

BOARD OF DIRECTORS

Dorothy P. Harris, Chairperson

Conchita S.N. Taitano, Vice Chairperson

Fe R. Valencia-Ovalles, Board Secretary



Resolution No. 2024-09

RELATIVE TO CONDUCTING A TRIENNIAL VALUATION OF REAL PROPERTY AND FACILITIES FOR INSURANCE PURPOSES AT THE PORT AUTHORITY OF GUAM.

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE PORT AUTHORITY OF GUAM:

WHEREAS, the Port Authority of Guam is committed to ensuring its real property and facilities are adequately insured and valued to reflect their current condition and replacement costs; and

WHEREAS, Guam Public Law 30-19 mandates regular assessments and adherence to appropriate standards for asset management purposes; and

WHEREAS, regular valuations of real property and facilities are essential to maintain appropriate insurance coverage and to identify necessary maintenance, upgrades, and replacements to support the Port's long-term strategic objectives;

NOW, THEREFORE, BE IT RESOLVED, by the Board of Directors as follows:

1. **Scope and Schedule:**

The Board of Directors instructs the General Manager to implement a comprehensive valuation of all real property and facilities owned by the Port Authority of Guam for insurance purposes every three years, starting in 2025. The valuation shall include assessments of buildings, infrastructure, operational facilities, and compliance with safety regulations.

2. **Guidelines and Methodology for Valuation:**

The valuation shall use industry-standard criteria for assessing insurance value and replacement costs. Detailed reports shall include condition, insurance documentation, and prioritized repairs. The cost approach method will be used to determine the replacement cost new (RCN) for each property, considering current construction costs, materials, labor, and additional costs specific to the region.

3. **Reporting:**

Qualified valuers shall prepare detailed valuation reports for each property, including executive summaries, property descriptions, photographs, replacement cost methodology, and calculations, and risk assessment findings. Reports will be presented to the General Manager and Board of Directors for review and feedback. Final reports will be prepared based on stakeholder input and presented at the first meeting following the completion of the valuation. A summary of findings and recommendations shall be made available to relevant stakeholders to inform the Port's budget and strategic planning processes.

4. **Replacement Cost Methodology and guidance for pertinent Port personnel to be assigned by the General Manager:**

- **Initial Assessment and Planning:** Conduct a kickoff meeting with stakeholders to outline goals, timelines, and responsibilities. Review existing documentation, including previous valuations, property records, and insurance policies. Develop a project plan and timeline with milestones and deliverables.
- **Property Inspection and Data Collection:** Perform on-site inspections of all buildings, infrastructure, and operational facilities. Document the physical condition, structural integrity, maintenance needs, and any visible damages. Collect and verify data on size, age, and usage of each facility. Take photographs and create detailed sketches or floor plans, including aerial photographs.
- **Replacement Cost Calculation:** Use the cost approach method to determine RCN for each property. If applicable, include costs for demolition and site preparation. Provide a detailed breakdown of replacement cost components such as materials, labor, permits, and professional fees.
- **Risk Assessment and Compliance:** Evaluate properties for potential risks, including environmental hazards, safety compliance, and regulatory adherence. Identify and document deficiencies that could affect replacement costs or insurance coverage.



5. Responsibilities:

Board of Directors: Provide oversight, review, and approve final reports and recommendations.

Qualified Valuers: Conduct valuations, prepare detailed reports, and present findings. *This shall be determined through a competitive bid process outlined in Guam's Procurement Law, outlined in Title 5, Chapter 5 of the Guam Code Annotated. This law governs all procurement activities for the government of Guam, ensuring transparency, fairness, and accountability in the acquisition of goods and services.*

General Manager:

- Coordinate with valuers, implement recommendations, and ensure timely execution.
- Provide recommendations for insurance coverage adjustments based on replacement cost findings.
- Develop an implementation plan for addressing identified risks and deficiencies, including cost estimates and timelines.
- Schedule a follow-up meeting to discuss final reports and recommendations.
- Offer ongoing support for any questions or additional information required by the Port Authority or their insurance providers.

BE IT FURTHER RESOLVED, that this resolution shall take effect immediately upon its adoption; and

BE IT FURTHER RESOLVED, that the Chairperson certify to, and the Secretary attest to, the adoption hereof.

PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS THIS 27th DAY OF JUNE, 2024.

DOROTHY P. HARRIS
Chairperson, Board of Directors
Port Authority of Guam

FE R. VALENCIA-OVALLES
Secretary, Board of Directors
Port Authority of Guam

