



MEDIA FACT SHEET

Announcement of OAE Contract

March 12, 2009

WHAT IS THE OAE?

In October 2008, the Port Authority issued an RFP for Owner's Agent/Engineer Services (OAE). The qualified engineering firm will provide technical services for the modernization of the Port's Commercial Cargo Terminal. The OAE will be responsible for defining requirements, monitoring compliance and assuring the delivery by others in meeting performance benchmarks related to the Port Modernization Program.

WHO WAS AWARDED THE CONTRACT?

Parsons Brinckerhoff International, Inc.

HOW MUCH WILL THEY BE PAID AND WHERE WILL THE MONEY COME FROM?

\$466,040.00 via grant funding from Office of Economic Adjustment.

WHAT IS THE PORT MODERNIZATION PROGRAM?

In February of 2007 the Port Authority of Guam unveiled its updated master plan which set the road map for the upgrade of its facilities to world class standards. The master plan, which will modernize the Jose D. Leon Guerrero Commercial Port, calls for nearly \$200 million in capital improvement upgrades to the 34-year-old facility. Granted conditional approval from the Guam Legislature in December 2008, the modernization program will address Guam's organic growth as well as the anticipated increased cargo volume resulting from the relocation of 8000 Marines to Guam from Japan.

WHAT OTHER MILESTONES HAVE OCCURRED IN THE MODERNIZATION?

✓ MARAD

Several key components of the modernization plan have already been launched, including the agency's agreement with MARAD, the U.S. Maritime Administration. In October of 2008 former President Bush signed a federal law designating the Maritime Administration as the lead Federal Agency for the "Port of Guam Improvement Enterprise Program." MARAD is working with Port and government of Guam officials on the issuance of a contract for a Program Management Team. This team will then oversee and conduct all work related to the \$195 Million modernization plan. General Manager Glenn Leon Guerrero traveled to Washington, D.C. in February to join MARAD for oral presentations

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by the companies that submitted their proposals. MARAD anticipates to award the contract by June of 2009.

✓ ***CRANES***

In December 2007, the Port Authority entered into a 5 year agreement with Matson and Horizon for the non-exclusive right to use the Port's rails for landing, installing, using, and maintaining three refurbished cranes from the Port of Los Angeles. The refurbished cranes owned by Matson and Horizon arrived February 7 and are currently being worked on by Bikerton Ironworks and Shaw Group to get them up and operational by April 2009. The cranes have been retrofitted and modified to enhance their productivity and handling capabilities. They are equipped with state-of-the-art electronic control drives and modern diesel generator power packs. Other upgrades include lifting beams capable of handling 45-foot containers and new disc-style main function brakes. Fully assembled, the cranes are more than 160-feet tall and have a lift height of more than 90 feet and will be operated by Port Authority of Guam employees.

✓ ***PMC***

The Port Authority issued an RFI in late January soliciting qualified companies to provide information for the management of cargo terminal operations and maintenance of equipment and facilities. Information gathered from the RFI will assist in the development of the Request for Proposal (RFP) for a Performance Management Contract, which will help the Port increase efficiency and reduce costs in its operations. Passed in October 2007, Public Law 29-23 authorizes the Port Board of Directors to issue appropriate procurement solicitations from qualified parties for the management, operation and maintenance of its cargo handling equipment. Issuance of the RFP is anticipated for June of 2009.

✓ ***STRATEGIC DESIGNATION***

The Port Authority of Guam is seeking designation as a U.S. Strategic Port, recognizing its critical role for Guam and the Mariana Islands and its strategic importance to National security. The Port's board of directors passed a resolution in February 2009 asking the Governor and members of the 30th Guam Legislature to solicit the help of Congresswoman Madeleine Bordallo in this effort. The board would like for Bordallo to introduce a resolution or legislation authorizing the Military Surface Deployment and Distribution Command and the Department of Transportation's U.S. Maritime Administration (MARAD) to conduct an assessment on the feasibility of designating Guam's port as a U.S. Strategic Port.

The benefits of Strategic Port designation to a U.S. seaport are numerous and significant. They include: increased federal investment in the port district; improved access to federal security and port infrastructure funding; dramatically increased cargo volumes during periods of military deployment; and the establishment of an ongoing partnership between the seaport and the Department of Defense, resulting in the development of joint projects benefiting both the military and the commercial port. In addition, a strategic designation will showcase to the commercial industry our capacity to serve the needs of their companies, our region and the people of Guam.

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