



**BOARD OF COMMISSIONERS
REGULAR SCHEDULED MEETING
12:00 P.M., Thursday, February 22, 2018
GHURA's Main Office
1st floor, Conference Room, Sinajana
AGENDA**

I. ROLL CALL

II. APPROVAL OF PREVIOUS BOARD MINUTES – February 09, 2018

III. CORRESPONDENCE AND REPORTS Page(s)

IV. OLD BUSINESS

1. **Board Action Item No. 037/18**
Update on the Construction of the Sinajana Central Precinct
(Ref. Minute Nos.: 099/17, 311/17, 330/17, & 006/18)

V. NEW BUSINESS

1. **Resolution No. FY2018-011** **1**
Resolution commending Ms. Marie A. Rivera, Housing Specialist,
for her dedication and contributions to Guam Housing and Urban
Renewal Authority (GHURA)
2. **Notice of Cancellation** **2- 5**
 - a. Rehabilitate and Up-grade of the Baseball Fields for Sinajana and Umatac
(Ref. Minute No. 289-17)
 - b. Water Blasting of Roofs and Exterior Painting at AMP1
(Ref. Minute No. 329-17)
3. **Notice to Default** **6 - 10**
Rehabilitate and up-grade of the Astumbo Gym (Ref. Minute No. 080-17)

VI. GENERAL DISCUSSION / ANNOUNCEMENTS

1. Next proposed scheduled Board Meetings – March 9th & 23rd

VII. ADJOURNMENT

BOARD OF COMMISSIONERS
REGULAR SCHEDULED MEETING
12:00 p.m., February 22, 2018

GHURA Main Office, 1st floor conference room
Sinajana, Guam

MINUTES

After notice was duly and timely given pursuant to the Open Government Law of Guam and the Bylaws of the Authority, the Board of Commissioners' regular scheduled meeting of **Thursday, February 22, 2018** at 12:00 p.m. at the GHURA Sinajana Main Office, 1st Floor Conference Room was conducted.

I. ATTENDANCE, QUORUM, AND CALL TO ORDER

COMMISSIONERS PRESENT: George A. Santos, Chairman
 Thomas E. B. Borja, Vice-Chairman
 George F. Pereda, Member
 Joseph M. Leon Guerrero, Resident Commissioner
 Carl V. Dominguez, Member

COMMISSIONERS ABSENT: Eliza U. Paulino, Member (excused)

LEGAL COUNSEL: Anthony Perez

MANAGEMENT & STAFF: Michael J. Duenas, Executive Director
 Pedro A. Leon Guerrero, Jr. Deputy Director
 Melinda Taitano, Special Assistant
 Albert Santos, A&E Manager
 Kimberly Bersamin, HR Administrator
 Norma San Nicolas, S8 Administrator

Meeting was called to order at 12:00 p.m. by Chairman Santos who acknowledged the presence of the above attendees. The Chairman then indicated that the minimum number of Commissioners required for a quorum was present and that the meeting could proceed.

Minute No.	Ref. No.	Approval of Previous Board Meeting	Action By:
040/18		Chairman Santos called for a motion to be made on the approval of the Minutes for the previous Board Meeting on February 9, 2018.	
041/18		After review and further discussion by the Board Members, a motion was made by Commissioner Dominguez and seconded by Vice Chairman Borja to approve the Board Minutes of February 9, 2018 as corrected.	
Minute No.	Ref. No.	Action Items from Prior Meetings	Action By:
	037/18	<p>Construction of the Sinajana Central Precinct</p> <p>Mr. Albert Santos stated that although the construction of the Central Precinct is moving forward, it is going rather slow.</p> <p>The contractor indicated they have lost a couple of their key workers and currently only have up to 7 active workers on site. The contractor is having a difficult time recruiting engineers and construction workers. However, they are able to hire part time workers but they are only able to work on weekends.</p> <p>Referring to the excavation, Mr. Santos stated it is completed and the soils engineer has approved the work. They have started the process of backfilling and are up to 2 levels of backfill, which includes</p>	Albert Santos

Minute No.	Ref. No.	Action Items from Prior Meetings	Action By:
	037/18 continuation	<p>filling and compacting every 12 inches. The issue with the backfill is the contractor must submit samples of the material being used to confirm it is usable before the rest of the staging can proceed.</p> <p>Referring to our grant drawdown, the contractor is aware that we have to meet the target drawdown of at least \$2M by the end of July and a completion date by the end of August 2018. Other delays are with the consultant, TRMA who have been slow in terms of reviewing our submittal of materials. What typically takes a week to review is actually taking up to a month. Part of their reason for the delay is the loss of several of their engineering staff. The problem is the contractor is also having a difficult time locating the materials specified. Thirty percent of the materials submitted are being rejected due to the lack of a supplier meeting the requested specs.</p> <p>Weekly meetings are being held with the contractor and bi-weekly meetings with TRMA to go over their schedule.</p> <p>A new schedule based and loaded on resources is requested from them to ensure that the \$2M is being spent in a timely manner.</p>	

Minute No.	Ref. No.	NEW BUSINESS	Action By:
042/18		<p>Resolution No. FY2018-011, commending Ms. Marie A. Rivera, Housing Specialist for her dedication and contributions to Guam Housing and Urban Renewal Authority (GHURA)</p> <p>Director Duenas stated this resolution is to recognized and commend Ms. Marie Rivera, for her dedication and contribution as a S8 housing specialist. She has worked with GHURA for 11 years.</p>	
043/18		<p>A motion was made by Vice Chairman Borja and seconded by Commissioner Dominguez to approve Resolution No. FY2016-011, commending Ms. Marie A. Rivera, Housing Specialist for her dedication and contributions to Guam Housing and Urban Renewal Authority (GHURA). Without any further discussion and objection, the Motion was approved.</p>	
044/18	<p>289/17</p> <p>329/17</p>	<p>Notice of Cancellation:</p> <p>a. Rehabilitate and Up-grade of the Baseball Fields in Sinajana and Umatac</p> <p>b. Water Blasting of roofs and Exterior Painting at AMP1</p> <p>Mr. Albert Santos stated that P & E Construction submitted letters informing us that they are unable to continue with these projects given their situation. They explored other ways to proceed with the projects unfortunately they don't have the financial means to continue, since they also lost many of their skilled workers to larger companies.</p>	Albert Santos

Minute No.	Ref. No.	NEW BUSINESS	Action By:
044/18 (continuation)		<p>Management is requesting the Board's approval to cancel the contract and authorize staff to proceed negotiating with the next lowest bidder in the project listing. There may be a chance of a re-bid with some of the projects if we are unable to reach an agreement on a reasonable cost.</p> <p>A motion was made by Vice Chairman Borja and seconded by Commissioner Dominguez to move forward with the Notice of Cancellation for the Up-grade of the Baseball Fields for Sinajana and Umatac and for the Water Blasting of Roofs and Exterior Painting at AMP1, which were both awarded to P & E Construction, Inc. and for staff to proceed with negotiations with the next lowest bidder. Without any further discussion and objection, the Motion was approved.</p>	
045/18			
046/18	080/17	<p>Notice to Default: Rehabilitate and up-grade of the Astumbo Gym</p> <p>INFORMATIONAL: Mr. Albert Santos stated that the Astubmo Gym project which was contracted to P & E Construction Inc. submitted a letter to GHURA stating that they are unable to complete the project. GHURA immediately responded placing them in default and we also notified their insurance company, First Net Insurance Company. A meeting was held at the site with First Net Insurance Manager, Ms. Nancy Tang to go over the remaining work to be completed. An agreement was made that they will take over the project to</p>	Albert Santos

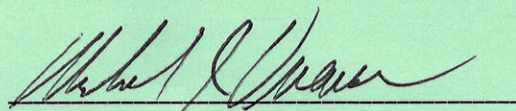
Minute No.	Ref. No.	NEW BUSINESS	Action By:
046/18 (continuation)		<p>complete the work as per the specifications. P&E Construction will be penalized by the bonding company.</p> <p>In addition, Ms. Tang stated that JWG Construction was selected to do the work. JWG Construction has started with securing the construction permit in their name with Public Works. JWG has received our punch list of the remaining work to be completed. Although they mentioned that it will cost more than the funds that is currently available, the bonding company will be the one to make up the difference.</p> <p>The one thing that is needed to be completed within the next two weeks is the occupancy permit which will allow the children to start using the facility. Everything else is considered exterior work and we gave them 40 days to complete the project.</p>	
Minute No.	Ref. No.	General Discussion / Announcements	Action By
047/18		Next Proposed Scheduled Meetings: March 9 th & 23 rd	

048/18

ADJOURNMENT

There being no further business before the Board, a motion was made by **Commissioner Dominguez** and Seconded by **Resident Commissioner Leon Guerrero** which was unanimously agreed upon, to adjourn the meeting. The meeting was adjourned at **1:00 p.m.**

(SEAL)



MICHAEL J. DUENAS

Board Secretary/Executive Director

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY
BOARD OF COMMISSIONERS
RESOLUTION NO. FY2018-011**

Moved by: THOMAS BORJA Seconded by: CARL DOMINGUEZ

RESOLUTION COMMENDING Ms. MARIE A. RIVERA, HOUSING SPECIALIST, FOR HER DEDICATION AND CONTRIBUTIONS TO THE GUAM HOUSING AND URBAN RENEWAL AUTHORITY (GHURA)

- WHEREAS,** Ms. Marie A. Rivera began her GHURA career in May 2000 as a Tenant Relations Advisor for Public Housing Division until her resignation in January 2006; and
- WHEREAS,** Ms. Marie A. Rivera returned to the Authority in November 2007 where she worked her way up from an Interviewer Clerk, Administrative Assistant and then to the position she last held as Housing Specialist in the Section 8 Division;
- WHEREAS,** she dedicated over 15 years and 10 months of service in support of the mission and goals of the Authority; and
- WHEREAS,** her efforts toward effectively and efficiently executing her official duties and responsibilities had a direct and positive impact toward ensuring that housing vouchers were provided to the Authority's clients; and
- WHEREAS,** the Board of Commissioners extend its recognition and gratitude to Ms. Marie A. Rivera, commending her on her retirement from the Authority, and best wishes on her future endeavors; now, therefore be it
- RESOLVED,** that the Chairman of the Board of Commissioners shall certify, and the Executive Director attest the adoption hereof Resolution No. FY18-011, and that thereafter shall be presented to Ms. Marie A. Rivera, whereby a copy shall be placed in her official personnel file, and a copy provided to the Governor of Guam.

IN REGULAR BOARD MEETING, SINAJANA, GUAM – February 22, 2018

PASSED BY THE FOLLOWING VOTES:

AYES: George Santos, Thomas Borja, Joseph Leon Guerrero, Carl Dominguez, George Pereda

NAYS: NONE

ABSENT: Eliza Paulino

ABSTAINED: NONE

(SEAL)

I hereby certify that the foregoing is a full, true, and correct copy of a Resolution duly adopted by the Guam Housing and Urban Renewal Authority Board of Commissioners on February 22, 2018.


MICHAEL J. DUENAS
Secretary / Executive Director



GHURA

Guam Housing and Urban Renewal Authority
Aturidat Ginima' Yan Rinueban Siudad Guahan
117 Bien Venida Avenue, Sinajana, GU 96910
Phone: (671) 477-9851 · Fax: (671) 300-7565 · TTY: (671) 472-3701
Website: www.ghura.org



MEMORANDUM

Eddie Baza Calvo
Governor of Guam

Ray Tenorio
Lt. Governor of Guam

George A. Santos
Chairman

Thomas E. B. Borja
Vice Chairman

Carl V. Dominguez
Commissioner

George F. Pereda
Commissioner


Eliza U. Paulino
Commissioner

Joseph M. Leon Guerrero
Resident Commissioner

Michael J. Duenas
Executive Director

Pedro A. Leon Guerrero, Jr.
Deputy Director

TO Board of Commissioners

FROM Executive Director 

DATE 15 February 2018

SUBJECT Notice of Cancellation
Up-grade of the Baseball Fields for Sinajana and Umatac and
Water Blasting of Roofs and Exterior Painting at AMP1

On January 25, 2018, GHURA was notified in writing by P&E Construction, Inc. (P&E) that they will not be able to fulfill the terms of their award for the two projects noted above. Citing a lack of capacity to fulfill their obligations of award, the issue of greatest impact (and ultimately terminal), is the inability to sustain a skilled work force. Consequently, P&E's ability to manage project costs was compromised. We are aware of similar notices being sent to other government agencies with which P&E has been doing business.

In their letter to GHURA, P&E has requested that the Board consider their request to cancel both the award and the prescribed intent of award penalty for both projects.

Since the suspension of normal processing of H2B applications, what was anticipated to pass has materialized. Multiple companies throughout the island with non-government projects have lost skilled workers. Projects have slowed and cost concerns have steeply risen. These cost issues can be seen in our latest government estimates which have been found to be materially lower than actual submitted estimates.



GHURA A/E staff have reviewed the process question concerning these two awards. It is within The Board's authority to grant P&E's request. Therefore, we now recommend that P&E be granted their request and that GHURA staff explore other options to complete these projects. In doing so, it is recommended that staff be permitted to initiate discussions with the next lowest bidder with an aim to engage them and re-submit for board approval on the outcome of those discussions in order to move these project forward.

It is with regret that we must observe the demise of this company who has been a responsible performer over many years and many proposals. Staff wish to to acknowledge P&E Construction, Inc. for their quality work now in place and serving the island's people throughout.

Attachment: P&E Construction, Inc., Letter of 25 January 2018

At the Regular Board Meeting of February 22, 2018, a motion was made by Vice Chairman Borja and seconded by Commissioner Dominguez to move forward with the Notice of Cancellation for the Up-grade of the Baseball Fields for Sinajana and Umatac and for the Water Blasting of Roofs and Exterior Painting at AMP1 both awarded to P & E Construction, Inc. which has now defaulted. Without any further discussion and objection, the Motion was approved.



P&E Construction, Inc.

GENERAL CONTRACTOR

Mr. Michael J. Duenas, Executive Director
Guam Housing and Urban Renewal Authority
117 Bien Venida Ave.
Sinajana, Guam 96910

RE: IFB #GHURA-9-26-2017-CDBG
Upgrade of Baseball Fields at Umatac and Sinajana and
Exterior Painting of Various GHURA AMP Units

GUAM HOUSING & URBAN
RENEWAL AUTHORITY
2018 JAN 25 PM 1:31

Dear Mr. Duenas,

We would like to thank GHURA for the tremendous opportunities it has given P&E Construction over the last decade. We are honored to have been partners with GHURA in building a better future for the community Guam.

Most recently, P&E Construction was awarded the Upgrade of Baseball Fields at Umatac and Sinajana, and intent of award for the Exterior Painting of Various GHURA AMP Units. While we are grateful for this opportunity, we have been forced by circumstance to reevaluate and review of all our current commitments. In light of this review, we must concede that we are no longer at capacity to fulfill this contract. We are, thus, humbly requesting that the board consider the canceling of this award and intent of award penalty.

P&E Construction experienced significant financial losses on both the Construction of Five Homes in Astumbo and the Repair of Astumbo Gym. The difficulties incurred during both of these projects came as the result of shortage of skilled workers.

Since the federal government began rejecting nearly all requests for the use of temporary skilled foreign workers on Guam via the H2B Visa Program, construction companies are doing everything they can to get all the workers they need. Larger construction companies have gone so far as to approach these workers at their homes with offers of higher wages and benefits if they transfer. We were diligent in our efforts to retain these skilled workers and when this failed, we have done our best to hire Guam workers. What we have now is a scarce number of skilled workers with extremely high turnover rates due to the resources of bigger companies.

We have always been committed to a high standard at P&E Construction. We have done our absolute best to find solutions in the current labor market but we have been hurt to such an extent that we are unable to maintain this same high standard and continue on with the two mentioned projects. This is why we must withdraw from this award and intent of award.



P&E Construction, Inc.
GENERAL CONTRACTOR

Maintaining our relationship with GHURA is of the utmost importance to P&E Construction. We are so grateful for the opportunity to fulfill these GHURA projects that have benefited our island community over the years:

- Agat Community Center , 2007
- Construction of Lighthouse Recovery Center for Salvation Army, October 2009
- Construction of Agat Police and Fire Station, Oct 2010
- Construction of Multipurpose Community Center in Macheche, Aug 2011
- Construction of 10 Homes in Machanao and Machananao, Dec 2011
- Renovation of GHURA Office, Feb 2015
- Modernizations, expansions and renovations of AMPs and GHURA Housing, 2006-2014.

We hope our transparency with you in this letter and our extensive working history with GHURA over the last 11 years will help us weather this difficult time. As much as we want to continue with these projects, the reality of our lack of resources and specific limitations requires us to let these opportunities pass and withdraw from these awards. We not only consider ourselves but the effect this decision will have on GHURA and the larger government.

It is our most ardent hope that GHURA's Board of Commissioners will act with mercy and accept our request to cancel this award.


With sincere gratitude and respect

Ernanita T. Lajato
P&E Construction, Inc.

**GUAM HOUSING AND URBAN RENEWAL AUTHORITY
ATURIDAT GINIMA □ YAN RINUEBAN SIUDAT**

MEMORANDUM:

TO: Board of Commissioners

FROM: Executive Director 

SUBJECT: **Notice of Default**
Rehabilitate and up-grade of the Astumbo Gym

On February 1, 2018 GHURA received notice from P&E Construction, Inc (P&E) that they are in no capacity to finish and turn over the Astumbo Gym. On February 2, 2018 we issued a Notice of Default and Termination of Construction Contract to P&E Construction and GHURA also filed a claim with their surety First Net Insurance company.

On February 15, 2018 A&E staff met with First Net Insurance Assistant Manager, Ms. Nancy Tan at the site to review the remaining work needed to turn over the project. During the meeting we informed her on the remaining work required and GHURA's timeline of 40 days. They agreed that it is prudent they take over the project and have identified JWG Construction as their contractor to complete the remaining work. According to First Net, JWG Construction is their contractor of preference, who just recently completed the medical facility in Mangilao.

Staff has started the process to transfer documents for First Net to proceed, which includes the need to inform DPW on the change of contractor. The warranty for the project will be maintain for 18 months by First Net upon completion of the work.

Attachment: Notice from P&E
Notice of Default to P& E
Claim filed with First Net Insurance



P&E Construction, Inc.

GENERAL CONTRACTOR

Mr. Michael J. Duenas, Executive Director
Guam Housing and Urban Renewal Authority
117 Bien Venida Ave.
Sinajana, Guam 96910

RE: GHURA-10-2016-CDBG
REHABILITATE & UP-GRADE OF ASTUMBO GYM, DEDEDO, GUAM

Dear Mr. Duenas,

We would like to inform your good office that we are no longer in capacity to finish the referenced project, Rehabilitate and Upgrade of Astumbo Gym.

We would like to thank GHURA for the tremendous opportunities it has given P&E Construction over the last decade. We are honored to have been partners with GHURA in building a better future for the community Guam.

With sincere gratitude and respect

Ernanita T. Lajato
P&E Construction, Inc.

GUAM HOUSING & URBAN
RENEWAL AUTHORITY
2010 FEB - 1 AM 10:45



GHURA

Guam Housing and Urban Renewal Authority
Aturidat Ginima' Yan Rinueban Siudad Guahan
117 Bien Venida Avenue, Sinajana, GU 96910
Phone: (671) 477-9851 • Fax: (671) 300-7565 • TTY: (671) 472-3701



Eddie Baza Calvo
Governor of Guam

Ray Tenorio
Lt. Governor of Guam

George A. Santos
Chairman

Thomas E. B. Borja
Vice Chairman

Carl V. Dominguez
Commissioner

Eliza U. Paulino
Commissioner

George F. Pereda
Commissioner

Joseph M. Leon Guerrero
Resident Commissioner

Michael J. Duenas
Executive Director

Pedro A. Leon Guerrero, Jr.
Deputy Director

February 2, 2018

Mrs. Eranita T. Lajato
President
P&E Construction
P.O. Box 25720
GMF, Barrigada, Guam 96921

Subject: IFB GHURA-10-2016-CDBG
Rehabilitate & Upgrade of Astumbo Gym
Notice of Default and Termination of Construction Contract

Dear Mrs. Lajato:

P&E Construction, Inc. ("P&E") was the successful bidder for IFB GHURA-10-2016-CDBG ("IFB") for the rehabilitation and upgrade of the Astumbo Gym. On February 3, 2017, GHURA and P&E entered into a contract for P&E to provide services arising from the IFB. P&E has breached this contract by failing to provide the requisite services, and the admitted inability of P&E to completely fulfill the terms of this contract.

On February 2, 2018, you transmitted a letter to GHURA admitting that P&E is unable to complete the project at the Astumbo Gym. A copy of this letter is attached. GHURA has further verified that the project has not been completed. You are thus in default of the contract and the contract is hereby terminated immediately.

In the event of a default by P&E, GHURA is specifically authorized to terminate the contract, and take over the work and complete it, by contract or otherwise, and may take possession of and use any materials, equipment and plant on the work site necessary for completing the work. See Section 32. Default, General Conditions. Furthermore, P&E and its sureties shall be liable for any damage to GHURA resulting from the Contractor's refusal or failure to complete the work within the time specified. *Id.* This liability includes any increased costs incurred by GHURA in completing the work. *Id.*

GHURA will be advising your surety company, First Net Insurance Company, of your default and resulting termination of contract. GHURA further reserves all its rights and remedies at law and/or at equity arising from your default and subsequent termination of contract.

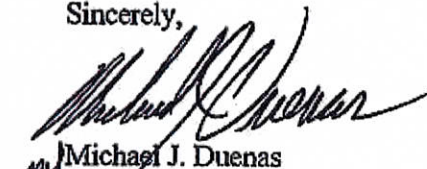


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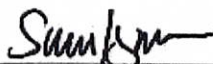
Notice of Default and Termination of Construction Contract

GHURA appreciates the long-standing relationship that it has had with P&E and is hopeful the financial condition of your company will improve in the future. If you have any questions you can reach me at 475-1378 or Albert Santos at 475-1404 or email alsantos1@ghura.org

Sincerely,



Michael J. Duenas
Executive Director

Acknowledged by: 
Mrs. Ernani T. Lajato
President, P&E Construction, Inc.

Date: 02/02/2018

cc: First Net Insurance Company
Moylan's Insurance Underwriters, Inc.



GHURA

Guam Housing and Urban Renewal Authority
Aturidat Ginima' Yan Rinueban Siudat Guahan
117 Bien Venida Avenue, Singajana, GU 96910
Phone: (671) 477-9851 · Fax: (671) 300-7565 · TTY: (671) 472-3701



Eddie Baza Calvo
Governor of Guam

Ray Tenorio
Lt. Governor of Guam

George A. Santos
Chairman

Thomas E. B. Borja
Vice Chairman

Carl V. Dominguez
Commissioner

Eliza U. Paulino
Commissioner

George F. Pereda
Commissioner

Joseph M. Leon Guerrero
Resident Commissioner

Michael J. Duenas
Executive Director

Pedro A. Leon Guerrero, Jr.
Deputy Director

February 2, 2018

Cesar L. Garcia
First Net Insurance Company
424 W. O'Brien Drive suite 202
Hagatna, Guam 96910

Subject: P&E Construction, Inc.
Default and Termination of Contract

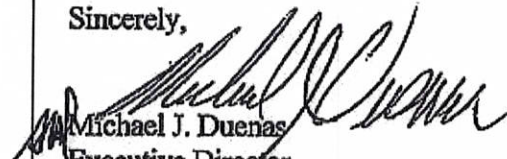
Dear Mr. Garcia:

First Net issued the performance and payment bonds for P&E Construction, Inc. ("P&E") on January 31, 2017 with a bond number of AGA-2881-PF/PM for the Rehabilitate & Upgrade of the Astumbo Gym project. A copy of the bonds are attached. This project was awarded to P&E pursuant to GHURA IFB 10-2016-CDBG. A copy of the contract between GHURA and P&E is attached.

P&E has failed to complete the project and is thus in default. On February 1, 2018, P&E transmitted a letter to GHURA advising that they are no longer able to complete the project. A copy of the letter is attached. GHURA has further verified that the project has not been completed. On February 2, 2018, GHURA transmitted a Notice of Default and Termination to P&E terminating the contract with them. A copy of the Notice is attached.

In consideration of such, GHURA hereby files a claim with your company as surety for the project. Please advise what additional steps are necessary to ensure that this claim is resolved. Thank you for your consideration in this matter and I may be contacted at 475-1378 or you may contact my staff Albert Santos at 475-1404 or email at alsantos1@ghura.org.

Sincerely,


Michael J. Duenas
Executive Director

Attachments: Contract, bond, correspondence

RECEIVED

FEB 12 2018

MIU By 