

CORE TECH INTERNATIONAL, INC.

PRESS RELEASE

Tamuning, Guam - October 2, 2017

In its *fourth* attempt to issue the Simon Sanchez solicitation, DPW issued an Invitation for Bid for a \$100 million contract to design, finance, construct and provide maintenance, *without* including in the bid package copies of the critical documents required under Guam procurement law: (1) the Formal Contract, (2) Lease Agreement, (3) Maintenance Agreement, (4) Ground Lease, (5) Project Development Agreement, and (6) Financing Documents.

On July 24, 2017, Core Tech International, Inc., using the proper procedure to request for information, asked DPW to provide copies of the missing contracts. Core Tech received a response from DPW on August 24, 2017, informing all bidders that drafts of the missing documents would not be provided because they were “not available at this time.” This means that if a bidder is awarded the Simon Sanchez bid without the missing contracts, the Government of Guam will have bound itself to very complex award involving the expenditure of a \$100 million over the course of 30 years without knowing what it is obligating itself to do other than paying \$100 million. It is important for all bidders to see the missing contracts before bidding because, as the Public Auditor found in the last Simon Sanchez solicitation, DPW and Guam Educational Facilities Foundation (GEFF) inserted language into the contract which allowed GEFF to exceed the \$100 million cap in the solicitation.

No responsible Government agency should ever enter into any contract, whether it is for \$10,000 or \$100 million, without knowing what terms it is binding the Government to. Doing so would not only be reckless, but a clear violation of Guam procurement law. Core Tech timely filed a protest on September 7, 2017 to protest this wrongful and illegal act by DPW. DPW in its response, stated that DPW would cancel the Invitation to Bid to amend the bid documents to address this violation. DPW issued the Notice of Cancellation on October 2, 2017.

Core Tech also protested DPW’s retaliatory and unfair treatment of Core Tech in this newest Invitation for Bid. In an unprecedented act, Felix Benavente, DPW’s Deputy Director, terminated Core Tech’s contract on the completed Route 1/Route 8 Intersection Improvements and Agana Bridges Replacement Project, which involve the roadway connecting the two Hagåtña bridges, the Paseo Bridge and the other near the Bank of Guam building. Having

opened the roadways and the two bridges for public use for over 17 months, DPW now wants to terminate the road and bridges contracts. ***Core Tech firmly believes the termination was pretextual – issued to coincide and interfere with the evaluation process in the Simon Sanchez procurement.***

The Notice of Default for the completed road and bridges contract was delivered to Core Tech on August 23, 2017 at 4:30 p.m. ***Less than 24 hours*** later, DPW issued its response to RFI #32 in the Simon Sanchez procurement, on August 24, 2017 at 3:48 p.m. The response to RFI #32 states that a Notice of Default could be considered in a determination of responsibility. This means that the mere accusation by an agency of contractor wrongdoing could be considered by the evaluation committee as a “record of default” in scoring and evaluating bid proposals, regardless of whether the agency’s accusation or claims are true, an appeal was pending before the Public Auditor, or a final adjudication was issued on the merits of the accusation and claims. DPW’s actions are wrongful and not permitted by Guam Procurement Law.

On September 8, 2017, within 24 hours after Core Tech submitted its protest, Deputy Director Felix Benavente submitted his letter of resignation. The timing of the issuance of the Notice of Default was not a coincidence, but a direct attempt to skew the evaluation and disqualify Core Tech from consideration for the Simon Sanchez project. This leaves the field wide open for GEF, the only other company which participated in this latest round of Invitation for Bids.

Reconstructing Simon Sanchez High School is as urgent for Core Tech as it is for our community. DPW must be held accountable and required to follow Guam law, because the cost to the community if the law is not followed is much greater than the \$100 million project cost.