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Billion-dollar construction contracts to open for competition

Daily Post Staff Feb 23, 2018 Updated 3 hrs ago



JONES: Capt. Stephanie Jones, commanding officer in the Marianas for the Naval Facilities Engineering Command, speaks before a meeting of the Society of American Military Engineers - Guam Post on Thursday at the Hyatt Regency Guam in Tumon. David Castro/The Guam Daily Post

The military will open a \$990-million, design-and-build, multiple-award construction contract for competition via a request for proposals in the third quarter of this fiscal year.

This massive contract is part of the ongoing preparations to build a Marine Corps base in the Finegayan, Dededo, area to make room for almost 5,000 Marines and more than 1,000 of their family members from Okinawa.

Capt. Stephanie Jones, commanding officer in the Marianas for the Naval Facilities Engineering Command, or NAVFAC, gave updates yesterday on the progress of military construction plans related

to the Marine Corps project, as well as projects to support the evolving Navy and Air Force bases on Guam.

The Marine base project was finalized under President Barack Obama, who entered into a deal with Japan to reduce the number of U.S. troops in Japan. Under the Trump presidency, military spending is getting an additional funding boost.

There are smaller military construction contracts in the pipeline for Guam, including a \$98 million contract that will open for competitive proposals this quarter; a \$90 million contract in the third quarter; and a \$75 million contract that will open competitive proposals by September.

Those four contracts alone add up to more than \$1.1 billion.

Within hours of these projects being announced, a few senators raised the possibility of paring down the governor's 50 percent tax increase proposal on the business privilege tax in the hope that military spending might mean more revenues without raising taxes.

Some of the senators wanted to get additional information and time on the possible tax benefit from these military projects, so island lawmakers last night postponed a possible vote on the tax increase.

In addition, up to \$375 million worth of military construction projects at Andersen Air Force Base is expected to be awarded between the remainder of this fiscal year and the next, which starts in October.

Up to \$100 million in military construction projects is expected be awarded on Naval Base Guam this quarter.

The projects on the Navy and Air Force bases that are ready for award were funded from fiscal 2017 funds.

The government of Japan is helping to fund the projects related to the relocation of Marines from Okinawa to Guam.

The total cost of the relocation, Jones confirmed, is still \$8.7 billion.

Joint meeting

Jones spoke at a joint meeting of architects, engineers, land surveyors and construction contractors

yesterday at the Hyatt Regency Guam.

"We are at the very beginning," she said, of the projects to develop a Marine Corps base on Guam. The base will be built on existing U.S. government property near Andersen.

Jones recognized the start of the military buildup projects related to the Marine relocation could be challenging because of the island's limited labor pool. However, she also acknowledged that challenge might be eased in light of a recent federal court ruling.

Guam contractors won a favorable ruling recently in their case against the Justice Department and the U.S. Citizenship and Immigration Services. The contractors sued to get a reversal of USCIS' near-100 percent rejection of petitions for temporary foreign construction workers on H-2B visas.

The latest defense spending law allows for up to 4,000 foreign workers a year, on H-2B visas.

The military projects that, at the peak of construction on Guam in fiscal 2022, more than 10,000 workers would be needed. More than half of them are likely to be sourced from foreign labor markets, according to the military's projection.

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