

BOARD OF DIRECTORS

Dorothy P. Harris, Chairperson

Conchita S.N. Taitano, Vice Chairperson

Fe R. Valencia-Ovalles, Board Secretary



Resolution No. 2024-14

RELATIVE TO HOLDING IN ABEYANCE THE MERGER OF OPERATIONS AND EQUIPMENT MAINTENANCE DIVISIONS, THE AMENDMENT OF THE OPERATIONS AND EQUIPMENT MAINTENANCE MANAGER AND ADDRESS THE IMPACT OF THE REALIGNMENT ON THE ORGANIZATIONAL STRUCTURE.

BE IT RESOLVED BY BOARD OF DIRECTORS OF THE JOSE D. LEON GUERRERO COMMERCIAL PORT:

WHEREAS, 12 GCA Section 10104(e) requires the Board of Directors to establish the Authority's internal organization and management, and to adopt regulations for the administration of its operations and affairs; and

WHEREAS, 12 GCA Section 10111(a) further requires the Board to establish and amend rules and regulations governing the selection, promotion, performance evaluation, and disciplinary actions for employees of the Authority; and

WHEREAS, 12 GCA Section 10107 outlines the duties of the General Manager, including the selection, appointment, organization, and management of the Authority's employees, and the coordination of services; and

WHEREAS, the 2018 Leon Guerrero Transition Report identified a lack of succession planning, which created leadership continuity challenges within key departments, including Operations and Equipment Maintenance; and

WHEREAS, the merger of Operations and Maintenance was originally proposed to balance the need for preventive maintenance of yard equipment with the continued operations of vessels, both critical to the Port's efficiency; and

WHEREAS, on September 28, 2023, the Board passed Resolution No. 2023-15, authorizing the realignment of the Port's organizational structure, including the merger of the Operations and Equipment Maintenance divisions, the establishment of Facility Maintenance as a standalone division, the merger of the Capital Improvement Projects and Engineering divisions, and the separation of Occupational Safety and Environmental Compliance into two divisions; and

WHEREAS, in late 2021, the retirement of two senior managers without a succession plan caused a leadership void in the Maintenance Department; and

WHEREAS, to address this gap, the Operations Manager assumed the responsibilities of the Maintenance Manager without additional compensation, ensuring stability in maintenance operations during this period; and

WHEREAS, on April 25, 2024, the Board authorized the transparency and disclosure process related to the realignment and job specification amendments, followed by the approval of the realignment on May 31, 2024, and the filing of amended job standards with the 37th Guam Legislature on June 4, 2024; and

WHEREAS, since the realignment was approved, the General Manager has reported significant improvements in the efficiency and effectiveness of the Port's Equipment Maintenance division, despite the merger of operations and maintenance, the Equipment Maintenance division developed systems to streamline processes and integrated work orders with the E1 Financial Management System (E1), demonstrating its capacity to operate as a standalone division; and

WHEREAS, the realignment plan has strengthened the Port's ability to manage cargo-handling equipment and maintain operational integrity, with the Equipment Maintenance division building a robust structure, including the creation of Facility Maintenance as a separate division, further proving its capacity to function independently within the overall organizational restructuring; and

WHEREAS, the development of the EQMR Maintenance Dashboard, which began in 2021 and was officially implemented on August 28, 2024, reinforced the division's capabilities, by integrating data from the E1 system and tracking key metrics such as equipment downtime, parts availability, and estimated completion times, the dashboard streamlined operations and improved transparency across divisions, enabling the division to balance ongoing maintenance needs with the Port's operational requirements; and

WHEREAS, on July 8, 2024, the General Manager appointed Mr. Joaquin A. Pangelinan as Acting Maintenance Manager and introduced a policy to address the balance between vessel operations and yard equipment maintenance, the separation of the roles of Operations Manager and Maintenance Manager was supported by the EQMR Maintenance Dashboard, which provides real-time data to enable more precise scheduling and prioritization of preventative maintenance. The policy grants the Equipment Maintenance Division authority over yard equipment downtime, ensuring alignment between maintenance and operations for the overall efficiency of the Port's equipment; and

WHEREAS, the goal has always been to strike a harmonious balance between operations and maintenance, improving operational efficiency by reducing equipment failures and downtime, the EQMR Maintenance Dashboard supports this balance by ensuring that maintenance is prioritized based on operational needs, and preventing delays from external factors; and



WHEREAS, these policies, combined with the data-driven approach of the EQMR Maintenance Dashboard, have resulted in significant operational improvements, ensuring that yard equipment remains in optimal condition while balancing the needs of vessel operations and administrative functions; and

WHEREAS, the EQMR Maintenance Dashboard integrates data from the E1 system to offer transparency and accountability, providing insights to the EQMR Parts Team, Maintenance Control, and Shop Leaders, allowing for efficient prioritization of work orders, monitoring delays, and streamlining repairs, while ensuring all stakeholders are kept informed; and

WHEREAS, these improvements are led by the Equipment Maintenance team, headed by Mr. Shine San Agustin, Equipment Maintenance Superintendent, with support from all sections in the division, this approach, reinforced by policies approved by the General Manager, prioritizes critical maintenance tasks, including preventive maintenance and corrosion control, focusing on operational needs and improving efficiency while preventing maintenance delays; and

WHEREAS, the compensation structure for the Operations and Equipment Maintenance Manager position includes a 10% salary increase due to the expanded responsibilities placed on the Operations Manager; however, the Maintenance Manager's compensation has not been reduced, despite Facility Maintenance no longer being under the Maintenance Manager's purview, and given these changes, a review of the salary arrangements may be necessary if the implementation of the amendment of the Operations & Equipment Maintenance Manager does not proceed; and

WHEREAS, the General Manager requests the Board's approval to retain both the Operations Manager and Maintenance Manager positions and to continue filling the Maintenance Manager position in an acting capacity pursuant to the Port's Personnel Rules and Regulations;

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Port Authority of Guam hereby:

1. Approves holding in abeyance **ONLY** the merger of the Operations and Equipment Maintenance divisions, allowing the General Manager to further assess whether the merger would provide additional benefits to the Port Authority of Guam's operations or whether the succession plan should be amended to allow for the Maintenance Manager position to be amended to the Equipment Maintenance Manager position, reflecting the current organizational structure;
2. Approves maintaining the current salary structure for the Operations Manager and Maintenance Manager positions, with no salary increases, as the merger of the Operations and Equipment Maintenance Manager positions will be held in abeyance;
3. Authorizes the General Manager to retain the Operations Manager and Maintenance Manager positions, without abolishing them, and to continue filling the Maintenance Manager position in an acting capacity pursuant to the Port's Personnel Rules and Regulations; and
4. Supports the General Manager's continued assessment of the operational needs of the Port Authority, specifically regarding the potential merger of the Operations and Equipment Maintenance Manager positions and the General Manager will provide periodic updates to the Board on the assessment and make recommendations if any significant changes to the organizational structure are warranted.

BE IT FURTHER RESOLVED, that the General Manager is authorized to finalize the decision, after completing the assessment, regarding whether to maintain the current organizational structure or implement the realignment of the Operations and Equipment Maintenance divisions, and present the recommendation to the Board for final approval; and

BE IT FURTHER RESOLVED, that the Chairperson certify to, and the Secretary attest to, the adoption hereof.

PASSED AND ADOPTED UNANIMOUSLY BY THE BOARD OF

DIRECTORS THIS 26th DAY OF SEPTEMBER, 2024.

DOROTHY P. HARRIS
CHAIRPERSON, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM

FE R. VALENCIA-OVALLES
SECRETARY, BOARD OF DIRECTORS
PORT AUTHORITY OF GUAM

