

**BOARD OF DIRECTORS**

*Dorothy P. Harris, Chairperson*  
*Conchita S.N. Taitano, Vice Chairperson*  
*Fe R. Valencia-Ovalles, Board Secretary*



**Resolution No. 2025-08**

**RELATIVE TO PETITIONING THE PUBLIC UTILITIES COMMISSION (PUC) FOR APPROVAL OF IFB-PAG-CIP-021-005 WATERLINE REPLACEMENT PROJECT AMENDMENT NO. 2.**

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

**WHEREAS**, the Port Authority Board of Directors adopted Resolution No. 2022-04 petitioning the Public Utilities Commission (PUC) for approval of the award to BME and Son’s, Inc. for the Waterline Replacement Project in the amount of \$4,856,568.91; and

**WHEREAS**, on February 24, 2022, the Public Utilities Commission through PAG Docket 22-02 approved the Invitation for Bid Procurement Contract Award to BME and Son’s, Inc. for the Waterline Replacement Project, IFB-PAG-CIP-021-005 and further authorized the Port Authority to expend the amount of \$4,856,568.91; and

**WHEREAS**, the Port Authority and BME and Son’s, Inc. entered into a contract agreement on or about March 3, 2022; and

**WHEREAS**, the project’s scope of work is based on the design, plans, and specifications produced by N.C. Macario and Associates’ that is to construct a new domestic waterline piping system and fire protection pipe lines that will feed all infrastructure buildings inside the port yard and Cabras Island; and

**WHEREAS**, that although BME & Son’s has diligently worked to execute the project as designed and has documented the progression of work thus far, the field conditions in specific locations of the project site have prevented BME & Son’s from performing work as planned; and

**WHEREAS**, at several locations, work that is not included in the current scope has been identified and deemed necessary to have a complete working waterline system; therefore, the additional work is in line with the current scope as follows: (1) The route of the new waterline must be modified due to obstructions discovered in the field, (2) the point of connection in several locations needs to be modified due to the condition of the existing infrastructure, and (3) the existing fire hydrants must be replaced due to significant deterioration; and

**WHEREAS**, the additional Scope of Work in Amendment No. 2 will be added to the original scope of work and specification in the original bid; and

**WHEREAS**, BME & Son’s has agreed to the negotiated price of Six Hundred Ninety-One Thousand Six Hundred Ninety-Eight Dollars and Sixty-Five Cents (\$691,698.65) to complete all the additional work. The Port CIP Manager has reviewed Amendment No. 2 and finds the amount to be fair and reasonable based on cost comparison and pricing data in the original bid; and

**WHEREAS**, the 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. The Port receives, transports, and stores a variety of cargo and materials, some of which is highly flammable and/or explosive, and in addition to the cargo, the specialized equipment utilized at the port contain significant quantities of fuel and other flammable fluids; and

**WHEREAS**, the Port is required to comply, with exception as permitted, with 33 CFR § 149.403, § 149.415, and § 149.420 of this part, further, all required firefighting and fire protection equipment on a deepwater port must be approved by the Commandant (CG-ENG); now therefore, be it

**RESOLVED**, that in accordance with PAG Docket 09-01 Contract Review Protocol, Section 10, wherein states: “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”, the Port Authority Board of Directors authorizes Management to petition PUC for review and approval of Amendment No. 2; and be it further

**RESOLVED**, that the Chairperson certify to, and the Secretary attest to, the adoption hereof, and that a copy of this resolution be sent to the Public Utilities Commission.

**PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF DIRECTORS THIS 26<sup>th</sup> DAY OF FEBRUARY, 2025.**

**DOROTHY P. HARRIS**  
**CHAIRPERSON, BOARD OF DIRECTORS**  
**PORT AUTHORITY OF GUAM**

**FE R. VALENCIA-OVALLES**  
**SECRETARY, BOARD OF DIRECTORS**  
**PORT AUTHORITY OF GUAM**

