



**Office of the Attorney General**  
**Elizabeth Barrett-Anderson**  
 Attorney General of Guam  
 Solicitor Division  
 590 S. Marine Corps Drive  
 ITC Bldg., Suite 802  
 Tamuning, Guam 96913 • USA  
 (671) 475-3324 • (671) 472-2493 (Fax)  
 www.guamag.org  
 Attorneys for the Government

**RECEIVED**  
 OFFICE OF PUBLIC ACCOUNTABILITY  
 PROCUREMENT APPEALS

DATE: 02.06.18  
 TIME: 2:02  AM  PM BY: JMY  
 FILE NO OPA-PA: 18-002

**IN THE OFFICE OF PUBLIC ACCOUNTABILITY  
 PROCUREMENT APPEAL**

<b>IN THE APPEAL OF:</b>	)	<b>DOCKET NO. OPA-PA-18-002</b>
	)	
<b>KORANDO CORPORATION,</b>	)	
	)	
<b>Appellant,</b>	)	
	)	<b>GOVERNMENT OF GUAM'S</b>
<b>AND</b>	)	<b>AGENCY REPORT</b>
	)	
<b>DEPARTMENT OF PUBLIC WORKS,</b>	)	
	)	
<b>Purchasing Agency.</b>	)	

**I. APPELLEE INFORMATION**

Name: Department of Public Works  
 Address: 542 N. Marine Corps Drive  
 Tamuning, Guam 96913

For purposes of this Appeal, please direct correspondence to DPW's counsel, Thomas P. Keeler, [tkeeler@guamag.org](mailto:tkeeler@guamag.org), Attorney General's Office, 590 S. Marine Corps Drive, Suite 706, ITC Building • Tamuning, Guam 96913. Tel: 475-3324; Fax: 472 - 2493.

**COPY**

## II. APPEAL INFORMATION

- A. Purchasing Agency: Department of Public Works, Government of Guam
- B. Contract No: GU-NH-NBIS(007)
- C. Date of Contract: March 25, 2014
- D. This appeal is made by Korando from the Department of Public Work's November 15, 2017 determination of eligible costs for the construction of the Bile/Pigua Bridge Reconstruction Project at Merizo, Guam.
- E. There is no competing bidder at issue in Korando's Appeal.

## III. RELEVANT PROCEDURAL HISTORY

On March 25, 2014, DPW and Korando executed a contract for construction of the Bile/Pigua Bridge Replacement (Project No. GU-NH-NBIS(007) (the "Contract"), attached as **Exhibit A**, hereto. Pursuant to Contract Section I(a), Korando was to complete the Bile/Pigua Replacement Project (the "Project") within four hundred and fifty (450) days from DPW's issuance of a Notice to Proceed ("NTP"). DPW issued the NTP on November 19, 2015. *See 11/19/2015 NTP Letter, Exhibit B*, attached hereto. After commencement of the Project, delays occurred on the Project primarily related to Korando's failure to prosecute work on the Project. By a letter dated July 10, 2015, DPW terminated Korando for cause. *See July 10, 2015 Termination Letter, Exhibit C*, attached hereto. At the time of termination Korando had completed less than one per cent (1%) of the permanent work and it was estimated that it would exceed the completion date by more than one hundred and thirty two (132) days. *Id.*

Korando appealed its termination to the Office of Public Accountability ("OPA"). The formal hearing on Korando's appeal commenced on December 9, 2015, and after four (4) days of formal hearing, the parties reached agreement under which DPW would rescind the July 10, 2015 Termination Letter in accordance with the parties December 16, 2015 Stipulation and Order ("Stipulation and Order"), attached as **Exhibit D** hereto. The Stipulation and Order provides in relevant part as follows:

5. Upon signing of this Stipulation Korando can submit written Proposed Change Orders in accordance with the terms and conditions of Korando's Contract. DPW agrees that it will review on the merits and process the Change Orders timely and in good faith, and in accordance with Korando's Contract. Korando's change orders will include, but are not limited to, the following:

- a. Demobilization and remobilization costs, materials previously ordered or in store, which cannot be used on the Project due to the delay of the Project, and other expenses related to the termination and delay of the Project.

\* \* \* \* \*

*Stipulation and Order at 3.*

On January 16, 2018 Korando appealed DPW's November 15, 2017, determination of eligible costs.

#### **IV. APPEAL**

##### **A. DPW Complied with the December 16, 2015 Stipulation and Order and Contract.**

It took Korando over ten (10) months after signing the Stipulation and Order to finally submit a change order ("Initial Change Order"). See *10/18/2016 Change Order (without exhibits)*, attached hereto as **Exhibit E**. DPW responded in a timely manner on December 28, 2016, requesting additional documents and clarification. Korando responded via a January 24, 2017 letter ("Corrected Claim"), with Exhibit No. 1, attached hereto as **Exhibit F**.

DPW normally would have responded by late March or by mid April 2017, however with the unreasonably excessive claims submitted by Korando, and the number of people involved in providing a good faith detailed review, the department required additional time.

DPW disputes that its efforts to complete a detailed review was a breach of its obligations under the Stipulation and Order or Contract. The Guam Procurement Code provides a contractor with a statutory remedy in those situations where a Contracting Officer, for whatever reason is not able to or fails to issue a decision in a timely manner. 5 G.C.A. §5427 (Authority to Resolve Contract and Breach of Contract Controversies), Subsection (f) provides as follows:

///

(f) Failure to Render Timely Decision. If the Chief Procurement Officer, the Director of Public Works, the head of a purchasing agency, or the designee of one of these officers does not issue the written decision required under Sub-section (c) of this Section within sixty (60) days after written request for a final decision, or within such longer period as may be agreed upon by the parties, then the contractor may proceed as if an adverse decision had been received.

DPW believes Korando's claim that DPW failed to act in good faith in responding to a claim that took Korando over ten (10) months to prepare, and then submitted a second Corrected Claim two (2) months later, is disingenuous. First, Korando, in response to DPW's concerns and comments, failed to submit its revised October 17, 2017 Change Order ("Korando's Revised Change Order"), attached hereto as Exhibit G, until over a year after its Initial Change Order. Further, Korando's Initial, Corrected and Revised Change Orders include claims that are not made in good faith and clearly have no relationship to demobilization and remobilization costs, or costs reasonably related to the Termination and delay of the Project contemplated in the Stipulation and Order.

Korando's Revised Change Order was submitted on October 17, 2017. DPW submitted its response on November 15, 2017, ("DPW's Determination of Eligible Costs"), attached as Exhibit H hereto. DPW's response to Korando's Revised Change Order was thus provided within thirty (30) days of submission. DPW's Determination of Eligible Costs the department determined that Korando was entitled to Twenty Nine Thousand Two Hundred and Forty One Dollars & 46/100 (\$29,241.46) ("Approved Costs") in demobilization and remobilization costs and materials, or costs reasonably related to the termination and delay of the Project. Korando may however be entitled to interest on the Approved Costs for a few months in accordance with 5 G.C.A. §5475 (Interest).

DPW determined that only Twenty Nine Thousand Two Hundred and Forty One Dollars & 46/100 (\$29,241.46) of Korando's Revised Change Order was properly substantiated and eligible for reimbursement under the Stipulation and Order

///  
///  
///

**B. DPW Complied with the Implied Covenant of Good Faith and Fair Dealing.**

As noted herein it took Korando over ten (10) months to file its initial claim. Is a ten (10) month delay in submitting its claim a breach of the implied covenant of good faith and fair dealing?

Further, how can Korando reasonably represent that it is acting in good faith in submitting claims totaling nearly Nine Hundred Thousand Dollars (\$900,000) on a project that it had only completed one per cent (1%) of at the time of termination? The answer is that it can't.

Korando's Initial, Corrected and Revised Change Orders contain numerous claims not remotely associated with demobilization and remobilization costs, or costs reasonably related to the termination and delay of the Project. Korando still has yet to address many of the department's concerns and requests for substantiating documents.

On October 17, 2017, over a year since submitting its Initial Claim, Korando filed Korando's Revised Change Order. DPW responded to Korando's Revised Change Order within thirty (30) days. As such, DPW responded to Korando's Revised Change Order in a timely manner.

Also, as noted above, the Guam Procurement Code contemplates that a contracting officer may at times be delayed in making a decision on contractual claims. If Korando had concerns with DPW's timeliness it should have addressed such in writing, which it failed to do, or made a written demand for a final decision pursuant to Guam Procurement Code 5 G.C.A. §5427(f). Considering its own extensive delay in submitting its Initial Change Order, the filing of Korando's Revised Change Order and failure to exercise its statutory rights under Guam's Procurement Code Korando is barred from alleging DPW acted in bad faith.

**V. CONCLUSION**

DPW respectfully requests that the OPA dismiss this appeal for the reasons stated above.

///  
///  
///

**VI. RELIEF REQUESTED BY DPW**

DPW respectfully request a ruling from the OPA as follows:

1. Korando's Appeal be dismissed; and
2. For such other relief that the OPA may determine is just and proper.

Dated this 6<sup>th</sup> day of February, 2018.

OFFICE OF THE ATTORNEY GENERAL  
~~Elizabeth Barrett-Anderson~~, Attorney General

By:

  
\_\_\_\_\_  
**THOMAS P. KEELER**  
Assistant Attorney General

**UNSWORN DECLARATION/VERIFICATION**

Pursuant to 6 GCA § 4308 I declare (or certify, verify or state) under penalty of perjury that the foregoing is true and correct to the best of my information and belief.

Executed on February 6, 2018.

By:

  
\_\_\_\_\_  
**GLENN LEON GUERRERO, DIRECTOR**

DEPARTMENT OF PUBLIC WORKS

In the Appeal of: Korando vs. Dept. of Public Works

Docket No. OPA-PA-18-002

**Government of Guam's Agency Report**

# **EXHIBIT A**

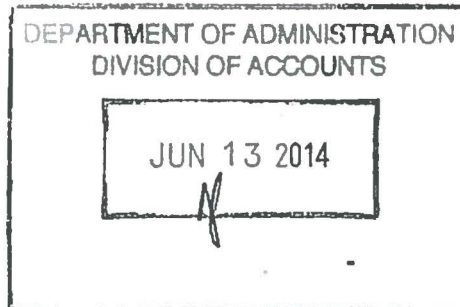
**COPY**

DEPT'S

14-0324

Bile / Pigua Bridge Replacements  
Project No. GU-NH-NBIS(007)

**CONTRACT NO.**



**CONTRACT**

**KORANDO CORPORATION**

( CONTRACTOR )

And

**GOVERNMENT OF GUAM**

Contract for: **BILE / PIGUA BRIDGE REPLACEMENT**

Project No.: **GU-NH-NBIS(007)**

Amount: **\$ 3,665,559.00**

LOCATION: **Merizo, GUAM**

**RECEIVED**  
MAY 07 2014  
Bureau of Budget and  
Management Research

C140601235

FC-1

CFD0614- 2142



RECEIVED

Bile / Pigua Bridge Replacements  
Project No. GU-NH-NBIS(007)

MAY 07 2014

Bureau of Budget and  
Management Research

FORMAL CONTRACT

THIS AGREEMENT AND FORMAL CONTRACT, made and entered into this \_\_\_\_\_ day of, \_\_\_\_\_ 2014, by and between the Government of Guam, hereinafter called the "Government," represented by the Contracting Officer executing this contract, party of the first part, and, a corporation of Guam, **KORANDO CORPORATION** hereinafter called the "Contractor," party of the second part.

WITNESSETH, That whereas the Government requires the contractor to construct, **Bile / Pigua Bridge Replacement, Project No. GU-NH-NBIS(007)** hereinafter called the "Project," according to the statements of work and contract requirements including special contract requirements and schedule of work prepared by the Department of Public Works,

NOW THEREFORE, the Government and Contractor for the considerations hereinafter set forth, agree as follows:

- I. THE CONTRACTOR AGREES to furnish all the necessary labor, materials, equipment, tools and services necessary to perform and complete in a workmanlike manner all the work required for the construction of the Project, in strict compliance with the contract documents herein mentioned, which are hereby made a part of the contract, including the following addenda:

Addendum No.	Dated
1	December 18, 2013
2	January 09, 2014
3	January 22, 2014
4	February 05, 2014
5	February 11, 2014

- (a) Contract Time: The Contractor agrees to commence work under this contract upon written notice to proceed, and to complete the project ready for use and operation within 450 calendar days of the commencement of the contract time as stated in the Notice to Bidders of the contract.

(b) **Subcontractors:** The Contractor agrees to bind every subcontractor by the terms of the contract documents. The contract documents shall not be construed as creating any contractual relation between any sub-contractor and the Government.

II. THE GOVERNMENT AGREES to pay, and the Contractor agrees to accept, in full payment for the performance of this contract, the contract amount of Three Million Six Hundred Sixty Five Thousand Five Hundred Fifty Nine Dollars (\$ 3,665,559.00), and any sums to be added and/or deducted resulting from all extra and/or omitted work in connection therewith, as authorized under the terms as stated in the Standard Specifications and Special Contract Requirements of the contract, all according to the terms as stated in the contract documents a) Progress payments will be made according to the Special Contract Requirements of the contract.

III. **CONTRACT DOCUMENTS:** It is hereby mutually agreed that the following list of instruments, plans, specifications and documents which are attached, bound herewith or incorporated herein by reference shall constitute the contract documents, all of which are made a part hereof, and collectively evidence and constitute the contract between the parties hereto, and they are as fully a part of this Agreement as if they were set out verbatim and in full, and are designated as follows:

- a) Invitation and Notice to Bidders
- b) Special Contract Requirements
- c) Proposal and Bid Documents
- d) Contract Documents
- e) Project Location and Drawings
- f) Standard Specifications for Construction of Roads and Bridges on Federal Highway Projects, FP-03
- g) Addendum(s)

IV. **LIQUIDATED DAMAGES:** The Contractor further agrees to pay to the Government reasonable liquidated damages as stipulated in FP-03 for breach of this contract by the Contractor by his failing, neglecting or refusing to complete the work within the time herein specified and shall be paid for each consecutive calendar day therefore that the Contractor shall be in default after the time stipulated in the contract for completing the work ready for use and/or operation.

V. COVENANT AGAINST CONTINGENT FEES. The Contractor warrants that he has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give the Government the right to terminate the contract, or in its discretion, to deduct from the contract price or consideration the amount of commission, percentage, brokerage or contingent fee. The warranty shall not apply to commissions payable by contractors upon contracts or sales secured or made through bonafide established commercial or selling agencies maintained by the Contractor for securing business.

VI. OTHER CONTRACTS. The Government may award other contracts for additional work, and the Contractor shall fully cooperate with such other contractors and carefully fit his own work to that provided under other contracts as may be directed by the Contracting Officer. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other contractor.

VII. DISPUTES. Except as otherwise specifically provided in this contract, all disputes concerning questions of fact arising under this contract shall be decided by the Contracting Officer whose decision shall be final and conclusive upon the parties thereto. Meanwhile the Contractor shall diligently proceed with the work as directed.

VIII. CONTRACT BINDING. It is agreed that this contract and all of the Covenants hereof shall insure to the benefit of and be binding upon the Government and the Contractor respectively and his partners, successors, assignees and legal representatives. Neither the Government nor the Contractor shall have the right to assign, transfer or sublet his interests or obligations hereunder without written consent of the other party. It is hereby mutually agreed by and between the parties hereto that no mechanic, contractor, subcontractor, material man or other person can or contract for or in any other manner have or acquire any lien upon the binding or works covered by this contract, or the land upon which the same is situated.

IX. COMPLIANCE TO PUBLIC LAW 28-98: Restriction Against Contractors Employing Convicted Sex Offenders from Working at Government of Guam Venues.

The final contract between DPW and the awardee shall include the following provisions:

- (1) warranties that no person providing services on behalf of the contractor has been convicted of a sex offense under the provisions of Chapter 25 of Title 9 GCA or an offense as defined in Article

2 of Chapter 28, Title 9 GCA, or an offense in another jurisdiction with, at a minimum, the same elements as such offenses, or who is listed on the Sex Offender Registry; and

- (2) that if any person providing services on behalf of the contractor is convicted of a sex offense under the provisions of Chapter 25 of Title 9 GCA or an offense as defined in Article 2 of Chapter 28, Title 9 GCA, or an offense in another jurisdiction with, at a minimum, the same elements as such offenses, or who is listed on the Sex Offender Registry, that such person will be immediately removed from working at said agency and that the administrator of said agency be informed of such within twenty four (24) hours of such conviction.

X. COMPLIANCE TO PUBLIC 24-100, PRODUCTS MANUFACTURED FROM RECYCLED GLASS:

Pursuant to 5 GCA section 5218, any individual or company submitting a response to this solicitation shall include the purchase of available recycled glass pulverized on Guam or appropriate products manufactured therefrom. The contract awarded under this solicitation shall determine the suitable percentage of recycled glass to be used in the project and, as a condition of the award of the contract, shall require the contractor to identify and certify in writing the percentage of recycled glass contained in the material offered. The acceptable percentage of recycled glass has been determined to be 0% for this project.

IN WITNESS WHEREOF the parties hereto have executed this contract as of the day and year first written.



CARL V. DOMINGUEZ  
Director  
Department of Public Works  
Contracting Officer



HYON SANG KIM  
(Witness)

PO BOX 20538 GMF, GUAM 96921  
(Address)

FRANCISCO PALMA Jr.  
(Witness)

PO BOX 20538 GMF, GUAM 96921  
(Address)

BYONG HO KIM -PRESIDENT

KORANDO CORPORATION



)  
)  
) Contractor  
)

380H HARMON INDUSTRIAL PARK  
(Business Address)

TAMUNING, GUAM 96913

I, HYON SANG KIM certify that I am the secretary of the corporation named as Contractor herein; that BYONG HO KIM who signed this contract on behalf of the Contractor, was then PRESIDENT of said corporation; that said contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

  
(CORPORATE SEAL)

CERTIFIED FUNDS AVAILABLE:

Account No. 5101F141068IB105-230  
\$ 3,665,559.00

04.18.14  
*[Signature]*

*[Signature]*  
**JOAQUIN R. BLAZ, BMA IV**  
Certifying Officer  
Acting Program Administrator  
Highways (Horizontal) Engineering & Maintenance  
Department of Public Works

DATE: 5/2/14

CONCUR:

*[Signature]*  
**CARL V. DOMINGUEZ**  
Director  
Department of Public Works

DATE: 5/2/14

*[Signature]*  
**EUGENE A. NIEMASZ, P.E.**  
Acting Chief Engineer - Highways  
Department of Public Works  
(Governor's Temporary Appointment)

DATE: \_\_\_\_\_

CLEARED AS PER BBMR'S REVIEW

*[Signature]*  
**JOHN A. RIOS**  
Director  
Bureau of Budget and Management  
Research

DATE: MAY 19 2014

APPROVED AS TO FORM AND LEGALITY:

*[Signature]*  
**LEONARDO M. RAPADAS**  
Guam Attorney General

DATE: 6/2/14  
DPW 14-0324



APPROVED:

*[Signature]*  
**HONORABLE EDDIE BAZA CALVO**  
Governor of Guam

JUN 10 2014

DATE

FC-7

DEPARTMENT OF ADMINISTRATION  
DIVISION OF ACCOUNTS  
Registration Date 06/10/2014  
Registered No. 0140601230  
*[Signature]*  
Book No. K3466001  
Registered By R 06/16/2014

**RECEIVED**  
MAY 07 2014  
Bureau of Budget and  
Management Research

In the Appeal of: Korando vs. Dept. of Public Works

Docket No. OPA-PA-18-002

**Government of Guam's Agency Report**

# **EXHIBIT B**



The Vertex Companies, Inc  
1888 Kalakaua Avenue, Suite 313  
Honolulu, HI 98615  
PHONE 808.518.4509  
www.vertexeng.com

VIA EMAIL

November 19, 2015

Re: NOTICE TO PROCEED  
Bile-Pigua Bridge Replacement GU-NH-NBIS (007)  
VERTEX Project No. 35470

ATTN: Rob Marks & Mr. Jong Won  
([Robert.Marks@coretechintl.com](mailto:Robert.Marks@coretechintl.com); [jong.won@coretechintl.com](mailto:jong.won@coretechintl.com))  
Core Tech International Corporation  
388 South Marine Corps Drive, Suite 400  
Tamuning, Guam 96913

The Vertex Companies, Inc., on behalf of Westchester Fire Insurance Company ("WFIC") hereby issues Core Tech International Corporation ("CTI") a Notice to Proceed on the above referenced Bile-Pigua Bridge Replacement project.

This Notice to Proceed is in accordance with the Completion Agreement between WFIC and CTI. Per the Completion Agreement, CTI agrees to start the Work, or be available to start, within five calendar days of receipt of this Notice.

Kind Regards,

Sam Reed, AIA, CCCA  
Division Manager  
The Vertex Companies, Inc.

CC: Melissa Detrick (WFIC)  
Thomas Sterling (BSJM)  
Joe Pecht (PTG)  
Buster Anderson (PTG)  
Derrick Lehman (PTG)  
Jeff Miller (TGE)  
Nicholas Deeley (VERTEX)





In the Appeal of: Korando vs. Dept. of Public Works

Docket No. OPA-PA-18-002

**Government of Guam's Agency Report**

# **EXHIBIT C**



The Honorable  
Eddie Baza Calvo  
Governor

The Honorable  
Ray Tenorio  
Lieutenant Governor

COPY



July 10, 2015

VIA HAND DELIVERY AND CERTIFIED MAIL

Mr. Byong Ho Kim  
President  
Korando Corporation  
P.O. Box 20538  
GMF, GU 96921

RECEIVED  
DATE: 7/10/15

*Korando Corporation*  
*Felix C. Benavente*

Re: **BILE/PIGUA BRIDGE REPLACEMENT**  
**Project No. GU-NH-NBIS(007)**  
Surety: Westchester Fire Insurance Company  
Bond No.: K07901689  
Amount of Bond: \$3,665,559.00

Mr. Kim:

It is the finding of the Government of Guam that Korando Corporation ("Korando") has breached its contractual obligations with respect to the Bile/Pigua Bridge Replacement Contract dated June 10, 2014, by performing those obligations negligently and in failing to timely prosecute the construction work. This includes, but is not limited to, evidence of the following:

1. **Section 108.1 – Commencement, Prosecution and Completion of Work** obligates contractor to "(a) commence work under this contract immediately after the issuance of the **Notice to Proceed**, prosecute the work diligently, ...
2. **Section 108.5 (e)** If the Contractor shall refuse or fail to prosecute the work or any part thereof with such diligence as will insure its completion within the period herein specified ...
3. **Section 108.5 (f)** If the Contractor shall refuse or fail to regard the laws, ordinances or instructions of the Contracting Officer or otherwise be guilty of substantial violations of any provision of the contract, then, in any such event, the Owner, upon receipt of certification from the Contracting Officer justifying that sufficient cause exists, may within 10 calendar days terminate the employment of that Contractor, ...
4. **Section 155.06 – Schedule Updates**, which provides that "Failure of the contractor to maintain the construction schedules and charts will be considered justification for withholding payments.

TN15-0999



*The Honorable*  
**Eddie Baza Calvo**  
*Governor*

*The Honorable*  
**Ray Tenorio**  
*Lieutenant Governor*



**Glenn Leon Guerrero**  
*Director*  
**Felix C. Benavente**  
*Deputy Director*

July 10, 2015

**VIA HAND DELIVERY AND CERTIFIED MAIL**

Mr. Byong Ho Kim  
President  
Korando Corporation  
P.O. Box 20538  
GMF, GU 96921

**Re: BILE/PIGUA BRIDGE REPLACEMENT**  
**Project No. GU-NH-NBIS(007)**  
Surety: Westchester Fire Insurance Company  
Bond No.: K07901689  
Amount of Bond: \$3,665,559.00

Mr. Kim:

It is the finding of the Government of Guam that Korando Corporation ("Korando") has breached its contractual obligations with respect to the Bile/Pigua Bridge Replacement Contract dated June 10, 2014, by performing those obligations negligently and in failing to timely prosecute the construction work. This includes, but is not limited to, evidence of the following:

- 1. Section 108.1 – Commencement, Prosecution and Completion of Work** obligates contractor to "(a) commence work under this contract immediately after the issuance of the **Notice to Proceed**, prosecute the work diligently, ...
- 2. Section 108.5 (e)** If the Contractor shall refuse or fail to prosecute the work or any part thereof with such diligence as will insure its completion within the period herein specified ...
- 3. Section 108.5 (f)** If the Contractor shall refuse or fail to regard the laws, ordinances or instructions of the Contracting Officer or otherwise be guilty of substantial violations of any provision of the contract, then, in any such event, the Owner, upon receipt of certification from the Contracting Officer justifying that sufficient cause exists, may within 10 calendar days terminate the employment of that Contractor, ...
- 4. Section 155.06 – Schedule Updates**, which provides that "Failure of the contractor to maintain the construction schedules and charts will be considered justification for withholding payments.

- 5. Formal Contract Article 1 (a) Contract Time.**
- 6. Instructions to Bidders Article 11. Time of Completion.**
- 7. Notice to Bidders Article 5. Contract Time.**
- 8. FP-03 Subsection 107.01 Laws to be observed.**
- 9. FP-03 Subsection 155.01 / FAR Sections 52.236-15 Schedules for Construction Contracts.**
- 10. FAR and 52.249-10 Default (Fixed-Price Construction).**
- 11. Article I.3 of the Required Contract Provisions (RCP) Federal-Aid Construction Contract.**
- 12. Instructions to Bidders Article 25 Termination of Work on Failure to Pay Agreed Wages.**

Over the past months Korando has been counseled on these deficiencies, in particular the failure to diligently pursue the work. Despite numerous opportunities to cure, Korando continued to fail or otherwise refuse to provide adequate work force necessary to perform the work on a project that has yet to see any meaningful progress such that it is no longer possible for you to complete the work within the required contract term of 450 days. The Government finds that Korando is in material default of the Contract for the Bile/Pigua Bridge Reconstruction Project, and that it is in the best interest of the Government and residents of Guam that the Contract be immediately terminated.

Therefore, effective July 10, 2015, and pursuant to its rights under the Contract and the laws of Guam, the Government does hereby TERMINATE the same, together with Korando's right to proceed with said Contract and the work there under. The Government is notifying the surety who issued Korando's Performance and Payment Bond of this termination.

Korando is hereby ordered to peacefully surrender and leave the Project site. In addition, Korando is further ordered to protect and preserve any property in its possession in which the Government has an interest, and to transfer title and deliver to the Government, who shall take possession of and shall utilize such materials, appliances, and plants as may be on the site of the work and which are necessary to its eventual completion. This includes any completed construction and any such information, and contract rights ("Construction Materials") as Korando has specifically produced or specifically acquired for the performance of the terminated part of the Contract. DPW inspectors shall be on the premises to ensure the thorough transfer of Construction Materials and the safe removal of all Korando personnel.


Any attempt to act or perform otherwise than as ordered herein shall be construed as being intentionally hostile, and may subject Korando to criminal prosecution.

Thank you for your cooperation.

DEPARTMENT OF PUBLIC WORKS,



Glen Leon Guerrero



Cc: Attorney General of Guam  
Richelle Takara, Territorial Representative. FHWA

In the Appeal of: Korando vs. Dept. of Public Works

Docket No. OPA-PA-18-002

**Government of Guam's Agency Report**

# **EXHIBIT D**



**Office of the Attorney General**  
**Elizabeth Barrett-Anderson**  
 Attorney General of Guam  
 Solicitor Division  
 590 S. Marine Corps Drive  
 Tamuning, Guam 96913 • USA  
 (671) 475-3324 • (671) 472-2493 (Fax)  
 tkeeler@guamag.org  
 tpkeeler@gmail.com  
 Attorneys for Defendants

**IN THE OFFICE OF PUBLIC ACCOUNTABILITY**

In the Appeal of	)	DOCKET NO. OPA-PA: 15-009
	)	
<b>KORANDO CORP.</b>	)	
Appellant,	)	<b>STIPULATION AND ORDER TO</b>
	)	<b>RESCIND THE TERMINATION OF</b>
and	)	<b>KORANDO CORPORATION ON THE</b>
	)	<b>BILE/PIGUA BRIDGE REPLACEMENT</b>
<b>Department of Public Works</b>	)	<b>PROJECT (GU-NH-NBIS(007))</b>
	)	
<u>Purchasing Agency.</u>	)	

The Department of Public Works, Government of Guam (“DPW”) and Korando Corporation (“Korando”), by and through its respective undersigned counsel, hereby jointly submit this Stipulation and Order to Rescind the Termination of Korando Corporation on the Bile/Pigua Bridge Replacement Project (GU-NH-NBIS(007)) (“Project”).

The parties stipulate as follows:

1. DPW rescinds the July 10, 2015 termination of Korando and Korando agrees to complete the Project in accordance with the parties' Bile/Bridge Replacement Contract dated June 10, 2014 ("Korando's Contract"), as revised by this Stipulation.

2. The Project will have a new target start date of January 25, 2016 ("New Start Date"). Korando will have the full 450 days in which to complete the Project (subject to any extension of time approved after the New Start Date) on the terms and conditions contained in Korando's Contract, as revised by this Stipulation.

3. All liquidated damages are hereby waived through the New Start Date.

4. DPW will immediately process Korando's Payment Applications for work performed through July 10, 2015 (the termination date):

a. The First Payment Application for the sum of \$195,367.36 (net after deducting retainage).

b. The Second Payment Application was submitted on July 10, 2015 for work performed through July 10, 2015, in the amount of \$122,248.43

5. Upon the signing of this Stipulation Korando can submit written Proposed Changed Orders in accordance with the terms and conditions of Korando's Contract. DPW agrees that it will review on the merits and process the Change Orders timely and in good faith, and in accordance with the terms of Korando's Contract. Korando's change orders will include, but are not limited to, the following:



a. Demobilization and remobilization costs, materials previously ordered or in store, which cannot be used on the Project due to the delay of the Project, and any other expenses related to the termination and delay of the Project.

b. Korando's Alternate Phasing Plan requires the construction of a new temporary steel bridge ("New Steel Bridge") due to its contention of the inadequacy of the existing temporary steel bridges. Korando will submit a change order for all costs associated with the New Steel Bridge as proposed in Submittal No. 562.001-02.

c. Korando contends that there is a conflict between the existing overhead power lines and the operation of the crane when hoisting and positioning the piles during the pile driving operation (the "Conflict"), as depicted in DPW's construction documents. If DPW/owner in coordination with Korando reasonably determines this is a design issue, DPW will be responsible for: (i) finding a constructible solution, redesigning and providing the new plans to address this conflict; and (ii) contacting GPA and third party communication providers.

6. DPW agrees that it will act in good faith to use TG Engineers as the Construction Manager on this Project. In no case will Stanley be used as the Construction Manager on this Project.

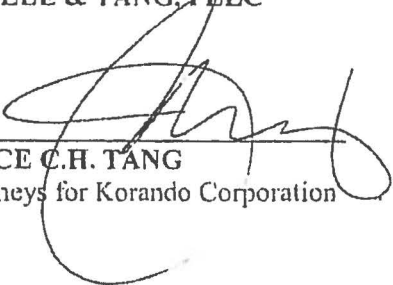
7. Korando agrees that it will act in good faith to retain Mr. Keith Farrell as a consultant on the Project.

//

//

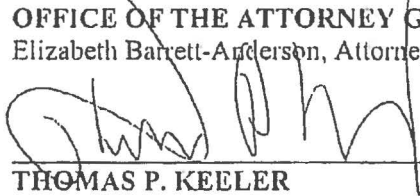
SO STIPULATED on this 16th day of December, 2015.

CIVILLE & TANG, PLLC

  
\_\_\_\_\_  
JOYCE C.H. TANG  
Attorneys for Korando Corporation

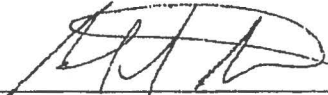
OFFICE OF THE ATTORNEY GENERAL  
Elizabeth Barrett-Anderson, Attorney General

By:

  
\_\_\_\_\_  
THOMAS P. KEELER  
Assistant Attorney General

DEPARTMENT OF PUBLIC WORKS

By:

  
\_\_\_\_\_  
GLENN LEON GUERRERO  
Director, DPW

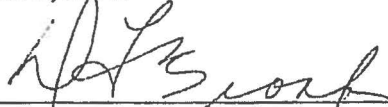
#### ORDER

Pursuant to the foregoing Stipulations made by the parties, it is hereby ORDERED that DPW's termination of Korando's Contract is hereby RESCINDED, and the terms of the above Stipulations are hereby incorporated into and made a part of this Order.

The Public Auditor's approval of this Stipulation and Order is a Final Administrative Decision. The parties are hereby informed of their right to appeal from a Decision by the Public Auditor to the Superior Court of Guam, in accordance with Part D of Article 9 of 5 GCA §5481(a).

A copy of this Stipulation and Order shall be provided to the parties and their respective attorneys in accordance with 5 GCA §5702, and shall be made available for review on the OPA Website at [www.opaguam.org](http://www.opaguam.org).

SO ORDERED this 16th day of December, 2015.

  
\_\_\_\_\_  
DORIS FLORES BROOKS, CPA, CGFM  
Public Auditor

In the Appeal of: Korando vs. Dept. of Public Works

Docket No. OPA-PA-18-002

**Government of Guam's Agency Report**

# **EXHIBIT E**



**KORANDO CORPORATION**  
**GENERAL CONTRACTOR**

P.O. BOX 20538  
 GMF, GUAM 96921  
 TEL: (671) 649-7880  
 (671) 649-7881  
 FAX: (671) 649-7882  
 EMAIL: admin\_korando@teleguam.net

October 18, 2016

Mr. Glenn Leon Guerrero,  
 Director  
 Dept. of Public Works  
 542 N. Marine Drive  
 Tamuning, Guam 96913



**Ref: Bile Pigua Bridges Replacement**  
**Project No. GU-NH-NBIX (007)**  
**Claim Due to Termination and Delay of Project**

Dear Mr. Leon Guerrero,

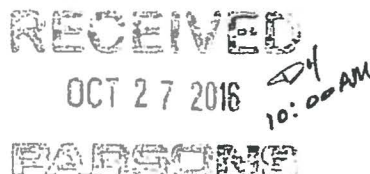
Based on the Office of Public Accountability (OPA) Stipulation OPA-PA:15:009, Paragraph 5a, Korando Corporation (Korando) is entitled to claim the cost of mobilization, demobilization and any other expenses related to the termination and delay of Department of Public Works (DPW) Contract GU-NH-NBIS-0007 Bile/Pigua Bridge Replacement (The Project). The following narrative, together with the attached financial summary details Korando's claim in relation.

- Encl. OPA Stipulation OPA-PA:15:009
- Narration
- Exhibit 1 – Mobilization and Demobilization
- Exhibit 2 – Engineering/Survey Service
- Exhibit 3 – Field Office (DPW & Stanley Consultants)
- Exhibit 4 – Staging Area (Korando)
- Exhibit 5 – Service Vehicle & Fuel
- Exhibit 6 – WFIC (Surety) & Korando Consultant Costs
- Exhibit 7 – Repeated Work
- Exhibit 8 – Pre-Stressing Jack Calibration & Re-Certification
- Exhibit 9 – Labor Costs

Cc: Houston Anderson, PTG  
 David Yao, PTG  
 Jeff Miller, TG Engineers, PC  
 Joyce Tang, Civile & Tang, PLLC

Sincerely,  
 Korando Corporation

Byong Ho Kim  
 President



# Claim Amount



**KORANDO CORPORATION**  
 P.O. BOX 20538, GMP, GUAM 96921  
 TEL. NCS. (671) 643-7880/01  
 FAX NO. (671) 643-7882

## Claim due to termination and delay of Project

Project : Bile/Pigua Bridge Replacement : GU-NH-NBIS(007)

ITEM	\$	-	Q'ty	TOTAL	REMARK
<b>1. Mobilization &amp; De-Mobilization</b>					
1.1 Junfan 7/9AS Hammer	\$	60,000.00	1	\$ 60,000.00	Smithbridge
1.2 Shipping (Brisbane-PAG, return)	\$	7,924.46	1	\$ 7,924.46	Smithbridge
1.3 Lizama's Equipment rental	\$	2,900.00	1	\$ 2,900.00	Lowboy Rental
1.4 Korando Boom Truck	\$	600.00	1	\$ 600.00	Office Supplies delivery
				\$ 71,424.46	
<b>2. Engineering / Survey Service</b>					
2.1 J.M. Aquino PC	\$	29,120.00	1	\$ 29,120.00	Existing bridge analysi, Temp Bridge Structural Calculation
2.2 Pineda Survey	\$	6,300.00	1	\$ 6,300.00	
2.3 Smithbridge Administration	\$	6,800.00	1	\$ 6,800.00	
				\$ 42,220.00	
<b>3. Field Office (Stanley Consultant)</b>					
3.1 Rent	\$	800.00	9	\$ 7,200.00	Jan. 2015 - July. 2015
3.2 Utility					Jan. 2015 - July. 2015
GPA	\$	282.70	1	\$ 282.70	
GWA	\$	576.95	1	\$ 576.95	
GTA	\$	780.14	1	\$ 780.14	
				\$ 8,839.79	
<b>4. Staging Area</b>					
4.1 Rent	\$	800.00	14	\$ 11,200.00	Jan. 2015 - Feb. 2016
4.2 SOS Portable toilet	\$	392.29	1	\$ 392.29	Mar. 2015 - July. 2015
4.3 Utility					Jan. 2015 - Feb. 2016
GPA	\$	209.25	1	\$ 209.25	
GWA	\$	335.87	1	\$ 335.87	
				\$ 12,137.41	
<b>5. Service vehicle and Fuel</b>					
<b>5.1. Vehicle</b>					
Francisco S. Palma Jr.	\$	900.00	7	\$ 6,300.00	Jan. 2015 - July 2015
Ricarte B. Bisquera (QC)	\$	900.00	7	\$ 6,300.00	Jan. 2015 - July 2015
Ruel Z. Remelira (PM)	\$	900.00	9	\$ 8,100.00	Jan. 2015 - Sep. 2015
Youngil Chung (Safety)	\$	900.00	7	\$ 6,300.00	Jan. 2015 - July 2015
Kiwook Han	\$	900.00	8	\$ 7,200.00	July. 2015 - Feb. 2016
				\$ 34,200.00	
<b>5.2 Fuel</b>					
Francisco S. Palma Jr.	\$	190.00	7	\$ 1,330.00	Jan. 2015 - July 2015
Ricarte B. Bisquera (QC)	\$	190.00	7	\$ 1,330.00	Jan. 2015 - July 2015
Ruel Z. Remelira (PM)	\$	190.00	9	\$ 1,710.00	Jan. 2015 - Sep. 2015
Youngil Chung (Safety)	\$	190.00	7	\$ 1,330.00	Jan. 2015 - July 2015
Kiwook Han	\$	190.00	8	\$ 1,520.00	July. 2015 - Feb. 2016
				\$ 7,220.00	
<b>6. WFIC (Surety) and Korando consultant and Fee</b>					
6.1 Atty. for Surety	\$	48,826.42	1	\$ 48,826.42	
6.2 Verlex Engineering for Surety	\$	82,853.83	1	\$ 82,853.83	
6.3 Administration Costs	\$	374.43	1	\$ 374.43	
6.4 CoreTech International	\$	71,308.92	1	\$ 71,308.92	
6.5 Kellh Farrel	\$	20,825.00	1	\$ 20,825.00	July. 2015 - Feb. 2016
6.6 Tiger Gillham	\$	15,907.50	1	\$ 15,907.50	July. 2015 - Feb. 2016
				\$ 240,096.10	
<b>7. Repeated work</b>					
7.1. Clearing and Grubbing	\$	13,945.50	1	\$ 13,945.50	
7.2. Soil erosion control	\$	10,150.00	1	\$ 10,150.00	
7.3. Construction schedule	\$	3,116.67	1	\$ 3,116.67	\$7,500 / 450 days x 187 days
7.4. Temporary traffic control	\$	20,777.78	1	\$ 20,777.78	\$50,000 / 450 days x 187 days
				\$ 47,989.95	
<b>8. Prestressing Jack Calibration and Certification</b>					
			1	\$ 8,400.00	
<b>Sub-Total (1+2+3+4+5+6+7+8)</b>				\$ 472,527.71	
Over head				5%	\$ 23,626.39
<b>Sub-Total + Overhead</b>				\$ 496,154.10	
Profit				10%	\$ 49,615.41
<b>Total (1)</b>				\$ 545,769.51	

ITEM	Unit Cost	Q'ty	TOTOAL	REMARK
<b>9. Labor Cost</b>				Salay + 67% (including overhead)
8.1 Engineer				
Francisco S. Palma Jr.	\$ 8,350.00	7	\$ 58,450.00	Jan. 2015 - July 2015
Ricarte B. Bisquera (QC)	\$ 5,344.00	7	\$ 37,408.00	Jan. 2015 - July 2015
Ruel Z. Remelira (PM)	\$ 5,845.00	9	\$ 52,605.00	Jan. 2015 - Sep. 2015
Youngil Chung (Safety)	\$ 4,000.00	7	\$ 28,000.00	Jan. 2015 - July 2015
Kiwook Han	\$ 8,350.00	8	\$ 66,800.00	July. 2015 - Feb. 2016
			\$ 243,263.00	
8.2 Laborer	\$ 31,858.40	1	\$ 31,858.41	Mobilization, Clearing, Grubbing and Erosion Control (Mar 19, 2015 - May 25, 2015)
Sub-Total			\$ 275,121.41	
Profit		10%	\$ 27,512.14	
<b>Total (2)</b>			\$ 302,633.55	
<b>Total (1) + (2)</b>			\$ 848,403.06	
GRT		4.16%	\$ 35,293.57	
<b>Total Claim Cost</b>			\$ 883,696.63	

In the Appeal of: Korando vs. Dept. of Public Works

Docket No. OPA-PA-18-002

**Government of Guam's Agency Report**

# **EXHIBIT F**





**KORANDO CORPORATION**  
GENERAL CONTRACTOR

P.O. BOX 20538  
G.M.F., GUAM 96921  
TEL: (671) 649-7880  
(671) 649-7881  
FAX: (671) 649-7882  
E-mail:  
admin@korandocorp.com

Jan. 24, 2017

Mr. Glen Leon Guerrero  
Director  
Dept. of Public Works  
542 N. Marine Drive  
Tamuning, Guam 96913

**Ref: Bile/Pigua Bridges Replacement  
Project No. GU-NH-NBIX (007)  
Claim Due to Termination and Delay of Project**

Dear Mr. Leon Guerrero,

Korando Corporation (Korando) acknowledges receipt of The Department of Public Works' (DPW) letter dated December 28, 2016, requesting backup documents and/or clarifications for some claimed items to complete its review.

The following narrative, together with the attached backup documents, details Korando's response to DPW's request in relation.

Encl.:

- Exhibit 1 - Corrected Claim Amount
- Exhibit 2 - 1. Mobilization and Demobilization
- Exhibit 3 - 3. Field Office
- Exhibit 4 - 4. Staging Area

If you have any questions or need additional information, please contact Mr. Ki Wook Han, Representative of Korando at 482-3567, or Mr. David McCallum, Project Manager of Korando at 888-6188

Sincerely,

Byong Ho Kim  
President

Cc: Jeff Miller, TG Engineers, PC  
David Yao, PTG  
Joyce Tang, Cville & Tang LLC.



**RECEIVED**  
JAN 26 2017 10:45 AM  
**PARSONS**



**EXHIBIT 1 – Corrected Claim Amount**



**KORANDO CORPORATION**  
 P.O. BOX 20538, GMP, GUAM 96921  
 TEL. NOS. (671) 648-7880/01  
 FAX NO. (671) 648-7882

## Claim due to termination and delay of Project

Project : Bile/Pigua Bridge Replacement : GU-NH-NBIS(007)

ITEM	\$	-	Q'ty	TOTAL	REMARK
<b>1. Mobilization &amp; De-Mobilization</b>					
1.1 Juntian 7/9AS Hammer	\$	56,000.00	1	\$ 56,000.00	Smithbridge (Rental)
1.2 Mobilization Cost	\$	13,064.12	1	\$ 13,064.12	Smithbridge( Freight, Shipping, Tax, etc)
1.3 Lizama's Equipment rental	\$	2,900.00	1	\$ 2,900.00	Lowboy Rental
1.4 Korando Boom Truck	\$	600.00	1	\$ 600.00	Office Supplies delivery
				\$ 72,564.12	
<b>2. Engineering / Survey Service</b>					
2.1 J.M. Aquino PC	\$	29,120.00	1	\$ 29,120.00	Existing bridge analysi, Temp Bridge Structural Calculation
2.2 Pineda Survey	\$	6,300.00	1	\$ 6,300.00	
2.3 Smithbridge Administration	\$	6,800.00	1	\$ 6,800.00	
				\$ 42,220.00	
<b>3. Field Office (Stanley Consultant)</b>					
3.1 Rent	\$	800.00	9.3	\$ 7,466.70	Jan. 2015 -Oct. 2015
3.2 Utility					Jan. 2015 -July. 2015
GPA	\$	282.70	1	\$ 282.70	
GWA	\$	576.95	1	\$ 576.95	
GTA	\$	780.14	1	\$ 780.14	
				\$ 9,106.49	
<b>4. Staging Area</b>					
4.1 Rent	\$	800.00	14	\$ 11,200.00	Jan. 2015 - Feb. 2016
4.2 SOS Portable toilet	\$	577.77	1	\$ 577.77	Mar. 2015 - July. 2015
4.3 Utility					Jan. 2015 - Feb. 2016
GPA	\$	209.25	1	\$ 209.25	
GWA	\$	335.87	1	\$ 335.87	
				\$ 12,322.89	
<b>5. Service vehicle and Fuel</b>					
<b>5.1. Vehicle</b>					
Francisco S. Palma Jr.	\$	900.00	7	\$ 6,300.00	Jan. 2015 - July 2015
Ricarte B. Bisquera (QC)	\$	900.00	7	\$ 6,300.00	Jan. 2015 - July 2015
Ruel Z. Remelira (PM)	\$	900.00	9	\$ 8,100.00	Jan. 2015 - Sep. 2015
Youngil Chung (Safety)	\$	900.00	7	\$ 6,300.00	Jan. 2015 - July 2015
Kiwook Han	\$	900.00	8	\$ 7,200.00	July. 2015 - Feb. 2016
				\$ 34,200.00	
<b>5.2 Fuel</b>					
Francisco S. Palma Jr.	\$	190.00	7	\$ 1,330.00	Jan. 2015 - July 2015
Ricarte B. Bisquera (QC)	\$	190.00	7	\$ 1,330.00	Jan. 2015 - July 2015
Ruel Z. Remelira (PM)	\$	190.00	9	\$ 1,710.00	Jan. 2015 - Sep. 2015
Youngil Chung (Safety)	\$	190.00	7	\$ 1,330.00	Jan. 2015 - July 2015
Kiwook Han	\$	190.00	8	\$ 1,520.00	July. 2015 - Feb. 2016
				\$ 7,220.00	
<b>6. WFIC (Surety) and Korando consultant and Fee</b>					
6.1 Ally. for Surety	\$	48,826.42	1	\$ 48,826.42	
6.2 Vertex Engineering for Surety	\$	82,853.83	1	\$ 82,853.83	
6.3 Administration Costs	\$	374.43	1	\$ 374.43	
6.4 CoreTech International	\$	71,308.92	1	\$ 71,308.92	
6.5 Keith Farrel	\$	20,825.00	1	\$ 20,825.00	July. 2015 - Feb. 2016
6.6 Tiger Gillham	\$	15,907.50	1	\$ 15,907.50	July. 2015 - Feb. 2016
				\$ 240,096.10	
<b>7. Repeated work</b>					
7.1. Clearing and Grubbing	\$	13,945.50	1	\$ 13,945.50	
7.2. Soil erosion control	\$	10,150.00	1	\$ 10,150.00	
7.3. Construction schedule	\$	3,116.67	1	\$ 3,116.67	\$7,500 / 450 days x 187 days
7.4. Temporary traffic control	\$	20,777.78	1	\$ 20,777.78	\$50,000 / 450 days x 187 days
				\$ 47,989.95	
<b>8. Prestressing Jack Calibration and Certification</b>					
			1	\$ 8,400.00	
<b>Sub-Total (1+2+3+4+5+6+7+8)</b>				\$ 474,119.55	
<b>Over head</b>				5%	\$ 23,705.98
<b>Sub-Total + Overhead</b>				\$ 497,825.53	
<b>Profit</b>				10%	\$ 49,782.55
<b>Total (1)</b>				\$ 547,608.09	

ITEM	Unit Cost	Q'ty	TOTAL	REMARK
<b>9. Labor Cost</b>				Salary + 67% (including overhead)
8.1 Engineer				
Francisco S. Palma Jr.	\$ 8,350.00	7	\$ 58,450.00	Jan. 2015 - July 2015
Ricarte B. Bisquera (QC)	\$ 5,344.00	7	\$ 37,408.00	Jan. 2015 - July 2015
Ruel Z. Remelira (PM)	\$ 5,845.00	9	\$ 52,605.00	Jan. 2015 - Sep. 2015
Youngil Chung (Safety)	\$ 4,000.00	7	\$ 28,000.00	Jan. 2015 - July 2015
Kiwook Han	\$ 8,350.00	8	\$ 66,800.00	July 2015 - Feb. 2016
			\$ 243,263.00	
8.2 Laborer	\$ 31,858.40	1	\$ 31,858.41	Mobilization, Clearing, Grubbing and Erosion Control (Mar 19, 2015 - May 25, 2015)
Sub-Total			\$ 275,121.41	
Profit		10%	\$ 27,512.14	
<b>Total (2)</b>			\$ 302,633.55	
<b>Total (1) + (2)</b>			\$ 850,241.64	
GRT		4.16%	\$ 35,370.05	
<b>Total Claim Cost</b>			\$ 885,611.69	

In the Appeal of: Korando vs. Dept. of Public Works

Docket No. OPA-PA-18-002

**Government of Guam's Agency Report**

# **EXHIBIT G**



**KORANDO CORPORATION**  
P.O. BOX 20538, GMF, GUAM 96921  
TEL. NOS. (671) 649-7880/01  
FAX NO. (671) 649-7882

## Claim due to termination and delay of Project

Project : Bile/Pigua Bridge Replacement : GU-NH-NBIS(007)

ITEM	\$	-	Q'ty	TOTAL	REMARK
<b>1. Mobilization &amp; De-Mobilization</b>					
1.1 Junfan 7/9AS Hammer	\$	60,000.00	1	\$ 60,000.00	Smithbridge
1.2 Shipping (Brisbane-PAG, return)	\$	7,924.46	1	\$ 7,924.46	Smithbridge
1.3 Lizama's Equipment rental	\$	2,900.00	1	\$ 2,900.00	Lowboy Rental
1.4 Korando Boom Truck	\$	600.00	1	\$ 600.00	Office Supplies delivery
				\$ 71,424.46	
<b>2. Engineering / Survey Service</b>					
2.1 J.M. Aquino PC	\$	29,120.00	1	\$ 29,120.00	Existing bridge analysi, Temp Bridge Structural Calculation
2.2 Pineda Survey	\$	6,300.00	1	\$ 6,300.00	
2.3 Smithbridge Administration	\$	6,800.00	1	\$ 6,800.00	
				\$ 42,220.00	
<b>3. Field Office (Stanley Consultant)</b>					
3.1 Rent	\$	800.00	9	\$ 7,200.00	Jan. 2015 - July. 2015
3.2 Utility					Jan. 2015 - July. 2015
GPA	\$	282.70	1	\$ 282.70	
GWA	\$	576.95	1	\$ 576.95	
GTA	\$	780.14	1	\$ 780.14	
				\$ 8,839.79	
<b>4. Staging Area</b>					
4.1 Rent	\$	800.00	14	\$ 11,200.00	Jan. 2015 - Feb. 2016
4.2 SOS Portable Toilet	\$	392.29	1	\$ 392.29	Mar. 2015 - July. 2015
4.3 Utility					Jan. 2015 - Feb. 2016
GPA	\$	209.25	1	\$ 209.25	
GWA	\$	335.87	1	\$ 335.87	
				\$ 12,137.41	
<b>5. Service vehicle and Fuel</b>					
<b>5.1. Vehicle</b>					
Francisco S. Palma Jr.	\$	900.00	7	\$ 6,300.00	Jan. 2015 - July 2015
Ricarte B. Bisquera (QC)	\$	900.00	7	\$ 6,300.00	Jan. 2015 - July 2015
Ruel Z. Remelira (PM)	\$	900.00	9	\$ 8,100.00	Jan. 2015 - Sep. 2015
Youngil Chung (Safety)	\$	900.00	7	\$ 6,300.00	Jan. 2015 - July 2015
Kiwook Han	\$	900.00	8	\$ 7,200.00	July. 2015 - Feb. 2016
				\$ 34,200.00	
<b>5.2 Fuel</b>					
Francisco S. Palma Jr.	\$	190.00	7	\$ 1,330.00	Jan. 2015 - July 2015
Ricarte B. Bisquera (QC)	\$	190.00	7	\$ 1,330.00	Jan. 2015 - July 2015
Ruel Z. Remelira (PM)	\$	190.00	9	\$ 1,710.00	Jan. 2015 - Sep. 2015
Youngil Chung (Safety)	\$	190.00	7	\$ 1,330.00	Jan. 2015 - July 2015
Kiwook Han	\$	190.00	8	\$ 1,520.00	July. 2015 - Feb. 2016
				\$ 7,220.00	
<b>6. WFIC (Surety) and Korando consultant and Fee</b>					
6.1 Ally. for Surety	\$	48,826.42	1	\$ 48,826.42	
6.2 Vertex Engineering for Surety	\$	82,853.83	1	\$ 82,853.83	
6.3 Administration Costs	\$	374.43	1	\$ 374.43	
6.4 CoreTech International	\$	71,308.92	1	\$ 71,308.92	
6.5 Keith Farrel	\$	20,825.00	1	\$ 20,825.00	July. 2015 - Feb. 2016
6.6 Tiger Gillham	\$	15,907.50	1	\$ 15,907.50	July. 2015 - Feb. 2016
				\$ 240,096.10	
<b>7. Repeated work</b>					
7.1. Clearing and Grubbing	\$	13,945.50	1	\$ 13,945.50	
7.2. Soil erosion control	\$	10,150.00	1	\$ 10,150.00	
7.3. Construction schedule	\$	3,116.67	1	\$ 3,116.67	\$7,500 / 450 days x 187 days
7.4. Temporary traffic control	\$	20,777.78	1	\$ 20,777.78	\$50,000 / 450 days x 187 days
				\$ 47,989.95	
<b>8. Prestressing Jack Calibration and Certification</b>					
			1	\$ 8,400.00	
<b>Sub-Total (1+2+3+4+5+6+7+8)</b>				\$ 472,527.71	
<b>Over head</b>			5%	\$ 23,626.39	
<b>Sub-Total + Overhead</b>				\$ 496,154.10	
<b>Profit</b>			10%	\$ 49,615.41	
<b>Total (1)</b>				\$ 545,769.51	

ITEM	Unit Cost	Q'ty	TOTAL	REMARK
<b>9. Labor Cost</b>				Salary + 67% (including overhead)
8.1 Engineer				
Francisco S. Palma Jr.	\$ 8,350.00	7	\$ 58,450.00	Jan. 2015 - July 2015
Ricarte B. Bisquera (QC)	\$ 5,344.00	7	\$ 37,408.00	Jan. 2015 - July 2015
Ruel Z. Remellira (PM)	\$ 5,845.00	9	\$ 52,605.00	Jan. 2015 - Sep. 2015
Youngli Chung (Safety)	\$ 4,000.00	7	\$ 28,000.00	Jan. 2015 - July 2015
Kiwook Han	\$ 8,350.00	8	\$ 66,800.00	July. 2015 - Feb. 2016
			\$ 243,263.00	
8.2 Laborer	\$ 31,858.40	1	\$ 31,858.41	Mobilization, Clearing, Grubbing and Erosion Control (Mar 19, 2015 - May 25, 2015)
Sub-Total			\$ 275,121.41	
Profit		10%	\$ 27,512.14	
<b>Total (2)</b>			\$ 302,633.55	
<b>Total (1) + (2)</b>			\$ 848,403.06	
GRT		4.16%	\$ 35,293.57	
<b>Total Claim Cost</b>			\$ 883,696.63	

In the Appeal of: Korando vs. Dept. of Public Works

Docket No. OPA-PA-18-002

**Government of Guam's Agency Report**

# **EXHIBIT H**





The Honorable  
Eddie Baza Calvo  
Governor

The Honorable  
Ray Tenorio  
Lieutenant Governor

RECEIVED  
NOV 16 2017  
RS 10:33AM  
PARSONS



Glenn Leon Guerrero  
Director  
Andrew S. Leon Guerrero  
Deputy Director

NOV 15 2017

FILE COPY

RECEIVED

428 PM

NOV 15 2017

Korando Corp.

Mr. Byong Ho Kim  
President  
Korando Corporation  
PO Box 20538  
GMF, GU 96921

Ref: **Bile/Pigua Bridges Replacement  
Project No. GU-NH-NBIS(007)  
CLAIM DUE TO TERMINATION AND DELAYS OF PROJECT**

Dear Mr. Kim,

The Department of Public Works (DPW) completed its review of Korando Corporation's (Korando) claim dated October 18, 2016 for costs related to the termination and delays of the project through the supplemental information provided on January 25, 2017, February 22, 2017, March 14, 2017 and reformatted in Civile & Tang letter dated October 17, 2017.

The total amount Korando has claimed to date is \$498,229.66, with an additional request of \$202,989.17 in surety expenses. Based on the review of all information provided to date and through review of the project records, DPW has determined \$29,241.46 is eligible for reimbursement pursuant to the Stipulation and Order Docket No. OPA-PA: 15-009, dated December 16, 2015. This amount does not include potentially eligible costs noted below that have not been submitted by Korando or require additional information.

DPW will address each item in the order shown on Korando's *Revised Change Order Delay Claims Pursuant to 12/16/15 Order*.

Item 5a of the Office of Public Accountability (OPA) Stipulation, Docket No. OPA-PA: 15-009, dated December 16, 2015, states that Korando's change orders will include, but are not limited to, the following: "*Demobilization and remobilization costs, materials previously ordered or in store, which cannot be used on the Project due to the delay of the Project, and any other expenses related to the termination and delay of the Project.*"

**1. MOBILIZATION & DE-MOBILIZATION**

**1.1. Lizama's Equipment Rental**

Korando claimed \$2,900 for the mobilization and demobilization of equipment rental. DPW agrees \$1,500 is in accordance with Item 5a of the Stipulation Order. Per the backup documentation provided, DPW determined the following:

- Mobilization of the backhoe, excavator, and compactor prior to termination July 10, 2015 were paid by DPW in Payment Applications #1 and #2 per 4a and 4b of the Stipulation and



The Honorable  
Eddie Baza Calvo  
Governor

The Honorable  
Ray Tenorio  
Lieutenant Governor



public works  
DIPATTAMENTON CHE'CHO PUBLEKO  
Glenn Leon Guerrero  
Director  
Andrew S. Leon Guerrero  
Deputy Director

NOV 15 2017

FILE COPY

17-2023

RECEIVED

4:28 PM

NOV 15 2017

Korando Corp.

Mr. Byong Ho Kim  
President  
Korando Corporation  
PO Box 20538  
GMF, GU 96921

Ref: **Bile/Pigua Bridges Replacement**  
**Project No. GU-NH-NBIS(007)**  
**CLAIM DUE TO TERMINATION AND DELAYS OF PROJECT**

Dear Mr. Kim,

The Department of Public Works (DPW) completed its review of Korando Corporation's (Korando) claim dated October 18, 2016 for costs related to the termination and delays of the project through the supplemental information provided on January 25, 2017, February 22, 2017, March 14, 2017 and reformatted in Civile & Tang letter dated October 17, 2017.

The total amount Korando has claimed to date is \$498,229.66, with an additional request of \$202,989.17 in surety expenses. Based on the review of all information provided to date and through review of the project records, DPW has determined \$29,241.46 is eligible for reimbursement pursuant to the Stipulation and Order Docket No. OPA-PA: 15-009, dated December 16, 2015. This amount does not include potentially eligible costs noted below that have not been submitted by Korando or require additional information.

DPW will address each item in the order shown on Korando's *Revised Change Order Delay Claims Pursuant to 12/16/15 Order*.

Item 5a of the Office of Public Accountability (OPA) Stipulation, Docket No. OPA-PA: 15-009, dated December 16, 2015, states that Korando's change orders will include, but are not limited to, the following: "*Demobilization and remobilization costs, materials previously ordered or in store, which cannot be used on the Project due to the delay of the Project, and any other expenses related to the termination and delay of the Project.*"

**1. MOBILIZATION & DE-MOBILIZATION**

**1.1. Lizama's Equipment Rental**

Korando claimed \$2,900 for the mobilization and demobilization of equipment rental. DPW agrees \$1,500 is in accordance with Item 5a of the Stipulation Order. Per the backup documentation provided, DPW determined the following:

- Mobilization of the backhoe, excavator, and compactor prior to termination July 10, 2015 were paid by DPW in Payment Applications #1 and #2 per 4a and 4b of the Stipulation and



The Honorable  
**Eddie Baza Calvo**  
Governor

The Honorable  
**Ray Tenorio**  
Lieutenant Governor



**Glenn Leon Guerrero**  
Director

**Andrew S. Leon Guerrero**  
Deputy Director

NOV 15 2017

17-2023

Mr. Byong Ho Kim  
President  
Korando Corporation  
PO Box 20538  
GMF, GU 96921

**Ref: Bile/Pigua Bridges Replacement  
Project No. GU-NH-NBIS(007)  
CLAIM DUE TO TERMINATION AND DELAYS OF PROJECT**

Dear Mr. Kim,

The Department of Public Works (DPW) completed its review of Korando Corporation's (Korando) claim dated October 18, 2016 for costs related to the termination and delays of the project through the supplemental information provided on January 25, 2017, February 22, 2017, March 14, 2017 and reformatted in Civile & Tang letter dated October 17, 2017.

The total amount Korando has claimed to date is \$498,229.66, with an additional request of \$202,989.17 in surety expenses. Based on the review of all information provided to date and through review of the project records, DPW has determined \$29,241.46 is eligible for reimbursement pursuant to the Stipulation and Order Docket No. OPA-PA: 15-009, dated December 16, 2015. This amount does not include potentially eligible costs noted below that have not been submitted by Korando or require additional information.

DPW will address each item in the order shown on Korando's *Revised Change Order Delay Claims Pursuant to 12/16/15 Order*.

Item 5a of the Office of Public Accountability (OPA) Stipulation, Docket No. OPA-PA: 15-009, dated December 16, 2015, states that Korando's change orders will include, but are not limited to, the following: "*Demobilization and remobilization costs, materials previously ordered or in store, which cannot be used on the Project due to the delay of the Project, and any other expenses related to the termination and delay of the Project.*"

## **1. MOBILIZATION & DE-MOBILIZATION**

### **1.1. Lizama's Equipment Rental**

Korando claimed \$2,900 for the mobilization and demobilization of equipment rental. DPW agrees \$1,500 is in accordance with Item 5a of the Stipulation Order. Per the backup documentation provided, DPW determined the following:

- Mobilization of the backhoe, excavator, and compactor prior to termination July 10, 2015 were paid by DPW in Payment Applications #1 and #2 per 4a and 4b of the Stipulation and

Order.

- The excavator was used for the preparation of the staging/laydown yard, the compactor was used for various preparatory work on site, and the backhoe was used for archaeological exploration and clearing and grubbing. These pieces of equipment were removed from the site prematurely as a result of the termination. Demobilization in the amount of \$1,500 as billed in Lizama's Equipment Rental Invoice No. 301963 will be reimbursed.

*Korando to Submit Additional Information:*

DPW will review the reimbursement for the re-mobilization of the excavator, compactor and backhoe equipment upon receipt of invoices for the delivery of the equipment following the restart of the contract on March 15, 2016.

### **1.2. Korando Boom Truck**

Korando claimed \$600 for the use of a boom truck owned by Korando for the delivery of office supplies. No backup documents were provided to justify this cost. It is DPW's position that this cost is not reimbursable as this work was necessary for the initial setup of Korando's and the Project site offices and were not affected by the termination.

*Korando to Submit Additional Information:*

DPW will review use of the boom truck for demobilization of the site office after July 10, 2015 and the remobilization of supplies to the site office following Notice to Proceed (NTP) 2 March 15, 2017, as applicable.

### **1.3. Pineda Survey**

Korando claimed \$6,300 for Pineda Survey to perform repeated survey work. The cost submitted by Korando are detailed in a proposal dated August 31, 2014 and invoice dated September 19, 2014. The amount claimed is for Construction Surveying and Staking required as part of the contract documents. This work was paid by DPW in Payment Application #1 and #2 per items 4a and 4b of the Stipulation and Order.

*Korando to Submit Additional Information:*

DPW will review invoices for survey work to reestablish survey points where the work occurred after the Notice to Proceed (NTP) 2 March 15, 2017, as applicable.

### **1.4. Smithbridge Remobilization/Administration**

Korando claimed \$6,800 for Smithbridge remobilization/administration. Korando's claim Narration document states the administrative services performed are for submittals and site visits.

It is DPW's position that the costs for submittals and work required to complete those submittals are contract requirements and are not subject to Item 5a of the Stipulation Order. In addition, the cost justification provided indicates this amount is derived from a proration of the Junttan Hammer mobilization. Initial mobilization costs are not subject to item 5a of the Stipulation Order, see response to item 3.5.

### **1.5. Clearing and Grubbing**

Korando claimed \$13,945.50 for clearing and grubbing.

The cost claimed by Korando for clearing and grubbing is for work prior to the July 10, 2015 termination which DPW previously paid on Payment Application #1 and #2 per items 4a and 4b of the Stipulation and order.

It is DPW's position that the cost subject to Item 5a of the Stipulation Order shall be the cost of clearing and grubbing of areas previously performed following Notice to Proceed 2, March 15, 2016.

DPW's calculated cost for repeated clearing and grubbing following NTP 2, March 15, 2015 are included in item 1.10.

### **1.6. Pre-stress and Jack Calibration Certification**

Korando claimed \$8,400.00 for prestressing jack calibration and certification. DPW has reviewed the information and does not agree additional Jack Calibration was required due to the termination of the project.

Per Rocky Mountain Precast Plant Quality Systems Manual Section 8.3, strand stressing equipment is calibrated annually. Korando's submittal 551-006-02 included calibration and certification on October 30, 2014

Per FP-03 Subsection 553.06 calibration/certification is required every 6 months. The test piles cast prior to termination were pre-stressed June 19, 2015, approximately 7 months beyond the equipments certification/calibration.

Based on the project records, it is DPW's position that termination did not impose additional calibration/certification to meet the contract requirements. The contract records actually indicate a failure of Korando to meet the contract requirements.

### **1.7. Construction Schedule**

Korando claimed \$3,100 for construction schedule.

Korando has calculated this cost based on a proration of the schedule of values. A review of Korando's contract required schedule submittals prior to termination July 10, 2017 indicate Korando failed to submit schedule updates for April 2015, May 2015, and June 2015.

It is DPW's position that the cost subject to Item 5a of the Stipulation Order shall be the portion of the lump sum bid item cost that was paid for prior to the new NTP of March 15, 2016. This cost is determined to be \$1,027.50.

### **1.8. Temporary Traffic Control**

Korando claimed \$20,777.78 for temporary traffic control based on a prorated amount from NTP January 1, 2015 to termination July 10, 2017.

It is DPW's position that the cost subject to Item 5a of the Stipulation Order shall be actual cost incurred by Korando for the demobilization and re-mobilization of Temporary Traffic Control devices and personnel.

DPW performed a detailed review of Korando's daily inspection reports, DPW's inspector daily reports and certified payrolls from March 15, 2016 to May 2016 to determine these costs. See Item 1.10 for details.

### **1.9. Mobilization Cost**

The supplemental information submitted by Korando on January 24, 2017 claims \$13,064.12 for the cost to mobilize the pile driving equipment from Australia to Guam.

Per the discussion between Mr. Ki Wook Han of Korando and Mr. David Yao of Parsons Transportation Group (PTG) following the February 9, 2017 Construction Progress Meeting, Smithbridge did not demobilize the pile driving equipment back to Australia following the termination.

It is DPW's position that this cost is not reimbursable as this work was for the initial equipment mobilization, which was not affected by the termination.

### **1.10 Remobilization/Repeated Work**

A detailed review of Korando's Preliminary Baseline Schedule dated February 3, 2016, daily inspection reports, DPW's inspector daily reports and certified payroll records from March 15, 2016 to May 31, 2016 was conducted to determine Korando's actual cost of remobilization and repeated work as presented in Korando's claim items *1.5 Clearing and Grubbing*, *1.8 Temporary Traffic Control*, and *3.3 Extended Supervision and Project Management Expense*.

Korando's daily inspection reports identified the following Schedule ID's which the DPW agrees are valid remobilization / repeated work activities during the above specified period.

- A1500 Re-Mobilization
- A1510 Resetting Traffic Control/Warning Signs
- A1520 Re-establish & Re-Install Erosion Control / Protection

The current calculated amount for Korando's costs attributed to remobilization for labor and equipment is \$20,892.10. This amount is not inclusive of all applicable costs, see attached document *Item 1.10 Remobilization/Repeated Work Summary*.

*Korando to Submit Additional Information:*

Korando can submit material invoices necessary to complete the repeated work for DPW review and reimbursement as applicable.

## **2. PRE-TERMINATION EXPENSE**

### **2.1. J.M. Aquino PC**

Korando claimed \$29,120 for J.M. Aquino to perform engineering services for the existing bridge analysis and new temporary steel bridge design.

Per DPW correspondence, the existing bridges are sufficient to carry legal loads. Engineering analysis of the existing bridges are not a requirement of the contract and are performed solely for the benefit of the Contractor.

Per Drawing S5 Sheet 75, changes to the construction phasing plan approved by the CO shall be at no additional cost to the Government. Korando had informed DPW of its plans to alter the construction phasing by utilizing a new temporary steel bridge. However, as of the date of Notice of Termination, July 10, 2015, DPW had not received any formal submission of the alternate plan.

It is DPW's position that this cost is not subject to Item 5a of the Stipulation Order.

## **2.2 Smithbridge Administration**

Korando claimed \$6,800 for Smithbridge administration. Korando's claim Narration document states the administrative services performed are for submittals and site visits.

It is DPW's position that the costs for submittals and work required to complete those submittals are contract requirements and are not subject to Item 5a of the Stipulation Order. Further, the backup documents provided indicate this amount is derived from a proration of the Junttan Hammer mobilization and is indicated as a mobilization cost. As stated in 1.1, initial mobilization costs are not subject to Item 5a of the Stipulation Order

## **3. EXTENDED OVERHEAD EXPENSE**

### **3.1 CM Site Office Rental**

Korando claimed \$9,106.49 for the Government field office. This cost includes rent, power, water, and telephone for the period from January 1, 2015 through October 10, 2015.

It is DPW's position that the cost claimed for the field office during the contract period are provided for by the contract amount. Claimed amounts from termination through July 2015 for power, water, phone and internet are not reimburseable since Korando should have disconnected all utilities upon termination.

DPW agrees to pay for the field office lease in the amount of \$2,408.64 for the period from Termination July 10, 2015 through the assumed termination of the lease agreement November 10, 2015, as provided in Korando's claim documentation submitted October 18, 2016 .

### **3.2 Staging Area**

Korando claimed \$12,322.89 for the staging area. This cost includes rent, portable toilets, and utilities for the period from January 1, 2015 through February 28, 2016.

It is DPW's position that the cost claimed for the staging area during the contract period is provided for by the contract amount. On claimed amounts from January 1, 2015 through February 28, 2016 the cost for utilities and portable toilet facilities is not reimburseable since Korando should have

disconnected utilities, removed portable facilities, and vacated the property upon termination.

DPW agrees to pay for the staging area lease in the amount of \$2,941.94 for the period from Termination July 10, 2015 through the expiry of the lease agreement October 31, 2015.

### **3.3 Extended Supervision and Project Management Expense**

Korando claimed \$211,846.18 for management/engineering personnel for repeated work/ extended overhead expense.

Korando's claim amount is for personnel costs for the period beginning January 5, 2015 through July 10, 2015 and the period December 16, 2015 to March 14, 2016.

It is DPW's position that the costs for on-site management/engineering personnel from January 5, 2015 through July 10, 2015 are incidental to the work and Korando was reimbursed for these costs with Payment Application #1 in the sum of \$195,367.36 and Invoice #2 in the sum of \$122,248.43, as included in Items 4a and 4b of the Stipulation Order.

The second period included in Korando's claim amount is the duration from the Stipulation Order execution, December 16, 2015 through Notice to Proceed 2, March 14, 2016. As stated above, DPW's position is that management and engineering expenses are provided for and included in the work.

*Korando to Submit Additional Information:*

DPW agrees to pay for supervision and management expenses directly related to the remobilization/ repeated work. The current calculated amount is included in item 1.10, however it is incomplete and Korando will need to submit salary data for this time period.

### **3.4 Standby Vehicles and Equipment Expense**

Korando claimed \$81,000 for services vehicles and fuel.

It is DPW's position that these costs as claimed are incidental to the construction and not subject to Item 5a of the Stipulation Order. See DPW response to item 3.3 *Extended Supervision and Project Management Expense*.

*Korando to Submit Additional Information:*

The DPW agrees to reimburse Korando for service vehicles and fuel for management/engineering personnel directly associated to the remobilization/ repeated work. These costs should be based on the exact cost based on Korando's actual ownership and operation costs. If these costs are unknown, they can be calculated using *Construction Equipment Ownership and Operation Expense Schedules (CEOES)* published by the U.S. Army Corps of Engineers for the region, or reimbursed at the Blue Book Rental Rate.

### **3.5 Junttan 7/9AS Hammer**



The supplemental information submitted by Korando on January 24, 2017 claims \$56,000 for the 7-week period while the pile hammer was in transit from Australia to Guam. This cost is 80% of Smithbridge's standby cost for the equipment.

It is DPW's position that this cost is not reimbursable for the following reasons:

- This cost is part of the initial mobilization of the pile hammer and is not subject to Item 5a of the Stipulation Order.
- DPW issued the Notice of Termination to Korando on July 10, 2016. The pile hammer and other pile driving equipment were shipped from Australia on July 14, 2015, four days after Korando was notified that the contract was terminated.

## **PROFIT**

It is DPW's position that Item 5a of the Stipulation Order is for reimbursement of actual costs associated with the termination. As such, profit should not be included for any of the claimed items.

## **SURETY EXPENSES**

Korando seeks payment for \$202,989.17 in expenses incurred by its surety West Chester Fire and Insurance Company. Civile & Tang Letter dated October 17, 2017 claimed these cost should be reimbursed by DPW for the wrongful termination of Korando.

The DPW does not agree with Korando's assessment regarding surety expenses. Included is a copy of DPW's Notice Of Default dated June 26, 2015, which provides the multiple contract provisions breached by Korando prior to termination.

Attached is an itemized summary of the cost claimed by Korando and DPW's evaluation of reimbursable cost pursuant to the Stipulation and Order December 16, 2017. A meeting can be arranged by contacting the Department of Public Works Federal Highways Section at 649-0315.

If you have any questions or need additional information, please contact, Mr. Tom Keeler Assistant Attorney General, Attorney Generals Office at 649-3152.

Sincerely,



**GLENN LEON GUERRERO**

Attachments: DPW Claim Analysis Summary  
Item 1.10 Remobilization/Repeated Work Summary and Tabulated Costs  
DPW Notice of Default June 26, 2015

Cc: Isidro Duarosan, DPW  
Crispin Bensen, DPW  
Tom Keeler, GAG  
Richelle Takara, FHWA  
John Moretto, PTG  
David Yao, PTG

IDuarosan/TKeeler/JBlaz

**DPW Claim Analysis Summary**

Item	Korando Total	DPW Total	Applicability 12.15.15 Stipulation and Order	Comments
<b>1. Mobilization &amp; De-Mobilization Expenses</b>				
1.1 Lizama's Equipment Rental	\$ 2,900.00	\$1,500.00	Yes (Partial)	Demobilization Expense - Lizama's Equipment Rental Invoice 301963
1.2 Korando Boom Truck	\$ 600.00	\$0.00	No	Initial Mobilization Cost- Not Applicable
1.3 Pineda Survey	\$ 6,300.00	\$0.00	No	Initial Survey - Previsouly Paid Pay Application #1 and #2
1.4 Smithbridge remobilization	\$ 6,800.00	\$0.00	No	Initial Mobilization and Contract Expense
1.5 Clearing and Grubbing	\$ 13,945.50	\$0.00	No	Contract Expense - Previsouly Paid Pay Application #1 and #2 - Applicable cost included in Item 1.10
1.6 Soil Erosion Control	\$ 10,150.00	\$0.00	No	Contract Expense - Previsouly Paid Pay Application #1 and #2 - Applicable cost Included in item 1.10
1.7 Pre-Stress and Jack Calibration Certification	\$ 8,400.00	\$0.00	No	No Additional Cost Justified
1.8 Prepare Construction Schedule	\$ 3,100.00	\$0.00	Yes	Reimbursed at amount Previsouly Paid - Payment Application #1 and #2
1.9 Temporary Traffic Control	\$ 20,666.00	\$0.00	No	Original Contract Expense
1.10 Remobilization/Repeated Work	\$0.00	\$20,892.10		Tabulated Cost NTP 2, 3/14/16- 5/31/16
A. Labor & Extended Supervision & Project Management		\$20,260.46	Yes	See Item 1.10 Remobilization/ Repeated Work Summary. Korando to submit additional information
B. Equipment Material, Subcontractors		\$631.64	Yes	See Item 1.10 Remobilization/ Repeated Work Summary. Korando to submit additional information
<b>Sub Total:</b>	<b>\$ 72,861.50</b>	<b>\$22,392.10</b>		
<b>2. Pre-Termination Expense</b>				
2.1 J.M. Aquino PC	\$ 29,120.00	\$0.00	No	Contract Expense
<b>Sub Total:</b>	<b>\$ 29,120.00</b>	<b>\$0.00</b>		
<b>3. Extended Overhead Expense</b>				
3.1 CM Site Office Rental (Lease Terminated 08/2015)	\$ 5,600.00	\$2,408.64	Yes	Termination Expense - Reimbursed from Termination 7/10/2015 to Termination of Lease 11/10/2015
3.1 Utility Expense				
GPA	\$ 282.73	\$0.00	No	Contract Expense - No project cost incurred after termination 7/10/2015
GWA	\$ 576.94	\$0.00	No	Contract Expense - No project cost incurred after termination 7/10/2015

**DPW Claim Analysis Summary**

GTA	\$ 780.15	\$0.00	No	Contract Expense - No project cost incurred after termination 7/10/2015
<b>Sub Total:</b>	<b>\$ 7,239.82</b>	<b>\$ 2,408.64</b>		
<b>3.2 Staging Yard Rental</b>	<b>\$ 11,600.00</b>	<b>\$2,941.94</b>	<b>Yes</b>	<b>Termination Expense - Reimbursed from Termination 7/10/2015 to Termination of Lease 11/10/2015</b>
3.2.1 Portable Toilet	\$ 577.75	\$0.00	No	Contract Expense - No project cost incurred after termination 7/10/2015
3.2.2 Utility				
GPA	\$ 216.78	\$0.00	No	Contract Expense - No project cost incurred after termination 7/10/2015
GWA	\$ 347.86	\$0.00	No	Contract Expense - No project cost incurred after termination 7/10/2015
<b>Sub Total:</b>	<b>\$ 12,742.39</b>	<b>\$ 2,941.94</b>		
<b>3.3 Extended Supervision and Project Management Expense</b>				
Project Superintendant	\$ 34,041.28	\$0.00	No	Contract Expense - Applicable Supervisory and Project Management Personnel cost included in item 1.10. Korando to submit payroll data NTP 2, 3/14/16- 5/31/16
QC Manager	\$ 48,630.40	\$0.00	No	
Project Manager	\$ 53,189.50	\$0.00	No	
Safety Manager	\$ 37,992.50	\$0.00	No	
Contractor Representative	\$ 37,992.50	\$0.00	No	
<b>Sub Total:</b>	<b>\$ 211,846.18</b>	<b>\$ -</b>		
<b>3.4 Standby Vehicles and Equipment Expense</b>				
3.4.1 Standby Vehicles for QC, PM, PS, SM & CR	\$ 17,062.50	\$0.00	No	Contract Expense - Applicable vehicle and fuel charges to be included in item 1.10. Korando to submit actual cost NTP 2, 3/14/16- 5/31/16
3.4.2 Fuel Charges for QC, PM, PS, SM & CR	\$ 7,962.50	\$0.00	No	
3.5 Standby Piling Hammer - Junttan 7/9AS Hammer	\$ 56,000.00	\$0.00	No	Intinal Mobilization Cost. Standby not applicable
<b>Sub Total:</b>	<b>\$ 81,025.00</b>	<b>\$0.00</b>		
<b>TOTAL</b>				
<b>Sub Total</b>	<b>\$ 414,834.89</b>	<b>\$27,742.68</b>		
Overhead - 5%	\$ 20,741.74	\$ 374.11		Excluding item 4.1 Labor. Overhead included in amount per SCR 109.02(p)
<b>Sub Total + OH:</b>	<b>\$ 435,576.63</b>	<b>\$ 28,116.79</b>		
Profit - 10%	\$ 43,557.66	-		
GRT - 4%	\$ 19,165.37	\$1,124.67		
<b>Total:</b>	<b>\$ 498,299.66</b>	<b>\$29,241.46</b>		

**Item 1.10 Remobilization/Repeated Work Summary**

	Position/Item	Names	Unit	Unit Rate	Total Units	Amount	Unit Price Justification
<b>Labor</b>							
1	Carpenter	David, Alejandro (H2B)	Hour	\$ 13.56	315.00	\$ 4,271.400	Certified Payroll
2	Carpenter	Marasigan, Lauden (H2B)	Hour	\$ 13.56	192.00	\$ 2,603.52	Certified Payroll
3	HE Operator	Nieto, Julito	Hour	\$ 14.00	18.00	\$ 252.00	Certified Payroll
4	Carpenter	Ocampo, Bernald (H2B)	Hour	\$ 13.56	128.00	\$ 1,735.68	Certified Payroll
5	Carpenter	Mauyao, Benigno (H2B)	Hour	\$ 13.56	95.00	\$ 1,288.20	Certified Payroll
6	HE Operator	Orejola, Edgar (H2B)	Hour	\$ 13.77	0.00	\$ -	Certified Payroll
7	HE Operator	Detal, Ernie (H2B)	Hour	\$ 13.77	16.00	\$ 220.32	Certified Payroll
8	Const Craft Labor	Wanda, Kyle (Apprentice)	Hour	\$ 9.60	75.00	\$ 720.00	Certified Payroll
<b>Extended Supervision and Project Management (Korando Item 3.3)</b>							
9	Site Superintendent	Delioma, Nestor	Hour	\$ -	287.00	\$ -	**Korando to provide payroll data
10	Project Eng/ Quality Control	Ruel Remetira	Hour	\$ 21.88	34.00	\$ 743.92	Korando Claim (Monthly Salary/160 hrs = Hourly Rate) **Korando to provide payroll data for the Re-mobilization/re-work period
11	Quality Control	Caasi, Joffery	Hour	\$ -	63.00	\$ -	**Korando to provide payroll data
12	Safety Officer	Chung Young II	Hour	\$ 15.63	19.00	\$ 296.97	Korando Claim (Monthly Salary/160 hrs = Hourly Rate) **Korando to provide payroll data for the Re-mobilization/re-work period
<b>Equipment, Materials, Subcontracts</b>							
13	Backhoe	John Deere 410G 2009	Hour	\$ 37.97	12.00	\$ 455.64	USACOE "Construction Equipment Ownership & Operating Expense Schedule"
14	Dump Truck Rental		Each	\$ -	1.00	\$ -	**Korando to provide invoice
15	Green Waste Tipping Fee	SK Logistics	Each	\$ 176.00	1.00	\$ 176.00	SK Invoice/Ticket
16	Gravel for Sandbags					\$ -	**Korando to Provide Delivery Ticket/Invoice
17	Sandbags					\$ -	**Korando to provide Cost
18	Siltfence					\$ -	**Korando to provide Cost
<b>Current Total</b>							
<b>Labor &amp; Extended Supervision and Project Management</b>							
				Total		\$12,132.01	
				SCR 109.02(p) Overhead	67%	\$ 8,128.45	
				Sub Total		\$ 20,260.46	
<b>Equipment, Material, Subcontracts</b>							
				Total		\$ 631.64	
<b>Current Total</b>						\$	<b>20,892.10</b>

Claim Due To Termination And Delays Of Project  
OPA Stipulation and Order December 16, 2015

Item 1.10 Remobilization/Repeated Work Tabulated Costs

Position/Item	Names	Certified Payroll 29							Certified Payroll 30					
		Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		03/14/16	03/15/16	03/16/16	03/17/16	03/18/16	03/19/16	03/20/16	03/21/16	03/22/16	03/23/16	03/24/16	03/25/16	03/26/16
1 Carpenter	David, Alejandro (H2B)	8.00	8.00	8.00	8.00	8.00			8.00	8.00	8.00	8.00		
2 Carpenter	Marasigan, Lauden (H2B)	8.00	8.00	8.00	8.00	8.00			8.00	8.00	8.00	8.00		
3 HE Operator	Nieto, Julito									4.00				
4 Carpenter	Ocampo, Bernald (H2B)													
5 Carpenter	Mauyao, Benigno (H2B)													
6 HE Operator	Orejola, Edgar (H2B)													
7 HE Operator	Detal, Ernie (H2B)													
8 Const Craft Labor	Wanda, Kyle (Apprentice)													
9 Site Superintendent	Delioma, Nestor	8.00	8.00	8.00	8.00	8.00			8.00	8.00	8.00	8.00		
10 Project Eng/ Quality Control	Ruel Remetira													
11 Quality Control	Caasi, Joffery													
12 Safety Officer	Chung Young II													
13 Backhoe	John Deere 410G 2009													
14 Dump Truck Rental														
15 Green Wast Tipping Fee	SK Logistics													

Notes:

- A) Supervisory Personnel Prorated (8hr/ # Daily Scheduled Activities) x # of Scheduled activities for Remobilization / Rework
- B) Basis is Korando Daily Reports, DPW Inspector Daily Reports, DPW Daily Labor Surveys and Certified Payrolls
- C) Total Hours Rounded to the nearest .5 hour

Claim Due To Termination And Delays Of Project  
OPA Stipulation and Order December 16, 2015

Item 1.10 Remobilization/Repeated Work Tabulated Costs

Position/Item	Names	Certified Payroll 31							Certified Payroll 32						
		Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
		03/27/16	03/28/16	03/29/16	03/30/16	03/31/16	04/01/16	04/02/16	04/03/16	04/04/16	04/05/16	04/06/16	04/07/16	04/08/16	04/09/16
1	Carpenter	David, Alejandro (H2B)		8.00	8.00	8.00	8.00	8.00							
2	Carpenter	Marasigan, Lauden (H2B)		8.00	8.00	8.00	8.00	8.00							
3	HE Operator	Nieto, Julito						6.00							
4	Carpenter	Ocampo, Bernald (H2B)													
5	Carpenter	Mauyao, Benigno (H2B)													
6	HE Operator	Orejola, Edgar (H2B)													
7	HE Operator	Detal, Ernie (H2B)													
8	Const Craft Labor	Wanda, Kyle (Apprentice)													
9	Site Superintendent	Delioma, Nestor		8.00	8.00	8.00	8.00	8.00							
10	Project Eng/ Quality Control	Ruel Remetira								8.00					
11	Quality Control	Caasi, Joffery													
12	Safety Officer	Chung Young II													
13	Backhoe	John Deere 410G 2009													
14	Dump Truck Rental														
15	Green Wast Tipping Fee	SK Logistics													

Notes:

- A) Supervisory Personnel Prorated (8hr/ # Daily Scheduled Activities) x # of Scheduled activities for Remobilization / Rework
- B) Basis is Korando Daily Reports, DPW Inspector Daily Reports, DPW Daily Labor Surveys and Certified Payrolls
- C) Total Hours Rounded to the nearest .5 hour

Claim Due To Termination And Delays Of Project  
OPA Stipulation and Order December 16, 2015

Item 1.10 Remobilization/Repeated Work Tabulated Costs

	Position/Item	Names	Certified Payroll 33							Certified Payroll 34						
			Sunday 04/10/16	Monday 04/11/16	Tuesday 04/12/16	Wednesday 04/13/16	Thursday 04/14/16	Friday 04/15/16	Saturday 04/16/16	Sunday 04/17/16	Monday 04/18/16	Tuesday 04/19/16	Wednesday 04/20/16	Thursday 04/21/16	Friday 04/22/16	Saturday 04/23/16
1	Carpenter	David, Alejandro (H2B)		8.00	8.00	8.00	8.00	8.00			8.00	8.00	8.00	8.00	8.00	
2	Carpenter	Marasigan, Lauden (H2B)		8.00	8.00	8.00	8.00	8.00								
3	HE Operator	Nieto, Julito										8.00				
4	Carpenter	Ocampo, Bernald (H2B)					8.00	8.00		8.00	8.00	8.00	8.00	8.00		
5	Carpenter	Mauryao, Benigno (H2B)											8.00	8.00		
6	HE Operator	Orejola, Edgar (H2B)														
7	HE Operator	Detal, Ernie (H2B)														
8	Const Craft Labor	Wanda, Kyle (Apprentice)														
9	Site Superintendent	Delloma, Nestor		8.00	8.00	8.00	8.00	8.00			8.00	8.00	8.00	8.00	8.00	
10	Project Eng/ Quality Control	Ruel Remetira			8.00							8.00				
11	Quality Control	Caasi, Joffery									8.00					
12	Safety Officer	Chung Young li														
13	Backhoe	John Deere 410G 2009														
14	Dump Truck Rental															
15	Green Wast Tipping Fee	SK Logistics														

Notes:

- A) Supervisory Personnel Prorated (8hr/ # Daily Scheduled Activities) x # of Scheduled activities for Remobilization / Rework
- B) Basis is Korando Daily Reports, DPW Inspector Daily Reports, DPW Daily Labor Surveys and Certified Payrolls
- C) Total Hours Rounded to the nearest .5 hour

Claim Due To Termination And Delays Of Project  
OPA Stipulation and Order December 16, 2015

Item 1.10 Remobilization/Repeated Work Tabulated Costs

	Position/Item	Names	Certified Payroll 35							Certified Payroll 36						
			Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
			04/24/16	04/25/16	04/26/16	04/27/16	04/28/16	04/29/16	04/30/16	05/01/16	05/02/16	05/03/16	05/04/16	05/05/16	05/06/16	05/07/16
1	Carpenter	David, Alejandro (H2B)		8.00	8.00	8.00	8.00	8.00								
2	Carpenter	Marasigan, Lauden (H2B)														
3	HE Operator	Nieto, Julito														
4	Carpenter	Ocampo, Bernald (H2B)		8.00	8.00	8.00	8.00	8.00		8.00	8.00	8.00	8.00			
5	Carpenter	Mauyao, Benigno (H2B)		8.00	8.00	8.00	8.00	8.00		8.00	8.00	8.00	8.00			
6	HE Operator	Orejola, Edgar (H2B)														
7	HE Operator	Detal, Ernie (H2B)														
8	Const Craft Labor	Wanda, Kyle (Apprentice)			8.00	8.00	8.00	8.00		8.00	8.00	8.00	8.00			
9	Site Superintendent	Delloma, Nestor		5.33	2.00	4.00	6.00	4.00		5.33	4.00	2.00	5.33			
10	Project Eng/ Quality Control	Ruel Remetira											5.33			
11	Quality Control	Caasi, Joffery		5.33	2.00	4.00	6.00	4.00		5.33	4.00	2.00	5.33			
12	Safety Officer	Chung Young II											5.33			
13	Backhoe	John Deere 410G 2009														
14	Dump Truck Rental															
15	Green Wast Tipping Fee	SK Logistics														

Notes:

- A) Supervisory Personnel Prorated (8hr/ # Daily Scheduled Activities) x # of Scheduled activities for Remobilization / Rework
- B) Basis is Korando Daily Reports, DPW Inspector Daily Reports, DPW Daily Labor Surveys and Certified Payrolls
- C) Total Hours Rounded to the nearest .5 hour



Claim Due To Termination And Delays Of Project  
OPA Stipulation and Order December 16, 2015

Item 1.10 Remobilization/Repeated Work Tabulated Costs

	Position/Item	Names	Certified Payroll 37							Certified Payroll 38						
			Sunday 05/08/16	Monday 05/09/16	Tuesday 05/10/16	Wednesday 05/11/16	Thursday 05/12/16	Friday 05/13/16	Saturday 05/14/16	Sunday 05/15/16	Monday 05/16/16	Tuesday 05/17/16	Wednesday 05/18/16	Thursday 05/19/16	Friday 05/20/16	Saturday 05/21/16
1	Carpenter	David, Alejandro (H2B)														
2	Carpenter	Marasigan, Lauden (H2B)														
3	HE Operator	Nieto, Julito														
4	Carpenter	Ocampo, Bernald (H2B)														
5	Carpenter	Mauyao, Benigno (H2B)														
6	HE Operator	Orejola, Edgar (H2B)														
7	HE Operator	Detal, Ernie (H2B)								6.00	4.00	4.00				
8	Const Craft Labor	Wanda, Kyle (Apprentice)														
9	Site Superintendent	Delloma, Nestor								4.00	2.00	2.67				
10	Project Eng/ Quality Control	Ruel Remetira										2.67				
11	Quality Control	Caasi, Joffery								4.00	2.00	2.67				
12	Safety Officer	Chung Young II								4.00	2.00	2.67				
13	Backhoe	John Deere 410G 2009								8.00	4.00					
14	Dump Truck Rental										1.00					
15	Green Wast Tipping Fee	SK Logistics									1.00					

Notes:

- A) Supervisory Personnel Prorated (Bhr/ # Daily Scheduled Activities) x # of Scheduled activities for Remobilization / Rework
- B) Basis is Korando Daily Reports, DPW Inspector Daily Reports, DPW Daily Labor Surveys and Certified Payrolls
- C) Total Hours Rounded to the nearest .5 hour

Claim Due To Termination And Delays Of Project  
OPA Stipulation and Order December 16, 2015

Bile/Pigua Bridge Replacement  
GU-NH-NBIS(007)  
Page 6 of 6

Item 1.10 Remobilization/Repeated Work Tabulated Costs

	Position/Item	Names	Certified Payroll 39							Certified Payroll 40			Total Hours	Total Hours Rounded	
			Sunday 05/22/16	Monday 05/23/16	Tuesday 05/24/16	Wednesday 05/25/16	Thursday 05/26/16	Friday 05/27/16	Saturday 05/28/16	Sunday 05/29/16	Monday 05/30/16	Tuesday 05/31/16			
1	Carpenter	David, Alejandro (H2B)			2.67	1.60	2.67	4.00						314.94	315.00
2	Carpenter	Marasigan, Lauden (H2B)												192.00	192.00
3	HE Operator	Nieto, Julito												18.00	18.00
4	Carpenter	Ocampo, Bernald (H2B)												128.00	128.00
5	Carpenter	Mauyao, Benigno (H2B)			2.67	1.60	2.67							94.94	95.00
6	HE Operator	Orejola, Edgar (H2B)												0.00	0.00
7	HE Operator	Detal, Ernie (H2B)												16.00	16.00
8	Const Craft Labor	Wanda, Kyle (Apprentice)			2.67	1.60	2.67	4.00						74.94	75.00
9	Site Superintendent	Delima, Nestor			2.00	1.60	2.67	2.67						287.60	287.00
10	Project Eng/ Quality Control	Ruel Remetira					2.67							34.67	34.00
11	Quality Control	Caasi, Joffery			2.00	1.60	2.67	2.67						63.60	63.00
12	Safety Officer	Chung Young Il					2.67	2.67						19.34	19.00
13	Backhoe	John Deere 410G 2009												12.00	12.00
14	Dump Truck Rental													1.00	1.00
15	Green Wast Tipping Fee	SK Logistics												1.00	1.00

Notes:

- A) Supervisory Personnel Prorated (8hr/ # Daily Scheduled Activities) x # of Scheduled activities for Remobilization / Rework
- B) Basis is Korando Daily Reports, DPW Inspector Daily Reports, DPW Daily Labor Surveys and Certified Payrolls
- C) Total Hours Rounded to the nearest .5 hour



The Honorable  
Eddie Baza Calvo  
Governor

The Honorable  
Ray Tenorio  
Lieutenant Governor

COPY



Glenn Leon Guerrero  
Director  
Felix C. Benavente  
Deputy Director

June 26, 2015

Mr. Byong Ho Kim  
President  
Korando Corporation  
P.O. Box 20538  
GMF, GU 96921

Korando Corporation  
RECEIVED  
DATE: 6/29/2015

Porty Jackson  
Glenn

Ref: Bile/Pigua Bridge Replacement  
Project No. GU-NH-NBIS(007)  
NOTICE OF DEFAULT

received  
06/29/2015 CH76  
TAKAGI & ASSOCIATES

Mr. Kim:

This serves to place you on notice that **Korando Corporation** ("Korando") is in default of the above referenced contract. Specifically, Korando is in breach of the following contract provisions:

- Section 108.1 – Commencement, Prosecution and Completion of Work** obligates contractor to "(a) commence work under this contract immediately after the issuance of the **Notice to Proceed**, prosecute the work diligently, ...
- Section 108.5 (e)** If the Contractor shall refuse or fail to prosecute the work or any part thereof with such diligence as will insure its completion within the period herein specified ...
- Section 108.5 (f)** If the Contractor shall refuse or fail to regard the laws, ordinances or instructions of the Contracting Officer or otherwise be guilty of substantial violations of any provision of the contract, then, in any such event, the Owner, upon receipt of certification from the Contracting Officer justifying that sufficient cause exists, may within 10 calendar days terminate the employment of that Contractor, ...
- Section 155.06 – Schedule Updates**, which provides that "Failure of the contractor to maintain the construction schedules and charts will be considered justification for withholding payments.
- Formal Contract Article 1 (a) Contract Time.**

COPY

6. **Instructions To Bidders Article 11. Time of Completion.**
7. **Notice To Bidders Article 5. Contract Time.**
8. **FP-03 Subsection 107.01 Laws to be Observed.**
9. **FP-03 Subsection 155.01 / FAR Sections 52.236-15 Schedules for Construction Contracts.**
10. **FAR and 52.249-10 Default (Fixed-Price Construction).**
11. **Article I.3 of the Required Contract Provisions (RCP) Federal-Aid Construction Contract.**
12. **Instructions to Bidders Article 25 Termination of Work on Failure to Pay Agreed Wages.**

A number of the above listed breach of contract provisions relate to H2B Temporary Alien Worker limitations; Apprentice Program documentation and reporting; Certified Payroll worker classifications; Certified Payroll reporting; Minimum wage requirements for laborer classification; and Change orders.

The **Department of Public Works ("DPW")** issued the **Notice to Proceed ("NTP")** on **January 5, 2015**. Despite numerous meetings, letters and telephone calls urging Korando to take the action necessary to complete the project on time we estimate that thirty eight percent (38%) of the contract time has expired with only five percent (5%) of the work performed although the work primarily relates to mobilization and establishing a field office. Permanent work on the project is less than one percent (1%) leading us to determine that Korando will exceed the agreed to completion date by one hundred and thirty two (132) days.

In my capacity as Contracting Officer I hereby certify that for the reasons set forth herein sufficient cause exists for terminating the contract. Korando has ***ten (10) calendar days from receipt of this Notice of Default*** to (a) commence meaningful work on the Project; (b) supply enough properly skilled workmen and provide the materials to complete the work within the contract term; (c) to submit *acceptable* updated Project schedule; and (d) the other listed defects. The updated Project schedule needs to be realistic and needs to acknowledge delays in performance to date and that Korando is not able to complete the Project in the contracted for time. In this respect, the department has only recently received your June 22, 2015 letter requesting major changes to Project's electrical plan. We do not intend on responding to this letter until the updated Project schedule is received, which we request either reference the electrical plan changes or incorporate them therein. This Notice allows you ten (10) calendar days to cure the failure to diligently perform meaningful work and correct all current breaches of the parties' contract. Unless the failure to perform is cured within the ten (10) calendar days the Contracting Officer may issue a notice of termination for default.

Nothing herein is intended to nor shall be interpreted as waiving or amending Korando's rights and obligations under the contract, all of which are specifically reserved by the Government of Guam.

If you have any questions or need additional information, please contact, Mr. Isidro Duarosan, Supervisor, Federal-Aid Highway Construction Section at 649-3104, Mr. Crispin Bensen, Project Engineer, DPW at 649-3115. Mr. Houston Anderson. Construction Manager, Parsons Transportation Group, Inc. at 648-1066 or Mr. Jack Marlowe, Chief Resident Project Representative, Stanley Consultants at 646-3466.

Sincerely,



**GLENN LEON GUERRERO**

Cc: Isidro Duarosan, DPW  
Crispin Bensen, DPW  
Richelle Takara, FHWA  
Jack Marlowe, CM  
Joseph Pecht, PTG  
Derrick Lehman, PTG  
Houston Anderson, PTG  
Westchester Fire Insurance Company c/o Takagi & Associates, Inc

IDuarosan /JBlaz

