

Jerrick Hernandez <jhernandez@guamopa.com>

# In the Appeal of Johndel International, Inc. dba JMI-Edison, Docket No. OPA-PA-23-002

 Merlyna W. Smith <mwsmith@bsjmlaw.com>
 Fri, Nov 17, 2023 at 4:42 PM

 To: Jerrick Hernandez <jhernandez@guamopa.com>
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 <jdwalsh@rwtguam.com>, William Brennan <Wbrennan@arriolafirm.com>, "R. Marsil Johnson"
 <rmarsjohnson@bsjmlaw.com>

Dear Mr. Hernandez:

Attached herewith for e-filing in the above-referenced matter is the following:

Menzies Proposed Findings of Fact and Conclusions of Law

Kindly acknowledge receipt via return e-mail. Should you have any questions, please let us know.

Thank you.

Regards,

Merlyna Weilbacher Smith

Secretary to R. Marsil Johnson

Merlyna Weilbacher Smith **BLAIR STERLING JOHNSON & MARTINEZ** A Professional Corporation 238 Archbishop F.C. Flores Street Suite 1008 DNA Building Hagåtña, Guam 96910-5205 Telephone: (671) 477-7857 Facsimile: (671) 472-4290 E-mail: mwsmith@bsjmlaw.com www.bsjmlaw.com

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Menzies Proposed Findings of Fact and Conclusions of Law, OPA PA-23-002.pdf 260K

4 5	R. MARSIL JOHNSON BLAIR STERLING JOHNSON & MARTINEZ A Professional Corporation 238 Archbishop Flores St. Ste. 1008 Hagåtña, Guam 96910-5205 Telephone: (671) 477-7857 Facsimile: (671) 472-4290 Attorneys for Party in Interest Aircraft Service International, Inc. dba Menzies Aviation
6 7	ubu menzies Aviation
8	IN THE OFFICE OF PUBLIC ACCOUNTABILITY
9	PROCUREMENT APPEAL
10	In the Appeal of ) Docket No. OPA-PA-23-002
11	) Johndel International, Inc. dba.
12	JMI-Edison,)MENZIES PROPOSED FINDINGS OF)FACT AND CONCLUSIONS OF LAW
13 14	Appellant.     )       )     )
15	
16	This procurement appeal was heard by the Office of Public Accountability Hearing Officer
17	Joseph McDonald on October 12, 2023. Appellant JOHNDEL INTERNATIONAL, INC. dba JMI-
18	EDISON ("JMI") was represented by Joseph C. Razzano and Joshua D. Walsh. Procuring agency
19	GUAM INTERNATIONAL AIRPORT AUTHORITY ("GIAA") was represented by William B.
20	Brennan. Interested Party AIRCRAFT SERVICE INTERNATIONAL, INC. DBA MENZIES AVIATION
21	("Menzies"), was represented by R. Marsil Johnson.
22	Following the hearing, the Hearing Officer ordered the parties to file Proposed Findings of
23 24	Fact and Conclusions of Law by November 17, 2023.
24	FINDINGS OF FACT AND CONCLUSIONS OF LAW
26	1. GIAA is Guam's only civilian airport. It maintains operations 24 hours per day and
27	7 days per week.
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1	2. GIAA's baggage handling system is comprised of the inbound and outbound
2	components that support GIAA and its tenants' operations related to arriving and departing
3	aircraft. The system moves baggage from the point of entry to Guam customs and Transportation
4	Security Administration inspection points, to and from aircraft, and ultimately to and from the
5 6	travelling public.
7	3. GIAA's baggage handling system is critical to the operation of GIAA.
8	4. An interruption to the baggage handling systems would stop the flow of people and
9	goods through GIAA.
10	5. The residents of Guam use GIAA to travel off-island for many purposes, including
11	to seek medical care that is not available in Guam.
12	6. Guam's economy is heavily dependent on tourist arrivals and spending. GIAA is
13 14	the primary port through which nearly all of Guam's tourists travel to and from Guam.
14	7. A stop to the flow of people and goods through GIAA for any significant amount
16	of time would constitute a threat to public health, welfare, and safety.
17	8. GIAA engages the services of a baggage handling services provider to operate and
18	maintain the complex baggage handling system components. The baggage handling service
19	provider is responsible for technical and operational personnel and maintains and operates the
20	system in support of GIAA 24 hours per day, seven days per week.
21 22	9. Without a baggage handling service provider, GIAA would be capable of operating
22	the baggage handling system with in-house personnel for only a matter of days before GIAA would
24	need to shut down the baggage handling system and stop inbound and outbound travel.
25	10. On July 20, 2021, GIAA issued Request for Proposal number RFP 05-FY21
26	seeking offers/proposals for Management and Support Services to GIAA's Baggage Conveyance
27	Systems.
28	- 2 -

1	11. On September 21, 2021, JMI filed a protest related to the RFP. GIAA denied that
2	protest and JMI appealed GIAA's decision to the Office of Public Accountability in OPA-PA-21-
3	010. The OPA ultimately dismissed JMI's appeal with prejudice, finding that a purported CLB
4	"Findings and Decision" document presented by JMI to the OPA, and the circumstances of the
5	document's creation, constituted a fraud on the OPA. JMI appealed the OPA's decision to the
6 7	Superior Court. That matter is captioned CV0095-22 and remains pending.
8	12. Because JMI filed a protest during the negotiation phase of RFP-05-FY21, GIAA
9	imposed a stay on the procurement.
10	13. The previous long-term contract for baggage handling services expired on October
11	31, 2021, one month after JMI filed its protest related to the RFP.
12	14. GIAA is currently operating the baggage handling system with the assistance of
13	Menzies under a temporary contract.
14	
15	15. GIAA's temporary contract with Menzies was procured on an emergency basis and
16	was executed on November 1, 2021.
17	16. On March 22, 2023, JMI protested the method of source selection and monthly
18	extensions of the temporary contract.
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#### A. CLOSURE OF GIAA DUE TO A PROCUREMENT PROTEST QUALIFIES AS AN EMERGENCY UNDER GUAM LAW

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UNDER GUAM LAW
 An emergency is defined by Guam's procurement law to mean "a condition posing"

- an imminent threat to public health, welfare, or safety, or the health and safety of the environment,
  which could not have been foreseen through the use of reasonable and prudent management
  procedures, and which cannot be addressed by other procurement methods of source selection." 5
  GCA § 5030(x).
- 8 2. The fact that a party may protest a procurement and hold up procurement past the 9 expiration of an existing contract is not foreseeable. The right to file a procurement protest is a 10 matter of individual right and outside the control of the procuring agency. A party who believes 11 they may be aggrieved by the procurement process, whether or not they are correct, may file a 12 procurement protest. See 5 GCA § 5425(a) ("Any actual or prospective bidder, offeror, or 13 contractor who may be aggrieved in connection with the method of source selection, solicitation 14 15 or award of a contract.").
- 16 3. It is also possible for procurement protests and appeals to span years. As an 17 example, a protest was filed in response to a GIAA concession procurement protest in 2013 and 18 remains pending, ten years after it was originally filed. That protest has resulted in four separate 19 opinions from the Supreme Court of Guam. See Antonio B. Won Pat Int'l Airport Auth., Guam v. 20 DFS Guam L.P., 2023 Guam 7, DFS Guam L.P. v. A.B. Won Pat Int'l Airport Auth., Guam, 2020 21 Guam 20, and DFS Guam L.P. v. A.B. Won Pat Int'l Airport Auth., 2014 Guam 12. That 22 23 procurement is still being litigated in the Superior Court of Guam with the most recent Decision 24 and Order in that matter having been issued on October 27, 2023. See DFS Guam L.P. v. A.B. Won 25 Pat Int'l Airport Auth., Guam, CV0943-14 (Super Ct. Guam Oct. 27, 2023). 26

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- 4. It is not possible, even through the use of reasonable and prudent management
   procedures, to account and prepare ahead for the possibility that a party may believe they are
   aggrieved and undertake litigation that can span a decade.
- 4 5

5. Furthermore, the term "emergency," as used in Guam's procurement law, must be read as encompassing both human induced emergencies and naturally occurring emergencies.

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6. First, nothing in the language of 5 GCA § 5215 makes any distinction between
8 human-caused or "natural" emergencies.

7. Second, Guam's procurement law is based on the Model Procurement Code 9 10 ("MPC"). The comments to the MPC section related to emergency procurement anticipated that 11 emergency procurement may be necessary when a threat to public health, welfare, or safety would 12 be caused due to a human-caused failure in the procurement process. Specifically, the comment 13 notes that emergency procurement "may be justified because all bids submitted under the 14 competitive sealed bid method are unreasonable, and there is no time to re-solicit bids without 15 endangering the public health, welfare, or safety." MPC, § 3-206, cmt. 3. The emergency 16 17 procurement section of Guam's procurement law has been modified heavily over the years, but it 18 is still originally based on the MPC and thus this commentary still provides persuasive authority 19 for interpreting 5 GCA § 5215.

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8. Thankfully, MPC, § 3-206, cmt. 3 is not the only comment to the MPC which 21 considers use of emergency procurement due to human-caused failure in the procurement process 22 that threaten public health, welfare, or safety. Awards based on competitive sealed bidding is 23 governed by 5 GCA § 5211(g). This section is based on MPC § 3-202(7), which provides that 24 25 "[w]hen all bids are determined to be unreasonable or the lowest bid on a construction project 26 exceeds the amount specified in this Subsection, and the public need does not permit the time 27 required to resolicit bids, then a contract may be awarded pursuant to the emergency authority in 28

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Section 3-206 (Emergency Procurements) in accordance with regulations". MPC § 3-202(7), cmt.
 3.

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  9. The OPA recognizes that "[t]he Official Comments to the Model Procurement Code
  <sup>4</sup> are a part of the Legislative History of [Guam's Procurement Law"]..." The OPA sees no reason
  <sup>5</sup> to, nor does it think it has the authority to, deviate from the Model Code's stance on the issue. See
  <sup>6</sup> 5 G.C.A. §§ 5001 et. seq. pmbl.
- 10. Third, the OPA sees no reason to disturb the Government of Guam's long-standing 8 practice of using emergency procurement to procure services in the midst of a human induced 9 10 emergency. In 1984, the Governor of Guam issued an executive order declaring the need for 11 emergency procurement of school buses on the basis that "rejection of all bids submitted for the 12 purchase of up to thirty school buses for FY 1984 and an additional ten school buses for FY 1985 13 has resulted in a serious delay in the procurement of the much needed buses, an emergency 14 situation now exists that threatens the safety of the territory's school children and the government's 15 ability to efficiently administer our island-wide school bus transportation system." See Executive 16 Order No. 84-20. 17

18 11. More recently in October 2018, the Guam Department of Education requested that 19 the governor of Guam issue an executive order declaring an emergency because "[t]he current 20 GDOE custodial services contract expires on September 30, 2018" and "a protest was filed and 21 subsequently appealed to the Office of Public Accountability (OPA), resulting in a stay of the 22 procurement process" leaving "the department in jeopardy of not having a custodial services 23 contract in place by October 1, 2018." See Guam Department of Education Release, September 24 25 26, 2018. The record shows that from as early as 1984 and as recently as 2018, the Government of 26 Guam has used emergency procurement in response to human induced emergencies. JMI has not 27

- 6 -

offered any compelling reason as to why government agencies should now suddenly deviate from 1 2 such long-standing practice, and the OPA finds no compelling reason for doing so.

3 12. Fourth, no court has ever revoked or voided an emergency procurement on the basis 4 that the emergency in question was human induced, as opposed to naturally occurring. The case 5 law cited by JMI on this issue is unpersuasive because in each matter the court voided the 6 emergency contract in question because the emergency was foreseeable or premature, not because 7 the emergency was human induced. See, e.g., Rodin v. Dir. of Purchasing of Town of Hempstead, 8 38 Misc. 2d 362, 238 N.Y.S.2d 2 (Sup. Ct. 1963) (voided because emergency was foreseeable); 9 10 Sloan v. Dep't of Transp., 379 S.C. 160, 165, 666 S.E.2d 236 (S.C. 2008) (voided because 11 emergency was foreseeable); Raynor v. Commissioners for Town of Louisburg, 220 N.C. 348, 17 12 S.E.2d 495 (1941) (voided because the emergency was not a present condition, but rather an event 13 that may arise in the future); Mallon v. Bd. of Water Comm'rs, 144 Mo. App. 104, 128 S.W. 764, 14 764 (Mo. Ct. App. 1910) (voided because the emergency was foreseeable). 15

13. For the foregoing reasons, the term "emergency," as used in Guam's Procurement 16 17 Law, encompasses both human induced emergencies and naturally occurring emergencies and 18 includes the potential closure of GIAA because the existing contract for baggage handling services 19 has expired and a stay of procurement has been issued due to a protest being filed on procurement 20 to put a new baggage handling services contract in place.

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B.

## PROPERLY FOLLOWED THE EMERGENCY PROCUREMENT STATUTE IN PROCURING EXISTING BAGGAGE HANDLING SERVICES

23 14. Given the fact that the previous long-term contract for baggage handling services 24 was set to expire on October 31, 2021, GIAA considered what options it had available to it to 25 continue operation of the baggage handling system. GIAA Airport Services Manager confirmed 26 this during her testimony: 27

1 2 3 4 5	Arriola: So, as the EM mentioned earlier, there was a discussion about potentially having in-house, but we don't have the capacity to perform that function, especially on a long-term basis, which is what prompted us to issue it in the first place. Then we also explored various methods of procurement, Whether it be invitation for bid, sole source, emergency procurement, we just went through that whole list. And in the end we felt that the emergency procurement was the most appropriate to be able to meet the needs of the airport.
6	See Audio of Formal Hearing Part 1 – October 12, 2023, Testimony of Marcus Finona (1:23:02 to
7	2:04:50).
8	
9	15. Self-service was deemed unreasonable because GIAA would have to pull staff from
10	other functions to operate the system and could only continue in that fashion for a matter of days
11	before GIAA would need to shut the system off.
12	16. Sole source procurement was deemed inappropriate because, due to JMI's protest
13	of the RFP, GIAA was aware that more than one offeror could provide baggage handling services.
14	17. An invitation for bid was not used because GIAA needed to judge which service
15	provider was most qualified to provide the services.
16	18. An RFP could not be used because the RFP that had been attempted had been
17	protested and that protest was pending with an automatic stay in place.
18	
19	19. At no point during the October 12, 2023 hearing did JMI or any witness for JMI
20	testify as to what other method for sourcing procurement should have been used instead of
21	emergency procurement.
22	20. On October 27, 2021, GIAA determined an emergency existed because the lack of
23	a functioning baggage handling system would force the shutdown of GIAA, which would create a
24	threat to public health and safety. As a result, there was a need for emergency procurement. Thus,
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26	GIAA determined the existence of a threat to public health or safety in writing as required by 5 GCA
27	§ 5215(a).
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21. That determination was communicated to I Maga Hagan Guahan. 1 2 22. I Maga Hagan Guahan reviewed GIAA's determination and approved a certificate of 3 emergency, authorizing the emergency procurement. Thus, the requirements of 5 GCA 5215(b)(2) 4 were met. 5 23. GIAA then solicited proposals on an emergency basis, seeking a provider to provide 6 services on a monthly basis due to the inability to move forward with RFP 005-FY21 and the imminent 7 expiration of the contract, and to continue while the stay remained in place. Two offerors submitted 8 proposals. Thus, a provider was competitively selected on an emergency basis. 5 GCA 5215(d). 9 24. Menzies was ultimately awarded a contract to provide the services on November 1, 10 2021. The contract was for an initial term of 30 days, subject to extension as allowed by law. 11 12 25. In December 2021, GIAA gave notice of a public hearing on its intent to extend the 13 emergency contract with Menzies beyond the initial 90-day term. This action complies with 5 14 GCA § 5215(e). 15 26. Because the procurement stay on RFP 005-FY21 remains in place to this date, 16 GIAA has complied with Guam law and has extended the contract for 30 days at a time. This 17 action complies with 5 GCA § 5215(e). 18 27. 19 GIAA has also held public hearings to extend the contract for periods in excess of 20 90 days at a time. This action complies with 5 GCA § 5215(e). 21 28. On March 15, 2023, GIAA gave notice of a public hearing on its intent to extend 22 the emergency procurement for an additional ninety (90) day period. This action complied with 5 23 GCA § 5215(e). 24 29. Based on the above findings of fact, it is clear that GIAA has complied with all 25 relevant portions Guam law related to emergency procurement in procuring the emergency 26 27 contract, issuing it to Menzies, and extending said contract. 28 - 9 -

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1 C.

### NO FINAL DECISION HAS BEEN REACHED BY THE CONTRACTOR'S LICENSE BOARD WITH RESPECT TO WHETHER A CONTRACTOR'S LICENSE IS REQURIED TO DO THE WORK DESCRIBED IN THE IFB

3	30. JMI repeatedly alluded to a citation issued to Menzies by the CLB during the
4	hearing. JMI claimed that the citation showed that the CLB had issued a decision that a C-13
5	license is required to perform work under the RFP. However, JMI's claims ignore the fact that the
6	citation was appealed by Menzies and that appeal is still pending, meaning no final decision has
7 8	been reached on the issue by the CLB.
8 9	31. CLB investigator Marcus Finona testified and confirmed that an appeal was
10	pending, that no hearing has yet been scheduled, that no hearing officer has been assigned to hear
11	the appeal, and that no final decision has been issued by the CLB following a hearing:
12	Johnson: I think when Mr. Walsh asked you, I think you confirmed that you're
13	involved in the appeal that's pending over at the CLB with respect to the citation, is that correct?
14	Finona: That's correct. Johnson: Okay. Again, has a hearing been scheduled for that?
15	Finona: Not that I'm aware of. Johnson: Do you know if a hearing officer has been assigned to it?
16	Finona: Not that I'm aware of.
17	Johnson:Ok. So, is there still a pending appeal at the CLB?Finona:Yes.
18	Johnson: So has there been a final decision issued by the CLB following a hearing?
19	Finona: Not yet.
20	See Audio of Formal Hearing Part 2 – October 12, 2023, Testimony of Marcus Finona (1:23:02 to
21	1:22:39).
22	32. Additionally, CLB investigator supervisor Nida Bailey testified and confirmed that
23	no hearing has yet been held on the issue of whether a CLB license is required to perform work on
24 25	the RFP, that no hearing office has been assigned, that no decision has been made by the CLB
25	following a hearing, that the case was not considered closed, and that no final decision has been
27	made by the CLB:
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1	Johnson: So, in this case, can you walk us through what happened in this case? This case, referring to the complaint that was filed against Menzies by	
2	JMI.	
3	Bailey:We followed the SOP.Johnson:Has a hearing been held yet?	
4	Bailey: The hearing has not been held yet because we are awaiting, it was	
5	forwarded to legal then we were informed that once AG could assign a hearing officer then a hearing will conducted.	
ſ	Johnson: Has a hearing officer been assigned to this case yet?	
6	Johnson: Okay, so has a hearing been held yet?	
7	Bailey: No Okay.	
	Johnson: Has the board then made a decision after a hearing yet? Bailey: Has not made decision.	
8	Johnson: Okay. So, the case is not closed yet, that is	
9	Bailey: It's not closed yet.	
	Johnson: Okay, so there's just a citation that's been issued?	
10	Bailey: Yes, sir.	
11	Johnson: And that's not a final decision in this case, is it?	
11	Bailey: No, sir.	
12	Johnson: Okay. Is that a final decision in this case? The citation?	
13	Bailey: No, sir. Johnson: Okay, so no final decision has happened yet?	
15	Bailey: Not yet.	
14		
15	See Audio of Formal Hearing Part 2 – October 12, 2023, Testimony of Marcus Finona (1:22:11	to
16	1:22:39).	
17	33. As Mr. Finona and Ms. Bailey confirm, the citation issued by the CLB has bee	en
18	appealed, no hearing has been held, and no final decision has been issued by the CLB on the	ne
19	question of whether a CLB license is required to perform work under the RFP. Therefore, the CL	B
20	has not issued a final decision on whether a CLB license is required to perform work under the	ne
21		ic
22	RFP.	
23	D. NO CONTRACTOR'S LICENSE IS REQUIRED TO PERFORM THE WORK DESCRIBED I THE RFP	IN
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1	a. THE WORK PERFORMED BY MENZIES PURSUANT TO THE RFP IS EXEMPT FROM THE REQUIREMENTS OF GUAM'S CONTRACTOR'S LAW BECAUSE IT INVOLVED
2	THE INSTALLATION OF FINISHED PRODUCTS THAT DID NOT BECOME A PERMANENT FIXED PART OF THE AIRPORT.
3	34. Pursuant to 21 G.C.A. § 70101(c), the Guam contractors law, including its licensing
4 5	requirements, shall not apply to persons who install finished products which are not actually
6	fabricated into and do not become a permanent fixed part of the structure:
7	(c) A person who sells <i>or</i> installs any finished products, materials <i>or</i> articles <i>or</i> merchandise which are <i>not</i> actually fabricated into and <i>do not</i> become a permanent
8	fixed part of the structure, <i>or</i> to the construction, alteration, improvement <i>or</i> repair of personal property;
9	21 G.C.A. § 70101(c) (emphasis in original).
10 11	35. During his testimony, Mr. Ilao confirmed that motors and drive systems the
12	baggage handling contractor would be tasked with replacing under the RFP are not fabricated by
13	the baggage handling contract, but are instead finished products. He also testified that, rather than
14	becoming a fixed part of the structure of the airport, that they would be bought off the shelf and
15	replaced as they wear out:
16 17	Johnson: The motors and the drive systems, are these things that would need to be constructed or built by the company that's operating the system, or
18	Ilao:They would buy these as an assembly and they would just replace the
19	Integration of the start o
20	Ilao:Yeah, or burnt or whatever due to power fluctuation.Johnson:So, these are basically finished products that are bought off the shelf
21	and just replaced? Ilao: Yes. You just install a new motor to replace the old motor.
22 23	See Audio of Formal Hearing Part 2 – October 12, 2023, Testimony of Ed Ilao (1:05:00 to 1:05:29).
24	36. During his testimony, Contractor's License Board investigator Marcus Finona
25	testified that repair work was being done by Menzies on motors and things of that nature and
26	confirmed that these motors could be replaced:
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1	Johnson: Did you consider this exception when you were conducting your investigation into Menzies activity at the airport?
2	Finona: I mean we always consider the exemptions just the thing is uh I didn't see that as an exemption when we did our investigation, it looked like
3	repair work to me.
4	Johnson: And repair work, did it involve replacing motors and things like that? Finona: Uh, yes.
5	Johnson: Did those look like they were becoming a permanent and fixed part of the airport?
6	Finona: I mean, it's connected.
7	Johnson:But they could be replaced, right?Finona:That's true.
8	See Audio of Formal Hearing Part 2 – October 12, 2023, Testimony of Marcus Finona (1:22:11 to
9	1:22:39). Because these motors could be replaced, they were not permanent, fixed parts of the
10	
11	airport.
12	37. When considering whether the exemption found in 21 G.C.A. § 70101(c) applies,
13	courts generally look to whether the products, materials, articles, or merchandise can be removed
14	without damaging the structure or preventing the structure's reuse. See Finley-Gordon Carpet Co.
15	v. Bay Shore Homes, Inc., 55 Cal. Rptr. 378, 379 (Ct. App. 1966) ("The trial court properly held
16	the exemption applies here. The evidence that the carpets can easily be removed without damaging
17 18	the apartments sufficiently supports the trial court's finding the carpets did not become a fixed part
18	of the structure.") and State ex rel. Vivian v. Heritage Shutters, Inc., 534 P.2d 758, 760 (Ariz. App.
20	1975) ("The appellees, on the other hand, suggest that the test to be utilized in determining whether
21	the exemption provision of A.R.S. s 32—1121.5 is met is whether damage incidental to removal
22	of the item in question would prevent its reuse or cause substantial damage to the structure. This
23	is the test adopted in both California and Washington. We, likewise, adopt this test for the State
24	
25	of Arizona." (citations omitted)). This standard has also been applied in the Superior Court of
26	Guam in VSST Co. Ltd. v. UFB Guam Hotel Corp., CV0552-09 at 5 (Super. Ct. Guam Jul. 7,
27	2011), where the Court held that:
28	- 13 -

1	Plaintiff argues that because the installations can be removed without causing
2	damage to the property, they are not a "permanent fixed part of the structure" as defined in Exemption § 70101(c). Defendant does not disagree, but rather argues
3	that because the air conditioning system is not a permanent fixed part of the structure, Plaintiff does not have a right to a Mechanic's lien as a matter of law.
4	See infra. Therefore the Court finds that Plaintiff is indeed exempt from the Contractors license requirement under 21 G.C.A. § 70101(c) and entitled to
5	maintain the lawsuit. As such, dismissal is inappropriate on summary judgment.
6	Id.
7	38. Mr. Ilao testified during the hearing that work done under the RFP would not
8	involve making any permanent changes to the structure of the airport, tearing down any walls,
9	building any walls, or engaging in any construction work at all:
10	Johnson: With respect to the RFP, the maintenance, the baggage handling system
11 12	operations work Ilao: Yes.
12	Johnson: Would that require you to make permanent changes to the structure of airport?
14	Ilao: No. Johnson: So you wouldn't have to tear down any walls?
15	Ilao: No. Johnson: Wouldn't have to build up any walls in the airport?
16	Ilao: No. Johnson: Would it involve any construction work at all?
17	Ilao: No.
18	See Audio of Formal Hearing Part 2 – October 12, 2023, Testimony of Ed Ilao (1:02:55 to 1:03.15).
19	39. Because the work described in the RFP involves the replacement of finished
20	products that do not become a permanent fixed part of the structure of the airport, the exception
21	found in 21 G.C.A. § 70101(c) applies to this work, meaning that the baggage handling contractor
22	need not have a contractor's license to perform work under the RFP.
23	<b>b.</b> THE WORK PERFORMED BY MENZIES PURSUANT TO THE RFP DOES NOT
24 25	REQUIRE A SPECIALTY CONTRACTOR'S LICENSE BECAUSE IT IS NOT CONSTRUCTION WORK
26	40. Guam law defines a specialty contractor as "a contractor whose operations as
27	such are the performance of construction work requiring special skill and whose principal
28	- 14 -

1	contracting business involves the use of specialized building trades or crafts." 21 GCA § 70106(d)
2	(emphasis added).
3	41. Mr. Finona confirmed that he did not believe the work he witnessed Menzies
4	performing during his investigation was construction work:
5	Johnson: Under 21 GCA § 70106, a specialty contractor is a contractor whose
6	operations as such are the performance of construction work requiring special skill and whose principal contracting business involves the use
7 8	of specialized building trades or crafts. So the work that was being done at the airport by Menzies, was that construction work? Finona: No, I wouldn't call it construction work, no.
9	See Audio of Formal Hearing Part 2 – October 12, 2023, Testimony of Marcus Finona (1:20:42 to
10 11	1:21:13).
12	42. As noted above, Mr. Ilao also testified that with respect to the RFP, the baggage
13	handling system operations work would not involve any construction work at all:
14 15	Johnson:Would it involve any construction work at all?Ilao:No.
16	See Audio of Formal Hearing Part 2 – October 12, 2023, Testimony of Ed Ilao (1:02:55 to 1:03.15).
17	43. Because a specialty contractor is defined under Guam law to be a contractor who is
18	engaged in construction work and because the RFP does not involve construction work, a specialty
19	contractor license is not required to perform work under the RFP.
20 21	c. EVEN IF A C-13 ELECTRICAL CONTRACTOR SPECIALTY LICENSE WERE REQUIRED TO PERFORM WORK UNDER THE RFP, MENZIES HOLDS A VALID C-13 CONTRACTORS LICENSE
22 23	44. Menzies does hold a C-13 Contractors License.
23 24	45. Copies of the C-13 license issued to Menzies and the C-13 license issued to
25	Menzies RME, Ignacio C. Urlanda, were submitted as exhibits by Menzies and admitted by
26	stipulation by the parties.
27	46. The C-13 licenses present unequivocal evidence that Menzies has a C-13 license.
28	- 15 -

1	CONCLUSION
2	Based on the foregoing, the duly appointed Hearing Officer makes the following
3	determinations:
4	1. A contractor's license is not required to perform work under the RFP. The work is
5	exempt from the requirements of Guam's contractors law pursuant to 21 G.C.A. § 70101(c)
6	because it at most involves the installation of finished products and materials that are not fabricated
7 8	into and do not become a fixed permanent part of the structure of GIAA. Further, a specialty license
9	is not required to perform for under the RFP because 21 GCA § 70106(d) provides that specialty
10	licenses are only required for contractors whose operations are the performance of construction
11	work and no construction work is required by the RFP.
12	2. The CLB has made no final determination as to whether a contractor's license is
13	required to perform work on the RFP. A citation was issued, but an appeal was filed by Menzies
14	and no hearing has yet been held on that appeal.
15 16	3. Even if a contractor's license were required to perform services under the RFP,
17	Menzies has a valid contractor's license and would be qualified to perform said services.
18	4. A human-caused emergency may qualify as an emergency pursuant to 5 GCA §
19	5030(x).
20	5. The potential closure of GIAA because the existing contract for baggage handling
21	services has expired and a stay of procurement has been issued due to a protest being filed on
22	procurement to put a new baggage handling services contract in place qualifies as an emergency
23	pursuant to 5 GCA § $5030(x)$ .
24 25	6. GIAA properly solicited the emergency procurement for emergency baggage
26	handling services and awarded a contract for said services in accordance with 5 GCA § 5030(x)
27	and 5 GCA § 5215.
28	- 16 -

1	7. JMI's appeal is hereby DENIED in its entirety.	
2	This is a Final Administrative Decision. The Parties are hereby informed of their right to	
3	appeal from a Decision by the OPA to the Superior Court of Gaum, in accordance with Part D of	
4	Article 9, of 5 G.C.A. § 5702, and shall be made available for review on the OPA Website	
5	www.opaguam.org.	
6	<b>SO ORDERED</b> this day of	. 2023.
7	,,	,=====
8		
9 10		Joseph B. McDonald
11		Hearing Officer
12	SUBMITTED BY:	
13	BLAIR STERLING JOHNSON & MARTINEZ	
14	A PROFESSIONAL CORPORATION	
15	BY: P. Martol All	
16	<b>R. MARSIL JOHNSON</b> Attorneys for Party in Interest	
17	Aircraft Service International, Inc. dba Menzies Aviation	
18		
19	U68\1367-01	
20	G DRIVE/PLD/RMJ/2023.11.17 - MENZIES PROPOSED FINDINGS OF FACT AND CONCLUSIONS OF LAW, OPA PA-23-002.DOCX	
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