



EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

March 11, 2016

Honorable Judith T. Won Pat, Ed.D
Speaker
I Mina'trentai Tres Na Liheslaturan Gudhan
155 Hesler Street
Hagåtña, Guam 96910

Dear Madame Speaker:

Thank you for taking time out to meet with the Guam Memorial Hospital Authority and Guam Economic Development Authority, as well as for your interest in the GMHA Birth Center Renovation Project. As I reiterated during our meeting, my office has supported this project. The fiscal team also reiterated concerns they've shared with you previously.

Chief of these is the shortfall in funding authorization. Public Law 32-204 authorized the administration to take out a line of credit, a direct loan, or alternative financing, for a total cumulative amount not to exceed \$7 million for the project.

The difficulty here is the Architectural & Engineering Design & Specification submitted last year estimated an \$11 million cost. I believe GEDA has written to your office asking for assistance in addressing this disparity.

As it stands, the authority provided by the Legislature falls short of the construction portion of the project, and doesn't cover the equipment and furnishing required. It also doesn't include other anticipated costs, including the required 1 percent funding for the arts.

As you are aware, the doctors who attended the meeting recommended we limit the scope of work to a smaller area to fit within the \$7 million authorization.

GEDA is moving forward on this project per my direction. The agency is preparing for the financing procurement process, which will take about three weeks to complete.

However, considering their issues with the authorization level, I invite your office to engage with GEDA on solutions to the shortfall so that we can renovate the entire ward.

Senseramente,

A handwritten signature in black ink, appearing to read 'Eddie Baza Calvo', with a stylized, flowing script.

EDDIE BAZA CALVO
Governor of Guam