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

September 8, 2026

Memorandum

To: Deputy General Managers
All Division Heads

From: Rory J. Respicio, General Manager

Subject: Implementation of Capital Improvement Project Development and Preprocurement Approval Policy

As part of our continuing effort to institutionalize the Port Authority of Guam's management practices, I am issuing the attached General Manager's Management Policy establishing a formal Capital Improvement Project Development and Preprocurement Approval Process.

The Port's capital program has grown substantially in size, complexity, and importance. Our projects may originate from operational requirements, infrastructure needs, safety or security concerns, grant opportunities, regulatory requirements, long range planning, or other institutional priorities. They may also require the participation of several divisions before they are sufficiently developed to proceed to Procurement.

The purpose of this policy is to establish a consistent management framework for that work while preserving the Port's existing organizational structure and chain of command. The policy is intentionally based on functional responsibility. The originating or operating division identifies the operational need. CIP and Engineering develops the technical project. Planning identifies applicable grant, federal, environmental, and planning requirements. Finance determines funding availability and applicable financial requirements. Each Deputy General Manager provides management oversight only within the DGM's established area of responsibility. The General Manager determines management priority and whether a project is authorized to enter formal development and ultimately proceed to Procurement.

This distinction in responsibilities is important. CIP and Engineering is responsible for technical development and coordination, but it does not establish or change the Port's capital priorities. Finance is responsible for determining and documenting funding availability and applicable financial requirements, but it does not determine whether a project remains a Port priority. Planning identifies applicable grant and related requirements, but it does not establish project priority or control technical specifications except to identify requirements necessary for grant compliance.

When CIP and Engineering identifies a technical, scheduling, sequencing, capacity, or other constraint that materially affects an established project priority, CIP and Engineering shall document the issue and promptly bring it to the attention of the General Manager, with the

applicable Deputy General Manager included. Similarly, when Finance determines that an identified funding source is unavailable, insufficient, restricted, or otherwise cannot be used as proposed, Finance shall document that determination and promptly bring it to the attention of the General Manager, with the applicable Deputy General Manager included.

Direct notification to the General Manager does not bypass or diminish the role of the Deputy General Managers. The applicable DGM remains responsible for management oversight within the DGM's assigned area and may provide recommendations, coordinate corrective action within existing authority, and assist in resolving the matter. Notification of a material issue affecting an established capital priority, however, shall not depend upon further routing or action by a Deputy General Manager.

A technical, scheduling, capacity, funding, grant, or other professional determination does not, standing alone, constitute a management decision to change the priority, defer, suspend, discontinue, or otherwise change the status of a project. No participating division or official shall independently convert such a determination into a management decision.

The General Manager determines the management response. Depending upon the circumstances, this may include maintaining the established priority, changing the sequence of development, pursuing an alternative funding source, modifying the proposed approach, continuing development pending funding, deferring the project, or determining that the project should no longer proceed.

This framework preserves the professional responsibilities of each participating function while ensuring that professional findings and constraints do not independently become management decisions. Each function is expected to make the determinations assigned to it, document and communicate those determinations, and promptly bring matters requiring management direction to the attention of the General Manager.

No function's participation in the CIP process expands its existing authority or transfers responsibility from another division or official.

The policy also establishes two General Manager decision points. GM Gate 1, Concurrence to Develop, determines whether organizational resources should be devoted to formal development of a proposed project. GM Gate 2, Authorization to Proceed to Procurement, determines whether the sufficiently developed project is authorized to proceed to Procurement.

Between these two decision points, the responsible divisions are expected to perform their respective functions, document outstanding requirements, and timely identify issues that prevent or materially affect a project from moving forward. An authorized project shall not be effectively deferred, reprioritized, or discontinued through administrative inaction or an independent determination outside established authority. The objective is not speed for its own sake. It is accountability for movement.

The process established by this policy ends with formal handoff of the authorized and complete project package to Procurement. It does not extend the authority of CIP and Engineering into the procurement process or establish a parallel capital project approval system after that handoff. Procurement and subsequent processes remain governed by their respective laws, regulations, policies, procedures, and established authorities.

Capital projects often extend beyond fiscal years and changes in management, Board membership, administrations, and personnel. Our responsibility is to ensure that the systems supporting the institution provide continuity through those changes. Establishing clear functional responsibilities, decision points, and escalation requirements strengthens that continuity while preserving accountability at every level.

Effective immediately, the attached Management Policy shall govern new capital improvement projects and, to the extent practicable, existing projects that have not yet been formally transmitted to Procurement.

Deputy General Managers and Division Heads shall ensure that personnel within their respective areas understand their responsibilities under the policy and that matters requiring management direction are promptly brought to the attention of the General Manager rather than independently resolved outside established authority.

Attachment A provides the corresponding process flow for implementation.

Attachments:

- General Manager's Management Policy, Capital Improvement Project Development and Preprocurement Approval
- Attachment A, Capital Improvement Project Development and Preprocurement Approval Process Flow Chart

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POLICY MEMORANDUM NO. 2026-GM03

GENERAL MANAGER'S MANAGEMENT POLICY	
Subject: Capital Improvement Project Development and Preprocurement Approval	
Effective Date: September 8, 2026	Revision Date:
Approved by: **RORY J. RESPICIO, General Manager**	

I. PURPOSE

This Management Policy establishes a uniform process for the identification, development, management review, and authorization of Port Authority of Guam capital improvement projects before formal submission to Procurement.

The policy is intended to establish clear functional responsibility, management accountability, and appropriate executive decision points while preserving the Port's existing organizational structure, chain of command, and professional responsibilities.

The objective is to ensure that Procurement receives an authorized and sufficiently developed project package rather than an unresolved project concept.

II. POLICY

It is the policy of the Port Authority of Guam that proposed capital improvement projects shall proceed through an orderly and documented development and pre-procurement approval process.

The following principles shall govern:

1. Each participating division or official remains responsible for matters within its established organizational and professional authority.
2. Participation in the CIP process does not transfer authority between divisions or officials.
3. No proposed capital project shall formally enter development without concurrence of the General Manager.
4. CIP and Engineering is responsible for technical project development. It does not determine funding availability or establish Port capital priorities.

5. Planning is responsible for applicable grant, federal, environmental, and planning requirements. Planning does not develop or control technical specifications except to identify requirements necessary for grant compliance.
6. Finance determines and documents funding availability and applicable financial requirements. Finance does not determine the Port's capital priorities.
7. Each Deputy General Manager exercises management oversight only within the DGM's existing assigned area of responsibility.
8. The General Manager determines management priority and whether a project is authorized to enter formal development and subsequently proceed to Procurement.
9. No administrative, technical, financial, planning, or other participating function may independently establish or change the management priority of a capital project or approve, reject, defer, suspend, redirect, reprioritize, or discontinue a project outside its established authority.
10. Legitimate technical, financial, grant, legal, regulatory, safety, scheduling, capacity, or other controlling requirements shall be documented. When such a matter materially affects an established project priority or requires management direction, the responsible function shall promptly bring the matter to the attention of the General Manager, with the applicable Deputy General Manager included.
11. The process established by this policy concludes upon formal transmission of the authorized and complete project package to Procurement.

III. FUNCTIONAL RESPONSIBILITIES

A. ORIGINATING OR OPERATING DIVISION

The originating or operating division is responsible for defining the operational need.

The division shall:

- identify and document the need or problem;
- define the intended operational outcome;
- identify the operational capabilities and requirements that must be addressed;
- provide relevant operational information; and
- work with CIP and Engineering to ensure that the developed project addresses the operational need.

The originating or operating division does not determine technical specifications, funding availability, grant compliance requirements, or final capital priorities merely because it originated the project.

B. CIP AND ENGINEERING

CIP and Engineering is responsible for technical development of the proposed project following GM concurrence to develop.

Its responsibilities include:

- development or coordination of the project scope;
- technical specifications;
- engineering requirements;
- project cost estimates;
- anticipated project schedule;
- required technical studies, designs, permits, and supporting technical documentation;
- coordination with the originating or operating division concerning operational requirements;
- tracking project development requirements and outstanding actions; and
- assembly of the technical project package for management consideration and subsequent transmission to Procurement.

CIP and Engineering does not determine or certify funding availability, establish Port capital priorities, or assume the professional authority assigned to another division or official.

CIP and Engineering may identify technical sequencing requirements, scheduling constraints, project dependencies, staffing or consultant capacity, permitting requirements, or other conditions affecting development of an authorized project. Where such a condition materially affects an established project priority, CIP and Engineering shall document the issue and promptly bring it to the attention of the General Manager, with the applicable Deputy General Manager included.

CIP and Engineering shall not independently change the priority of an authorized project, place it on hold, defer its development, or allow another project to supersede it based upon an internal determination of relative priority unless consistent with management direction.

C. PLANNING

Planning participates when a proposed project involves grant funding, federal requirements, environmental requirements, long range planning, or another matter within Planning's established responsibilities.

For grant funded projects, Planning shall identify and communicate applicable requirements and conditions, including, as applicable:

- period of performance;
- Build America, Buy America requirements;
- grant milestones;
- eligible and ineligible costs;
- federal participation and matching requirements;
- environmental requirements;
- conditions contained in the grant award or agreement;
- reporting and documentation requirements; and
- other requirements necessary to maintain grant eligibility and compliance.

Planning does not develop, approve, or control technical specifications.

Where a grant requirement affects the technical project, Planning shall identify the applicable requirement to CIP and Engineering. CIP and Engineering remains responsible for determining how that requirement is incorporated into the technical documents.

Planning may review technical documents only to the extent necessary to determine whether an applicable grant compliance requirement has been addressed.

Where Planning identifies a grant, federal, environmental, or other requirement that materially affects an established project priority, schedule, or ability to proceed as contemplated, Planning shall document the requirement and promptly bring it to the attention of the General Manager, with the applicable Deputy General Manager included.

Planning shall not independently change the priority, defer, suspend, or discontinue an authorized project based upon such a requirement.

D. FINANCE

Finance is responsible for the financial determinations applicable to the proposed project.
Its responsibilities include:

- determining and documenting funding availability;
- identifying or confirming the applicable funding source;
- confirming applicable budget authority;
- identifying funding restrictions and limitations;
- identifying matching requirements;
- determining applicable accounting and financial requirements; and
- identifying other applicable financial controls.

Finance does not establish or determine the Port's capital priorities.

Where Finance determines that an identified funding source is unavailable, insufficient, restricted, or otherwise cannot be used as proposed, Finance shall document that financial determination and promptly bring it to the attention of the General Manager, with the applicable Deputy General Manager included.

A determination concerning the availability or permissible use of a particular funding source does not, standing alone, constitute a management decision to defer, suspend, discontinue, reprioritize, or otherwise change the status of the project.

Finance's financial determination remains within Finance's professional responsibility. The General Manager determines the management response, which may include pursuing an alternative funding source, modifying the proposed approach, continuing development pending funding, changing the sequence of development, deferring the project, or determining that the project should no longer proceed.

E. DEPUTY GENERAL MANAGERS

Each Deputy General Manager provides management oversight only within the DGM's existing assigned area of responsibility.

Each DGM shall ensure that divisions under the DGM's supervision perform their assigned responsibilities, facilitate coordination within that area, address issues within existing authority, and assist in resolving matters within the DGM's assigned area.

Nothing in this policy gives either DGM authority over a division, function, personnel, or matter outside the DGM's established area of responsibility.

Where responsibilities for a project fall under both DGMs, each DGM remains responsible only for the divisions and functions within the DGM's respective area. Neither DGM becomes the project wide approving authority.

The applicable DGM may provide recommendations, coordinate corrective action within existing authority, and assist in resolving a matter brought to the attention of the General Manager.

Direct notification to the General Manager as required by this policy does not bypass or diminish the role of the Deputy General Managers. However, notification of a material issue affecting an established capital priority shall not depend upon further routing, concurrence, or action by a Deputy General Manager.

F. GENERAL MANAGER

The General Manager determines the Port's management priorities and whether a proposed capital project advances through the pre-procurement development process.

Professional determinations made by participating functions inform the General Manager's decision making but do not independently determine the management priority or disposition of a project.

The General Manager shall exercise management authority through two decision points.

GM GATE 1: CONCURRENCE TO DEVELOP

The General Manager determines whether the Port should devote organizational resources to formally developing the proposed project.

Concurrence to develop does not authorize procurement, contract award, construction, or expenditure beyond existing authority.

GM GATE 2: AUTHORIZATION TO PROCEED TO PROCUREMENT

Following completion of the required development activities, the General Manager determines whether the sufficiently developed project is authorized to proceed to Procurement.

The General Manager's authority to establish management priorities does not replace professional determinations assigned to the responsible divisions and officials.

IV. DEVELOPMENT AND PREPROCUREMENT PROCESS

The process shall proceed through the following stages:

1. **Project Initiation.** The originating or operating division identifies and documents the project need and routes the proposal through the established chain of command.
2. **GM Gate 1.** The General Manager determines whether the project is authorized to enter formal development.
3. **Functional Project Development.** CIP and Engineering develops the technical project in coordination with the operating division. Planning participates where applicable grant, federal, environmental, or planning requirements apply. Finance determines and documents funding availability and applicable financial requirements. Each function remains responsible for its respective professional determinations.
4. **Project Readiness.** CIP and Engineering assembles the developed project package and confirms that required functional inputs have been obtained. Readiness does not constitute project approval.
5. **GM Gate 2.** The General Manager determines whether the sufficiently developed project is authorized to proceed to Procurement.
6. **Pre-procurement Completion.** CIP and Engineering assembles the authorized package with the applicable technical documents and documentation supplied or certified by each responsible function.
7. **Formal Handoff to Procurement.** The authorized and complete project package is formally transmitted to Procurement. Formal transmission concludes the process governed by this policy.

V. MANAGEMENT ACCOUNTABILITY

Administrative and technical actions within the Port's control shall be tracked to provide visibility into project movement and responsibility.

The project development record should identify, as applicable:

- date submitted;
- date received;
- responsible party;
- target completion date where applicable;
- actual completion date;
- outstanding requirement;

- next action; and
- management decision required, if any.

Reasonable management targets may be established for routine administrative and technical actions.

General Manager decisions are not subject to arbitrary administrative deadlines.

No project shall be deemed approved, concurred with, or authorized because a target timeframe has expired.

Where an internal target cannot be met, the responsible function shall document the reason, identify the responsible party and next action, and establish a revised target date.

Applicable legal, regulatory, grant, contractual, and other controlling timelines shall govern where applicable.

Where a delay, constraint, professional determination, or other issue materially affects an established project priority or requires management direction, the responsible function shall promptly bring the matter to the attention of the General Manager, with the applicable Deputy General Manager included.

The emphasis is accountability for movement, not speed for its own sake.

VI. MANAGEMENT GUARDRAILS

For purposes of this policy:

The Operating Division determines what the Port operationally needs.

CIP and Engineering determines what must be technically developed to address that need.

Planning identifies what applicable grant, federal, environmental, or planning requirements must be satisfied.

Finance determines what funding is available and what financial requirements and restrictions apply.

Each Deputy General Manager ensures accountability only within the DGM's existing area of responsibility.

The General Manager determines management priority and whether the project is authorized to develop and proceed to Procurement.

Each function remains responsible for its own professional determinations. No function's participation in the CIP process creates authority over the entire project or transfers authority from another function.

Professional findings and constraints shall inform management decisions but shall not independently become management decisions.

When a technical, scheduling, sequencing, capacity, funding, grant, regulatory, or other material issue affects an established project priority or requires management direction, the responsible function shall document the matter and promptly bring it to the attention of the General Manager, with the applicable Deputy General Manager included.

This direct notification requirement does not bypass or diminish the role of the Deputy General Managers. Each DGM remains responsible for management oversight within the DGM's assigned area of responsibility. Notification to the General Manager, however, shall not depend upon further routing, concurrence, or action by a Deputy General Manager or another intermediate official.

No participating division or official shall independently convert a professional finding, funding determination, technical constraint, scheduling issue, capacity limitation, grant requirement, or administrative issue into a decision to change the priority, defer, suspend, discontinue, or otherwise change the management status of an authorized project.

The General Manager determines the management response. Depending upon the circumstances, that response may include maintaining the established priority, changing the sequence of development, pursuing an alternative funding source, modifying the proposed approach, continuing development pending funding, deferring the project, or determining that the project should no longer proceed.

An authorized project shall not be effectively deferred, reprioritized, suspended, or discontinued through administrative inaction or an independent determination outside established authority.

VII. BOUNDARY OF POLICY

This policy governs capital project development only through formal handoff to Procurement.
It does not govern solicitation, procurement, award, post award approvals, contract administration, construction management, project acceptance, or project closeout.

Following formal transmission, Procurement and subsequent processes shall proceed under the laws, regulations, policies, procedures, and authorities applicable to those functions.

If a subsequent development requires a new or materially different management decision concerning the project itself, the matter shall be promptly brought to the attention of the General Manager through the applicable management structure for appropriate action.

VIII. EXISTING PROJECTS

Existing capital projects shall not be required to restart the process solely because of issuance of this policy.

Projects that have not yet been formally transmitted to Procurement shall be aligned with this policy from their current stage to the extent practicable.

Projects already formally transmitted to Procurement remain within the applicable procurement and subsequent processes.

IX. EFFECTIVE DATE

This Management Policy is effective immediately.

Attachment A: Capital Improvement Project Development and Pre-procurement Approval

PORT AUTHORITY OF GUAM

ATTACHMENT A

CAPITAL IMPROVEMENT PROJECT DEVELOPMENT AND PREPROCUREMENT APPROVAL PROCESS FLOW CHART

From Need to Procurement
Clear Responsibility.
Timely Elevation.
Management Decision.
Accountability for Movement.

START

1. PROJECT INITIATION
Originating or Operating Division
Identify and document operational need.
Prepare project proposal.

Key Outputs:
- Statement of need
- Intended operational outcome
- Initial information

GM GATE 1 CONCURRENCE TO DEVELOP
Should the Port devote resources to develop this project?

No → **Project Not Approved to Develop (Document Decision)**

Yes

Outcome:
- Authorize entry into formal development

Note:
- Does not authorize procurement, contract award, or expenditure beyond existing authority.

FUNCTIONAL PROJECT DEVELOPMENT (Performed in Parallel and in Coordination)

2A. OPERATING DIVISION
- Refine operational requirements
- Provide operational information
- Work with CIP and Engineering

2B. CIP AND ENGINEERING
- Develop technical project
- Prepare scope, specifications, cost estimate, schedule
- Identify technical constraints
- Coordinate with operating division

2C. PLANNING
- Identify grant, federal, environmental, and planning requirements
- Communicate applicable conditions
- Do not control technical specifications

2D. FINANCE
- Determine and document funding availability
- Identify funding restrictions and financial requirements
- Do not determine project priority

Each division documents its work, outstanding requirements, and any issues.

MATERIAL ISSUE ESCALATION
(From Any Function, Direct to GM)

When a technical, scheduling, sequencing, capacity, funding, grant, regulatory, or other issue **materially** affects an established project priority or requires management direction:

1. Document the issue.
2. Notify the General Manager directly (with the applicable Deputy General Manager included).
3. Do not wait for further routing, concurrence, or action by a DGM.
4. The General Manager determines the management response.

3. PROJECT READINESS
CIP and Engineering
Assemble developed project package.
Confirm required inputs from all functions.

Key Outputs:
- Complete technical package
- Required functional documentation
- Confirmation of readiness

Note: *Readiness does not constitute project approval.*

GM GATE 2 AUTHORIZATION TO PROCEED TO PROCUREMENT
Is the project sufficiently developed and ready for Procurement?

No → **Return for Further Development (Document Required Actions)**

Yes

Outcome:
- Authorize proceeding to Procurement

4. PREPROCUREMENT COMPLETION
CIP and Engineering
Assemble authorized and complete project package with all required documentation.

Key Outputs:
- Final project package
- Documentation from all functions
- GM authorization

5. FORMAL HANDOFF TO PROCUREMENT
CIP and Engineering
Transmit authorized and complete project package to Procurement.

Note:
- This concludes the process governed by this policy.
- Procurement and subsequent processes are governed by their respective laws, regulations, policies, and procedures.

END

IMPORTANT REMINDERS
- CIP and Engineering, Finance, and Planning do not establish or change project priorities.
- No division or official may independently defer, suspend, reprioritize, or discontinue an authorized project.
- Professional findings inform management decisions but do not independently become management decisions.
- An authorized project should not be effectively deferred or reprioritized through administrative inaction.
- The objective is accountability for movement, not speed for its own sake.

MANAGEMENT DECISIONS

The General Manager determines the management response, which may include:
- Maintain the existing priority
- Change the sequence of development
- Pursue an alternative funding source
- Modify the proposed approach
- Continue development pending funding
- Defer the project
- Determine that the project should no longer proceed

Only the General Manager determines the project priority and disposition.