

GUAM INDUSTRY FORUM

(Gen 1.doc)

TOPIC: Forum Comment (Gen 1)

QUESTION: Will the list of attendees of the Guam Industrial Forum be available on the website?

RESPONSE: We will review release of the list of attendees against Privacy Act and force protection concerns. [Mr. Bice]

Update: A list of company attendees is available at

http://guamindustryforum.com/GIF_Business_Companies_Listing.pdf.

GUAM INDUSTRY FORUM

(Infra 1.doc)

TOPIC: Infrastructure - Port

QUESTION: Are upgrades to the Guam Port and improvements to the harbor to be funded in this program?

RESPONSE: The port is not part of the funded \$10.3 B program. However, the port is absolutely critical to the program as it is a choke point in the flow of material and equipment for this build-up. Later on the U.S. Maritime Administration from the Department of Transportation will be in here to discuss the issue. I know that MARAD wants to talk to the officials for the Guam Port Authority to see how they can help., There are a lot of models where the Maritime Administration has come together to help ports. The Honolulu port, the port of Anchorage, Charleston and others are examples. There's great opportunity here for expansion of that commercial port or a great opportunity for public/private partnership. I didn't say privatization, that's up to the people of Guam to determine what arguments they're going to make on that port. There's a great opportunity and the Maritime Administration can be that mortar between the brick, the glue that brings it all together to make it happen. It is a critical issue that we need to address. I'm a military guy and I'll always have a back-up plan, but I don't want to have to do any back-up plan. I want to make that port work because it's going to help us in the long term, but most importantly its going to help the economy of Guam and the people of Guam. Good question, thanks. [Mr. Bice]

Navy port improvements fit in the top tier of facility contract packages. The embarkation for the Marines and the facilities projects for the transient CVN in Apra Harbor will likely be one of those capability packages that we'll put together and award to a single entity.. [CAPT Cariello]

GUAM INDUSTRY FORUM

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TOPIC: Infrastructure Utilities

QUESTION: Will the information technology and utility systems infrastructure be upgraded to support the U.S. Marine Corps' increased presence in Guam?

RESPONSE: We are working with U.S. Pacific Command and DISA in determining what the requirements for IT technology. There's going to be a tremendous bandwidth requirement, especially for the Air Force Global Hawk and the Army Ballistic Missile Defense task force. The Marine relocation will have a minimal additional requirement.. Once U.S. Pacific Command and DISA develop the requirements, they'll hand them off to and we'll be putting them in to the mix. Thanks, good question. [Mr. Bice]

That's something that we're looking at. We are in the process of figuring out which components make sense to separate and source out separate from the vertical construction. That may very well be one, it may not. These are challenges associated with each type of component and advantages to each. We haven't made a decision on that, but again we welcome more specific feedback. Apologize for no definitive answer on that, but certain decisions have just not been made. That is something we're looking at. [CAPT Cariello]

GUAM INDUSTRY FORUM

(Infra 5.doc)

TOPIC: Infrastructure Standards and Codes

QUESTION: To what building standards/codes and construction criteria will the new facilities be built? What will be the source of all construction material?

RESPONSE: Each RFP will include websites for design and construction criteria that will be required for the construction projects. They will probably be similar, if not the same, to what the construction standards are presently. [Mr. Bice]

Japan is funding a large portion of this program. Our intention is to execute this acquisition strategy in the most intelligent fashion possible. Accordingly, regardless if it is U.S. funded or U.S. money or Japanese money, our going-in intention is for both of those fund sources to apply to this model. It is our intention to apply standard specifications and specifying key components in our facilities to both U.S. and G.O.J. funding. [CAPT Cariello]

The Cargo Preference Act applies if the materials are to be used for a DoD project. The purchase order will track what will be used on the DoD project. If concrete is bought in a Home Depot, for example, that is when the Cargo Preference Act does not apply. [Mr. Bice]

GUAM INDUSTRY FORUM

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TOPIC: Infrastructure LEED Standards

QUESTION: Considering green and sustainable building standards, will the constructed facilities comply with LEED systems and methodology?

RESPONSE: Absolutely, that's something that we've been talking about. We have some experience under our belt on the difficulties and the challenges associated with doing this. We've got a major program that we're going to execute here. There are objectives that have been put out for us to achieve. LEED criteria, to the extent that it is practicable, will be incorporated into our construction here. The reality is that there are challenges associated with it and we welcome more specific feedback. We're going to do what is appropriate. We do want to make the point and emphasize that those criteria, those objectives, are something that we're going to continue pursuing for this program. [CAPT Cariello]

Again these are initiatives and mandates that have been put out for us to incorporate into our designs starting this next fiscal year. Our intention is to honor those mandates as directed in this program. Again, nothing specific right now on how to do that. There's certainly lots of options and alternatives available. To the maximum extent we intend to incorporate those into our designs. [CAPT Cariello]

The Federal Government, through the Energy Policy Act of 2005, mandated that federal agencies go to sustainable design. DON has implemented a policy requiring LEED Silver Standards for construction starting in 2009. The cost may be high initially but the theory is that the life cycle of facilities with LEED Silver Standards will save us money in the long run. [Mr. Bice]

We are pursuing LEED Silver Status certifiable criteria so the overall product will have to meet that criteria. We are in the process of defining the most effective way to achieve this program over the next several years. What kind of means and the key components will be determined as we complete this process. [Mr. Bice]

GUAM INDUSTRY FORUM

(Legal Issues 6.doc)

TOPIC: SPE Structure

QUESTION: Because the special purpose entities are being funded 100% by the Government of Japan and going to be deposited into FDIC, will American firms have a level playing field to compete for those special purpose entities?

RESPONSE: We will be working with the Government of Japan to determine how the special purpose entities will be constructed, set up, and operated. For housing, the Marine Corps, DON, and DoD are keen on safety and quality of life for their families. When it comes to utilities, there is still a great deal of discussion with the Government of Japan on how it will be set up and what part, if any, GPA, GWA, and DPW play in it.
(Mr. Bice)

GUAM INDUSTRY FORUM
(Legal Issues 7.doc)

TOPIC: US Govt Land

QUESTION: Will the projects be constructed in the area where US Govt completely controls?

RESPONSE: We will be working with the Government of Japan to determine how the special purpose entities will be constructed, set up, and operated. For housing, the Marine Corps, DON, and DoD are keen on safety and quality of life for their families. When it comes to utilities, there is still a great deal of discussion with the Government of Japan on how it will be set up and what part, if any, GPA, GWA, and DPW play in it.
(Mr. Bice)

GUAM INDUSTRY FORUM

(Legal Issues 8.doc)

TOPIC: Rules of Engagement

QUESTION: What are the rules of engagement, for U.S. versus Japanese companies in this whole process?

RESPONSE: Good question and I'll answer it as best as I can. The Japanese have committed six billion dollars. It is in our interest to exploit the buying power of that commitment. I have made it my policy, and remember I'm a bureaucrat that can get over-ruled, to make a level playing field for the Japanese direct funding. I also want to find the best value for the programs that will be funded by Japanese direct funding whether it's U.S. or Japanese companies. We want to exploit that buying power and the policies that we put in place are going to be with that intention. I hope I've answered that question, because I've heard it asked several times. A level playing field for both U.S. and Japanese companies there, but it's the best value that we can get from the Japanese contribution that's put in there. (Mr. Bice)

GUAM INDUSTRY FORUM

(Legal Issues 9.doc)

TOPIC: Funding Authorization

QUESTION: It was mentioned that the 2.8 billion in Japanese cash contributions will be blended with the MILCON Program to fund the construction. In years past with other programs, Congress actually required authorization to spend that money in conjunction with the MILCON Program. Will there be some sort of special legislation that allows us to blend this or will normal authorization as a part of the MILCON process be used?

RESPONSE: We're working with the Comptroller for the Department of Defense to address the issue of how the Japanese direct funding under the U.S./Japan agreement will be placed into a U.S. Treasury account and pulled out as we build these projects. The technical and policy requirements on that issue are still being addressed at this point. If there's new congressional authorization that's required, it has not been identified at this point. It is considered a cash contribution and goes into a separate pot of money, but comes out and goes in to build a project. I suspect that, as opposed to blending directly with U.S. capital/cash for military construction, we'll keep it separate for project development. Obviously the Japanese government and the people of Japan will want to know exactly what was bought by the yen that was contributed to that Treasury account. It may not be blended, as you have talked about in past in terms of weapons acquisition and like there, but will be separate projects or programs within the overall program. (Mr. Bice)

GUAM INDUSTRY FORUM

(Legal Issues 11.doc)

TOPIC: US Contractor Preference

QUESTION: Does the US Contractor 20% preference apply to a joint venture such as a limited liability corporation?

RESPONSE:

R: It applies to U.S. Corporations. (Mr Robert Little)

R: In a DoD FAR supplement provision, U.S. firms that propose a bid on Guam MILCON projects have a preference of 20% against non-U.S. firms. In order to be eligible for the 20% preference, the prime offeror must meet certain criteria. The offeror has to be a firm incorporated in the US and has to comply with three conditions: (1) It must have a corporate headquarters in the U.S. (2) It must file and pay corporate and employment taxes in the U.S for a minimum of two years (if required), file state and Federal income tax returns (if required) for two years. (3) Employ U.S. citizens in key management provisions. The provision does not require that the offeror firm be owned by U.S. citizens and does not prohibit subcontracting with non-U.S. firms so long as the stated conditions are met. This applies only to those appropriated under the MILCON Appropriations Act. (Mr. Bice)

GUAM INDUSTRY FORUM
(Legal Issues 14.doc)

TOPIC: Jones Act

QUESTION: Will the Jones Act impair the ability to bring in containers and bulk cargo from U.S. ports to Guam? Will JIGPO recommend waivers from the Jones Act?

RESPONSE: The Jones Act will apply and waivers are rare. Guam is considered a U.S. port for the purposes of protected US flag cabotage for coast wide shipping between U.S. ports.

Guam is not considered a U.S. port for cargo customs clearance and cargo security purposes. Such actions are reserved for Guam under the Organic Act. Guam is considered a U.S. port for immigration purposes. (Mr. Bice)

GUAM INDUSTRY FORUM

(Legal Issues 15.doc)

TOPIC: Buy America Act

QUESTION: Will the Buy American Act for installing material and equipment be applied to the Japanese funded portion (GOJ) of this program?

RESPONSE: No. The Buy American Act, which is implemented through the FAR, would not apply to projects that the Japanese fund and construct directly, such as SPE Housing and Utilities projects.

The “buy national” restrictions will apply to those projects funded by the Japanese direct cash contribution and deposited into the U.S. Treasury. Such funds are considered appropriated funds and any projects associated with the use of such funds are subject DFARS regulations.

(Mr. Bice)

GUAM INDUSTRY FORUM
(Legal Issues 18.doc)

TOPIC: Program Support Contract Advertisement

QUESTION: When do you plan to advertise for the Program Support Contract and how much time will be allowed for the proposal preparation?

RESPONSE: This is one of the first contracts we are looking to award, sometime in 2008. We are likely to target the RFP for that contract in the spring of 2008 and award the contract before the end of the year. (Mr. Bice)

GUAM INDUSTRY FORUM

(Legal Issues 19.doc)

TOPIC: Program Support Contract Requirements #1

QUESTION: Does NAVFAC intend to award the Program Support Contract to one firm, multiple firms, contracting employees, etc.?

RESPONSE: The current strategy is to award to one firm for program support services necessary to augment the NAVFAC staff. We intend to award it through the best value process, initially for a base year. The years after will be through options on the base year contract. (Mr. Bice)

GUAM INDUSTRY FORUM
(Legal Issues 20.doc)

TOPIC: Program Support Contract Requirements #2

QUESTION: If you are successful in winning the PM Support Contract, will you be disqualified from competing in future contracts?

RESPONSE: We want to avoid a conflict of interest situation. Therefore, the successful awardee for the program support contract will be ineligible for follow-on construction contracts. The scope of the contract is still undetermined, but could include logistic support contracts.
(Mr. Bice)

GUAM INDUSTRY FORUM

(Legal Issues 24.doc)

TOPIC: Design Build

QUESTION: To our understanding the plan is to use all design-build for all construction, but it seems like design-bid-build is the better vehicle if you want to have everything in place and ready for executing construction by 2010?

RESPONSE: We currently do not have the authority to start construction work under design-build contracts before the NEPA Record of Decision (ROD) is signed. We are pursuing design-build contracts because that is the preferred method. If authorized by Congress, there are benefits we can leverage through the Design Build, Early Start Pilot Program. If we do not receive such authorization, we may have to look into some design-bid-build work. (Mr. Bice)

GUAM INDUSTRY FORUM
(Local Issues 5.doc)

TOPIC: Funds of Logistic Support Contracts

QUESTION: Through the Government Funds of Logistics Support Contracts, we are subsidizing foreign workers and potentially supplanting on-island workforce?

RESPONSE: In theory the contractor who provides the workforce under a Logistic Support Contract will be paid for his services by the prime contractor doing the vertical capability packages.. This is not finance through the appropriated funds, but by the prime contractor. (Mr. Bice)

GUAM INDUSTRY FORUM
(Local Issues 7.doc)

TOPIC: Non-Immigrant Workers

QUESTION: Can non-immigrant Labor workers be used on military projects if the work is performed off base?

RESPONSE: Yes. The H2B visa program is not dependent on whether the work is performed on or off base. (Mr Bice)

GUAM INDUSTRY FORUM
(Local Issues 10.doc)

TOPIC: Contractor Camps

QUESTION: Will the camps be located on DoD land or will contractors be allowed to acquire private land or provide camp on HUD Housing?

RESPONSE: Bottom line is that there hasn't been a decision made yet. We are looking for best value and reducing contract overhead. Opportunities exist for this to be done through logistic workforce contracts or on DoD land, which is probably the initial preference. Best value is what we are looking at, through a competitive process. (Mr. Bice)