



C. GUTIERREZ
GOVERNOR

877-47-8331

OFFICE OF THE GOVERNOR
155 HESLER STREET
AGANA, GUAM 96910

OFFICE OF THE LEGISLATIVE SECRETARY

ACKNOWLEDGMENT RECEIPT

Received By Fernando Sumatarta

Time 3 p.m.

Date 9-30-97

The Honorable Antonio R. Unpingco
Speaker
Twenty-Fourth Guam Legislature
Guam Legislature Temporary Building
155 Hesler Street
Agana, Guam 96910

Dear Speaker Unpingco:

Enclosed please find a copy of Bill No. 207 (COR), "AN ACT TO AMEND ITEM 5 OF §1504(j) OF CHAPTER 1, ARTICLE 5 OF TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE USE OF THE HIGHWAY BOND CAPITAL IMPROVEMENT PROJECTS.", which I have **signed** into law today as **Public Law No. 24-70**.

This legislation was submitted by the Office of the Governor in the 23rd Guam Legislature, and no action was taken. It was resubmitted to the 24th Guam Legislature some months ago.

I am pleased that the Legislature has enacted this amendment to the Highway Bond Capital Improvement Project listing, so that contractor for the Agat-Umatat road construction can be paid from the bond proceeds, as well as acquisition of land for the Agat-Umatat road. This will allow the remaining payments to be made to the vendor for this project, who has been waiting for final payment for over 3 years.

Very truly yours,

Carl T. C. Gutierrez
Governor of Guam

Attachment

cc: The Honorable Joanne M. S. Brown
Legislative Secretary

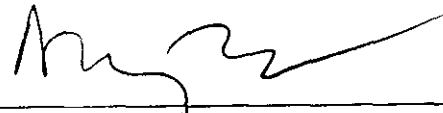
00445

OFFICE OF THE SPEAKER
ANTONIO R. UNPINGCO
DATE: 093097
TIME: 1300
RECD BY: [Signature]
PRINT NAME: Charlene Dienes

TWENTY-FOURTH GUAM LEGISLATURE
1997 (FIRST) Regular Session

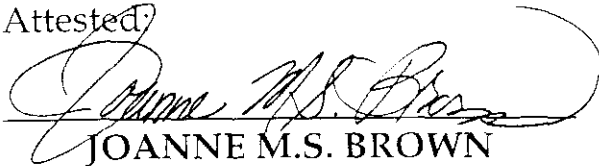
CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Bill No. 207 (COR), "AN ACT TO AMEND ITEM 5 OF §1504(j) OF CHAPTER 1, ARTICLE 5 OF TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO THE USE OF THE HIGHWAY BOND CAPITAL IMPROVEMENT PROJECTS," was on the 12th day of September, 1997, duly and regularly passed.



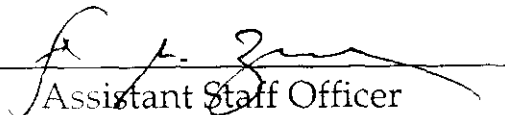
ANTHONY C. BLAZ
Acting Speaker

Attested:



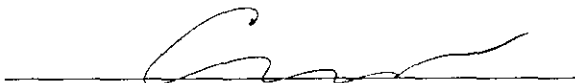
JOANNE M.S. BROWN
Senator and Legislative Secretary

This Act was received by the Governor this 22nd day of September, 1997, at
2:45 o'clock P.M.



Assistant Staff Officer
Governor's Office

APPROVED:



CARL T. C. GUTIERREZ
Governor of Guam

Date: 9-30-97

Public Law No. 24-70

TWENTY- FOURTH GUAM LEGISLATURE
1997 (FIRST) Regular Session

Bill No. 207 (COR)

As amended on the Floor.

Introduced by:

Committee on Rules,
Government Reform and
Federal Affairs

By Request of the Governor
in Accordance with the Organic
Act of Guam.

Mark Forbes

T. C. Ada

F. B. Aguon, Jr.

E. Barrett-Anderson

A. C. Blaz

J. M.S. Brown

Felix P. Camacho

Francisco P. Camacho

M. C. Charfauros

E. J. Cruz

W. B.S.M. Flores

L. F. Kasperbauer

A. C. Lamorena, V

C. A. Leon Guerrero

L. Leon Guerrero

V. C. Pangelinan

J. C. Salas

A. L.G. Santos

F. E. Santos

A. R. Unpingco

J. Won Pat-Borja

AN ACT TO AMEND ITEM 5 OF §1504(j) OF
CHAPTER 1, ARTICLE 5 OF TITLE 5 OF THE
GUAM CODE ANNOTATED, RELATIVE TO THE

USE OF THE HIGHWAY BOND CAPITAL
IMPROVEMENT PROJECTS.

1 BE IT ENACTED BY THE PEOPLE OF THE TERRITORY OF GUAM:

2 Section 1. Highway Capital Improvement Projects. Item 5 of §1504(j)
3 of Chapter 1, Article 5 of Title 5 of the Guam Code Annotated is hereby
4 amended to read as follows:

5 "5. Construction. Land Acquisition for the \$4.0 Million
6 Agat-Umatac Project and for unacquired
7 land on Route 1, land acquisition of
8 unacquired Route 6 property, land
9 acquisition Macheche Road, Bello Road
10 and Alegeta St."

P.L. 24-70



TWENTY-FOURTH GUAM LEGISLATURE

Office of the Vice-Speaker

ANTHONY C. BLAZ

August 29, 1997

**LEGISLATIVE
COMMITTEE
MEMBERSHIP**

Chairman
Finance & Taxation

Vice-Chairman
Rules,
Government Reform
& Federal Affairs

Education

Natural Resources

Health &
Human Services

Tourism, Economic
Development & Cultural
Affairs

Judiciary,
Public Safety &
Consumer Protection

Transportation,
Telecommunications, &
Micronesian Affairs

MEMBERSHIP

Guam Finance
Commission

Commission on Self
Determination

The Honorable Speaker Antonio R. Unpingco
24th Guam Legislature
155 Hesler Street
Agana, Guam 96910

VIA: Committee on Rules

Dear Mr. Speaker:

The Committee on Finance and Taxation, to which was referred Bill No. 207, "AN ACT TO AMEND THE USE OF THE HIGHWAY BOND CAPITAL IMPROVEMENT PROJECTS," herein reports back with the recommendation TO DO PASS.

Votes of the committee members are as follows:

13 To Pass

___ Not To Pass

___ To Place in Inactive File

___ Abstained

1 Off-Island

___ Not Available


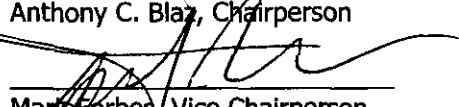
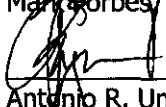
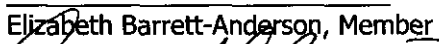
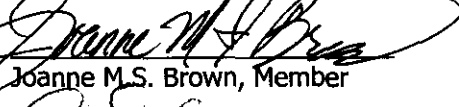
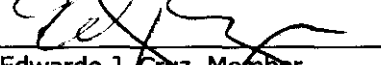
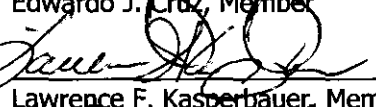


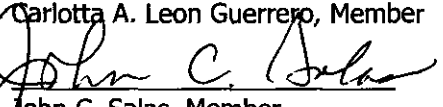
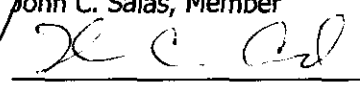
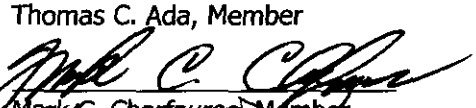
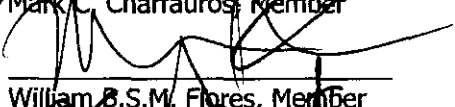

Sincerely,


Anthony C. Blaz

Attachments

Committee on Finance and Taxation
 Voting Sheet on
 Bill No. 207

“AN ACT TO AMEND THE USE OF THE HIGHWAY BOND CAPITAL IMPROVEMENT PROJECTS.”

COMMITTEE MEMBER	TO PASS	NOT TO PASS	ABSTAIN	INACTIVE FILE
 Anthony C. Blaz, Chairperson	✓			
 Mark Forbes, Vice Chairperson	✓			
 Antonio R. Unpingco, Ex-Officio	✓			
OFF-ISLAND				
 Elizabeth Barrett-Anderson, Member				
 Joanne M.S. Brown, Member	✓			
 Edwardo J. Cruz, Member	✓			
 Lawrence F. Kasperbauer, Member	X			
 Alberto A.C. Lamorena, V, Member	✓			
 Carlotta A. Leon Guerrero, Member	✓			
 John C. Salas, Member	✓			
 Thomas C. Ada, Member	✓			
 Mark C. Charfauros, Member	X			
 William B.S.M. Flores, Member	✓			
 Francis E. Santos, Member	✓			



TWENTY-FOURTH GUAM LEGISLATURE

Office of the Vice-Speaker

ANTHONY C. BLAZ

August 29, 1997

**LEGISLATIVE
COMMITTEE
MEMBERSHIP**

Chairman
Finance & Taxation

Vice-Chairman
Rules,
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Education

Natural Resources

Health &
Human Services

Tourism, Economic
Development & Cultural
Affairs

Judiciary,
Public Safety &
Consumer Protection

Transportation,
Telecommunications, &
Micronesian Affairs

MEMBERSHIP

Guam Finance
Commission

Commission on Self
Determination

TO: Senator Mark Forbes, Vice Chairperson
Speaker Antonio R. Unpingco, Ex-Officio Member
Senator Elizabeth Barrett-Anderson, Member
Senator Joanne M.S. Brown, Member
Senator Edwardo J. Cruz, Member
Senator Lawrence F. Kasperbauer, Member
Senator Alberto A.C. Lamorena, V., Member
Senator Carlotta A. Leon Guerrero, Member
Senator John C. Salas, Member
Senator Thomas C. Ada, Member
Senator Mark C. Charfaurous, Member
Senator William B.S.M. Flores, Member
Senator Francis E. Santos, Member

FR: Vice Speaker Anthony C. Blaz, Chairman
Committee on Finance and Taxation

RE: Voting Sheet on Bill No. 207

Transmitted herewith is the voting sheet and Committee Report on Bill No. 207 for your review and signature.

Your attention to this matter is greatly appreciated.

Sincerely,

Anthony C. Blaz

attachemnts

**Committee on Finance and Taxation
Report on Bill No. 207**

“AN ACT TO AMEND THE USE OF THE HIGHWAY BOND CAPITAL IMPROVEMENT PROJECTS.”

PUBLIC NOTICE:

Pursuant to the requirements of the Standing Rules, notice of the Public Hearing on Bill No. 207 was published in the Pacific Daily News on June 11, 1997.

PUBLIC HEARING:

The Committee on Finance and Taxation conducted a public hearing on Thursday, June 12, 1997 at 9:00 AM in the Legislature's Public Hearing Room to hear testimonies on Bill No. 207.

MEMBERS PRESENT:

The hearing was called to order by the Chairperson of the Committee on Finance and Taxation, Vice Speaker Anthony C. Blaz. Committee members present were:

Senator Thomas Ada
Senator Mark Charfauros
Senator Alberto A.C. Lamorena V
Senator Francis E. Santos

Other Senators present were:

Senator Frank B. Aguon, Jr.
Senator Francisco P. Camacho
Senator Lou Leon Guerrero
Senator Vicente C. Pangelinan
Senator Judith Won Pat-Borja

PROVIDING PUBLIC TESTIMONY ON THE BILL:

Andrew C. Kim, (oral testimony)

ATTACHMENTS TO THIS REPORT:

- Introduced Bill 207
- Fiscal Note
- Transcripts from Public Hearing
- Public Hearing Advertisement

BACKGROUND :

Mr. Kim testified in support of Bill 207, stating a \$1 million dollar balance that the government owes to Hanjin Construction for the Agat-Umatic Road reconstruction, Phase II, Project No. GU-HB-002(101) . Mr Kim stated that final billing was submitted to DPW in

October 1993, however, the funds were not available for payment. Hanjin proceeded with the project with the assurance that funding will be earmarked for this project. To date, the amount owed has not been paid. Legislation drafted in 1995 proposed to earmark the funds for the outstanding balance, however the bill was not acted upon.

FINDINGS:

- This legislation is necessary to earmark funds for the outstanding balance owed to Hanjin Construction for the Agat-Umatic Road reconstruction, Phase II, Project No. GU-HB-002(101).

COMMITTEE RECOMMENDATION:

The Committee, having conducted a sufficient hearing, does hereby recommend to the Legislature **to do pass without further delay, Bill 207** "AN ACT TO AMEND THE USE OF THE HIGHWAY BOND CAPITAL IMPROVEMENT PROJECTS."

COMMITTEE ON FINANCE & TAXATION PUBLIC HEARING
JUNE 12, 1997

BILL 207 (GOV REQ/RULES)

AN ACT TO AMEND THE USE OF THE HIGHWAY BOND CAPITAL IMPROVEMENT PROJECTS.

MEMBERS PRESENT: SENATOR A.C. BLAZ
SENATOR T.C. ADA
SENATOR M.C. CHARFAUROS
SENATOR A.A.C. LAMORENA, V
SENATOR F.E. SANTOS

OTHER SENATORS: SENATOR FRANK B. AGUON
SENATOR F.P. CAMACHO
SENATOR L. LEON GUERRERO
SENATOR V.C. PANGELINAN
SENATOR J.W.P.-BORJA

OTHERS PRESENT TO PROVIDE TESTIMONY:
MR. ANDREW C. KIM, HANJIN CONSTRUCTIN CO. (ORAL)

SENATOR BLAZ: Thank you very much, thank you Galen. At this time, we'd like to hear **Bill 207**. Mr. Kim from Hanjin.

MR. A. KIM: **muffled** was requested by the Governor and out of 4 million funds I requested 1 million dollars will be used to pay the remaining balance of our project, our money. Umatac Road project is one of the best roads on Guam it was finished in March 1993 and we submitted a final billing in October 1993 but so far it hasn't been paid because at the time the fund was not made and _____ had two choices, to wait until the money to cover the change order is made and make us stand by for to give us green light to proceed and later pay us and in case the change order is made at a later time then it may make a lot of inconvenience to the residents of the southern area so we proceeded with the changes for the road without the fund is made and of course at the time DPW repeatedly assured that we would be paid and actually DPW earmarked one fund made from unused portion of one road project but later DPW changed their priority they used that fund for another project. So, so far it has been pending and at the end of 1995 the DPW requested the Governor to make a bill and so the Governor requested the Legislature to sponsor a bill but unfortunately in 1993 the bill wasn't passed and so this year, the Governor requested another bill so right now the bill was sponsored the bill number is 207 and approximately 1 million will be used for the final payment to Hanjin Construction Company and we had a meeting with DPW and they said they have a very strong justification for our payment and they said to forward all the documents to the Legislature in 1995 so I believe that you have for the records. Thank you sir.

SENATOR BLAZ: Thank you very much Mr. Kim. Mr. Kim can you please, there are some concerns that my colleagues have. Senator Ada.

SENATOR ADA: Mr. Kim I don't think anybody can dispute the value of that project the Agat/Umatac and the quality of the construction and all that. I'm a little concerned though that a change order was executed

and I guess when a change order is executed a funding source has to be identified but you know it seems that then now after all the work's been done you've got this money that's due to you for going on what two years now?

MR. KIM: More than three years sir, almost four years.

SENATOR ADA: Almost four years and then you know now we're going to pass legislation to make right what we shouldn't have done in the first place, I mean, you know if we don't have the money then we don't do the work. We don't go in there and tell you to do it and then say don't worry about it we'll find the money somewhere that's not the way it should work. So, I'm really concerned about that but the change order took place when, when was that executed?

MR. KIM: In 1992, actually it's not really a change order but it's different site condition because the alignment of the road was changed because the actual topography and drawings were different. So, DPW decided to make a realignment of the road that's why a mass excavation wasn't _____ in the project. And actually our company had a choice you know where we could wait until the proper change of order was executed but it'll take very long sometimes it'll take even a year after the fund is made then a change order will be executed and we can proceed but it was suppose to take so long and it would make a lot of inconvenience to the southern area residents so our company did the change work in good faith to help the people of the southern area and of course DPW people encouraged us to proceed.

SENATOR ADA: Is Hanjin a, claiming for the value of the work done plus the interest, I mean, in other words you had an invoice that was payable when, in 1993 and so now it's already four years so are you, is the 1 million dollars that would then be, I mean by passing this bill it would authorize Hanjin to be paid this 1 million dollar payable that's coming to you, is that, that doesn't include interest?

MR. KIM: No sir, it doesn't include any interest.

SENATOR ADA: Is Hanjin going to push for interest to paid on this?

MR. KIM: Well, our intention is to get paid only for the original construction amount but in case it takes longer then we may think about the interest also but it is fine if it is passed as soon as possible then of course we'll waive the interest.

SENATOR ADA: OK, alright, thank you very much.

SENATOR BLAZ: Anyone?

SENATOR F.P. CAMACHO: Just like to ask a follow up question you know it's always a very hard to deal with the government when you do in good faith and although we support that because it's going to be inconvenient if you stop the project and the whole works and I know that we run into that type of situation in other areas you know and other projects and we run into the same difficulty because of the work if they, you know, in good faith you went ahead and did because it's actually to benefit everybody even to save money because if you have to restart another job it can be assumed to cost more so at the same time you're saving the government the money to continue and finish the job you know you're putting up your money

up front and at the same time you know the government contract is not completed the RFP is not completed so I kind of you know support the idea as long as DPW supported you at that time but the RFP was completed after that right, did the RFP ever get consummated I just wanted to follow up because I didn't the total package you know when you did the job you did the RFP but DPW did they actually have their stamp of approval of the RFP?

MR. KIM: Well, after the work was complete and DPW representatives checked the over run amount so it was confirmed but

SENATOR F.P. CAMACHO: But did they agree with the RFP that's the important thing is that they agree with the RFP and they substantiate you know that the amount is due to you but they didn't have the alright so I understand that and I think, hope that the chair will consider that because it's not for a small amount that you have to put up and everybody's benefiting in the south and also the people of Guam when they use that road. Thank you.

SENATOR BLAZ: Thank you Mr. Kim, thank you Senator Camacho. I'd like to now hear Bill 232, is there anyone wishing to testify on Bill 232?

JUN 04 1997

BBMR-F7

**FISCAL NOTE
BUREAU OF BUDGET AND MANAGEMENT RESEARCH**

Bill No. 207
Amendatory Bill YES X NO

Date Received 5/20/97
Date Reviewed 5/22/97

Department/Agency Affected: Department of Public Works
Department/Agency Head: Mr. Sabino P. Flores, Acting Director
Total FY appropriation to Date: \$24,674,938

Bill Title (Preamble): An Act to Amend the Use of the Highway Bond Capital Improvement Projects

Change in Law: Item 5 of Subsection (j) of §1504 of Title 5, Guam Code Annotated

Bill's Impact on Present Program Funding:

 Increase Decrease Reallocation X No Change
Bill is for: Operations X Capital Improvement Other

FINANCIAL/PROGRAM IMPACT

ESTIMATED SINGLE-YEAR FUND REQUIREMENTS (Per Bill)

PROGRAM CATEGORY	GENERAL FUND	OTHER	TOTAL
<u>Infrastructure & Utilities</u>	<u> </u>	<u>-0-</u>	<u>-0-</u>

ESTIMATED MULTI-YEAR FUND REQUIREMENTS (Per Bill)

FUND	1st	2nd	3rd	4th	5th	TOTAL
GENERAL FUND	<u>see comments</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

FUNDS ADEQUATE TO COVER INTENT OF THE BILL? YES/NO - IF NO, ADD'L AMOUNT REQUIRED n/a
AGENCY/PERSON/DATE CONTACTED: Dept. of Public Works/Mr. Ray Torres, Chief Planner/ May 22, 1997

ESTIMATED POTENTIAL MULTI-YEAR REVENUES

FUND	1st	2nd	3rd	4th	5th	TOTAL
GENERAL FUND	<u>n/a</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
OTHER	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
TOTAL	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

ANALYST Frank Lizama DATE 5/22/97 DIRECTOR JOSEPH E. RIVERA DATE MAY 28 1997
Francis Balaguer
Acting Director

Footnotes: The intention of the proposed amendment is to pay for outstanding obligations on the construction of the Agat-Umatat Highway Project. Program account balance amounts to about \$3.1 million of the original appropriation of \$4.0 million.