Inc.**

This Amendment to the Agreement is entered into by and between the JOSE D. LEON GUERRERO COMMERCIAL PORT (hereinafter referred to as the "Port") whose address is 1036 Cabras Highway, Suite 201; Piti, Guam 96915, and BME and Sons, Inc. (hereinafter referred to as the "Contractor") authorized and licensed to do business in Guam, whose address is P.O. Box 24402, Barrigada, Guam 96921 and (hereinafter referred to collectively as the "Parties").

WITNESSETH:

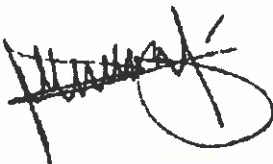
WHEREAS, the Port and contractor entered into a Contract Agreement IFB-PAG-CIP No. -022-005, on or about March 3, 2022 for the *Waterline Replacement Project*; and

WHEREAS, the original term of this contract was for a period of Three Hundred Sixty-Five Calendar Days (365) calendars days from issuance of Notice to Proceed.

WHEREAS, is in the proposed Amendment No.1 letter submitted by BME and Sons, Inc. on January 12, 2022 and approved by the Acting General Manager, Dominic G. Muna of the Port Authority of Guam on January 24, 2024. In which all both parties have mutually agreed (please see supporting documents) and that this approved Amendment No.1 does not require any additional funding and has been approved for an additional Three Hundred Thirty-One (331) calendar days.

NOW THEREFORE, by mutual agreement by the parties, in consideration of this amendment. The Agreement is hereby amended in accordance with section 2.1.8 of the original contract to modify section 2.1 Term of Agreement as follows:

- | | |
|--|----------------------------|
| 1. Original Contract Period | 365 calendar days upon NTP |
| 2. Contract Extension: Amendment No. 1 | <u>331 calendar days</u> |
| 3. New Contract Period | 696 Calendar Days from NTP |



IN WITNESS WHEREOF, the parties hereto have executed this Amendment to the Agreement
by their signatures on the dates as written below:

JOSE D. LEON GUERRERO
COMMERCIAL PORT
Port Authority of Guam

By: 
RORY J. RESPICIO
General Manager

Date: 2/8/24

BME and Sons, Inc.

By: 
ALLAN V. GARCIA
Project Manager

Date:

CERTIFICATION OF AVAILABILITY OF FUNDS

No Funds Required/No Signature Required
JOSE B GUEVARA III
Chief Financial Officer, Port of Guam

Date:



PORT OF GUAM
ATURIDATI PUETTON GUAHAN
Jose D. Leon Guerrero Commercial Port
1026 Cabras Highway, Suite 201, P.O. Guam 96915
Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445
Website: www.portguam.com



Lourdes A. Leon Guerrero
Governor of Guam
Joshua F. Tenorio
Lieutenant Governor

DETERMINATION TO EXTEND CONTRACT TERM

MEMORANDUM

TO: Procurement Record
FROM: Procurement Officer
DATE: January 29, 2024
RE: IFB-PAG-CIP-021-005 re: Procurement of Waterline Replacement Project
SUBJECT: Determination to Extend Contract Term

STATEMENT OF FINDINGS:

1. This Determination to extend the Contract Term is issued pursuant to 2 GAR, Div. 4, § 3119(k)(2), which requires a written determination to be prepared when a contract allows extension or renewal of the contract terms, and the government of Guam elects to exercise the extension or renewal.
2. Pursuant to the terms of the Agreement, the term of this Agreement may be extended in the best interests of the Port Authority of Guam. Before exercising this extension, the Procurement Officer of the Port Authority of Guam has attempted to ascertain whether a competitive procurement is practical, in terms of pertinent competitive and cost factors, and if it would be more advantageous to the territory than an extension of the existing contract at this time. However, after further review it would not be practical to re-solicit a competitive procurement. The extension requested by the contractor is fair and reasonable.
3. After conducting analysis of these factors and the current circumstances, it is determined that it is in Port's best interest to enter into an extension of the Agreement for this particular project for 313 Calendar Days. This is due to the impact of Typhoon Mawar, delay in the review and permitting process of the Port's project submittal, and additional delays were due to unforeseen findings discovered below the surface. These findings such as additional concrete and pavement require additional specialized equipment and manpower. This extension is offered to achieve economy and to comply with current budgetary restraints. This extension is further offered to achieve the goals of the Port and the solicitation in the most effective and timely manner. The Procurement Officer will ensure that statutory or other prohibitions are not violated by the terms of this extension and that all budgetary, funding, or other required prior approvals are obtained.

I have caused this determination to be placed within the Procurement Record for solicitation IFB PAG-CIP-021-005 Waterline Replacement Project.

Rory J. Respicio
Procurement Officer
Port Authority of Guam



PORT OF GUAM
ATU/RIDATI PUSTON GUAMAN
Jose D. Leon Guerrero Commercial Port
1036 Cabras Highway, Suite 201, P.O. Box 96925
Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445
Website: www.portguam.com



Loures A. Leon Guerrero
Governor of Guam
Joshua P. Tenorio
Lieutenant Governor


January 22, 2024

INTER-OFFICE MEMORANDUM

RECEIVED
General Manager's Office
Port Authority of Guam

TO: Acting General Manager

VIA: Deputy General Manager Operations
Deputy General Manager of Admin/Finance

FROM: CIP Manager 

SUBJECT: Proposed Amendment No. 1 No Cost Time Extension for Waterline Project, IFB-PAG-CIP-021-005

PAG Engineering has received a request for Time Extension from BME for the above-mentioned project. The current scope of work cannot be completed as planned due to thickness in concrete pavement, encountered hard rock materials during excavation, and additional concrete encasement for utility crossing. Upon review of the proposed time extension for the amendment, PAG Engineering finds it to be fair and reasonable.

Upon approval of the Proposed Amendment No. 1, the following revisions shall be made to the contract:

| | |
|--------------------------------------|---|
| Current Contract: | |
| Period of Performance: | 365 Calendar Days (after issuance of building permit) |
| Project Completion Date: | February 4, 2024 |
| Proposed Changes: | |
| Time Extension: | 331 Calendar Days |
| New Period of Performance: | 696 Calendar Days |
| New Contract Completion Date: | December 31, 2024 |

Please feel free to contact the Engineering Division at (671) 564- 5990, for any questions or concerns. *Si Yu'os Ma'ase*

Cc: Finance Division
Procurement Division
Planning Division

*** Authorized Signatures Appear Below ***

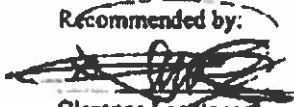
Approved



Dominic G. Muna
Acting General Manager

Disapproved

Recommended by:



Clarence Lagalang
CIP Manager

Reviewed by:



Jerome C. Valdez
PAO Engineer



BME & SONS INC.

GENERAL CONTRACTOR & EQUIPMENT RENTAL

January 12, 2024

Port Authority Guam
8026 Cabras Highway, Suite 201 PH
Guam 96915

Attn: Rory J. Rasplio
PAG General Manager

Thru: Clarence Lagutang
CP Manager

Reference: PAG Waterline Replacement Project

Subject: Time Extension Request

Dear Sir Clarence,

In reference to the above project contract, we would like to request a Time Extension from February 04, 2024, to December 31, 2024 due to the following justification below.

Unforeseen site condition encountered at Route 11 that causes delay on the project. Below are the following causes of delays.

1. The thickness of existing concrete pavement is 7-inches compared to 3-inches on the contract drawing. Additional saw-cutting works and pavement demolition works required w/c caused a delay on the project.
2. Encountered hard rock materials during excavation works. We needed to provide a concrete breaker to remove the hard rock materials, and this caused a delay to the project.
3. Additional concrete encasement for utility crossing which is not shown on the plan. This required additional working days to construct.

Anticipated Delay in the PAG Yard due to expected unforeseen site conditions which is mostly similar to the above justifications. Also, considering the PAG Yard operation that we expect some interruption during workdays due to the vessel's arrival.

Please see attached updated construction schedule.

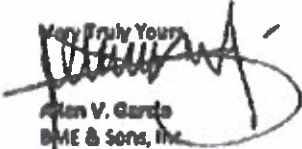
Your kind consideration and favorable approval of this request is greatly appreciated. Please feel free to contact us should you have any questions or concerns regarding the above proposal.



BME & SONS INC.

GENERAL CONTRACTOR & EQUIPMENT RENTAL

Very Truly Yours


Allen V. Garza
BME & Sons, Inc.
Project Manager
671-777-7045

P.O. Box 244021 Santiago, Guam 96921
Tel: (671) 632-3338 • (671) 632-3198
Fax: (671) 632-3334
am@bmeandsons.com



PORT OF GUAM
ATURIDAT / PUETTON GUAHAN
Jose D. Leon Guerrero Commercial Port
1026 Cabras Highway, Suite 201, Piti, Guam 96915
Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445
Website: www.portguam.com



Lourdes A. Leon Guerrero
Governor of Guam
Joshua F. Tenorio
Lieutenant Governor

Memorandum of Negotiations

MEMORANDUM

TO: Procurement Record
FROM: Procurement Officer
DATE: January 10, 2025
RE: IFB-PAG-CIP-021-005 re: Procurement of Waterline Replacement Project
SUBJECT: Memorandum of Negotiation for Amendment No. 2

1. Remove and replace 22 total Fire Hydrants (not in scope)
2. Realignment of waterline at STA 20 (devanning ramp was built prior and need to re-route pipes)
3. Additional 140 LF to connect to GWA water meter
4. Re-route pipes at STA 41
5. Replace CFS connection pipe for Fire Suppression System (corroded and unusable)
6. Water Tank back flow preventer appurtenances (not installed in the original contract when tank was built)

The PAG team used the contractor's schedule of values, as well as market research, and field measurements for quantity to derive the cost estimates. During discussions of rationale, contractor stated that the schedule of values used are over 2 years old and DOL rates have changed/Increased, as well as cost and shipping of materials. Government estimates have a range that we've put together and negotiated in good faith. As a result, the figures below are the agreed to cost to proceed:

| Item | BME Cost Proposal | *PAG CE | Negotiated Cost |
|---------------------|----------------------|----------------------|----------------------|
| Fire Hydrants | \$ 386,873.27 | \$ 345,548.11 | \$ 380,000 |
| Re-alignment STA 20 | \$ 164,413.42 | \$ 119,389.86 | \$ 160,000.00 |
| Add'l 140 LF | \$ 63,710.31 | \$ 68,838.68 | \$ 65,000.00 |
| Re-route STA 41 | \$ 39,673.95 | \$ 38,585.95 | \$ 38,585.95 |
| CFS FPS connection | \$ 27,130.71 | \$ 25,112.70 | \$ 25,112.70 |
| Back Flow preventer | \$ 23,862.32 | \$ 20,100.00 | \$ 23,000.00 |
| TOTAL | \$ 705,663.98 | \$ 617,575.30 | \$ 691,698.65 |

Negotiations were recorded and on file with Procurement.

for [Signature]

Clarence Lagutang
CIP & Engineering Manager
Port Authority of Guam