JOSEPH T. DUENAS
Chairman

JOHN M. BENAVENTE, P.E.
General Manager

Telephone Nos. (671) 648-3054/55 or Facsimile (671) 648-3165

Accountability · Impartiality · Competence · Openness · Value

INVITATION FOR MULTI-STEP BID (IFB) NO.: GPA-035-20

DESCRIPTION: Performance Management Contract for the Cabras Units #1 & #2 Steam Power Plant

SPECIAL REMINDERS TO PROSPECTIVE BIDDERS

Bidders are reminded to read the Sealed Bid Solicitation and Instructions, and General Terms and Conditions attached to the IFB to ascertain that all of the following requirements checked below are submitted in the bid envelope, one (1) original and five (5) bound copies of the Technical Proposal including one (1) original and five (5) printed copies of the Technical Scoring Workbook, One (1) electronic PDF format copy of the Technical Proposal in CD, DVD, and/or USB Flash drive and Technical Scoring Workbook should be submitted, at the closing date and time. Price Proposal shall be submitted in a "Separately Sealed" envelope marked "PRICE PROPOSAL" at the date and time of closing.

(XX) BID GUARANTEE ($150,000.00 USD) May be in the form of;
(NOTE: Cashier's Check or Certified Check Refunds will be ONLY be made out to the name of the Bidder.)
Reference #11 on the General Terms and Conditions

a. Cash, Bank Draft, Cashier's Check or Certified Check
b. Wire Transfer to Guam Power Authority. Account information shall be sent to bidders upon request.
c. Letter of Credit or
d. Surety Bond – Valid only if accompanied by:

1. Current Certificate of Authority issued by the Insurance Commissioner;
2. Power of Attorney issued by the Surety to the Resident General Agent;
3. Power of Attorney issued by two (2) major officers of the Surety to whomever is signing on their behalf.

(XX) STATEMENT OF QUALIFICATION;

( ) SAMPLES;

( ) BROCHURES/DESCRIPTIVE LITERATURE; (Shall provide detailed literature on items offered.)

(XX) NON-COLLUSION AFFIDAVIT;

(XX) AFFIDAVIT OF DISCLOSURE OF MAJOR SHAREHOLDERS

(XX) NO GRATUITIES OR KICKBACKS AFFIDAVIT;

(XX) ETHICAL STANDARDS AFFIDAVIT;

(XX) WAGE DETERMINATION AFFIDAVIT;

(XX) RESTRICTIONS AGAINST SEX OFFENDERS AFFIDAVIT;
Affidavits must comply with the following requirements:

a. The affidavit must be signed within 60 days of the date the bid is due;
b. Date of signature of the person authorized to sign the bid and the notary date must be the same.
c. First time affidavit must be an original – If copy, indicate Bid Number/Agency where original can be obtained.

(XX) OTHER REQUIREMENTS:
A Guam Business License and/or Contractor's License with proof of Employer Identification Number (EIN) is not required in order to provide a proposal for this engagement, but is a pre-condition for entering into a contract with the Authority. Bidders MUST comply with PL 26-111 dated June 18, 2002, PL 28-165 dated January 04, 2007 and Wage Determination under the Service Contract Act (www.wdol.gov). Additionally, upon award the successful bidder must provide to GPA the most recently issued Wage Determination by the US Dept. of Labor.

The reminder must be signed and returned in the bid envelope together with the bid. Failure to comply with the above requirements will mean a disqualification and rejection of the bid.

On this _____ day of _____ 2020, I,_____,
authorized representative of _____ acknowledge receipt of this special reminder to prospective bidders with the above referenced IFB.

_____
Bidder Representative's Signature

INVITATION FOR BID

ISSUING OFFICE:
Guam Power Authority
Procurement Management Materials Supply
1st. Floor, Room 101
Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam 96913

2/11/2020

JOHN M. BENAVENTE P.E. DATE
General Manager

DATE ISSUED: 02/11/2020
02/18/2020

MULTI-STEP
BID INVITATION NO.: GPA-035-20

BID FOR: Performance Management Contract for the Cabras #1 & #2 Steam Power Plant

SPECIFICATION: See Attached

DESTINATION: See Attached

REQUIRED COMPLETION DATE: See Attached

PRE-BID CONFERENCE: 9:00 A.M., Tuesday, February 25, 2020
(Meeting place will be at our GPWA Procurement Office, Room 101, 1st. Floor, Gloria B. Nelson Public Service Building, 688 Route 15, Fadian, Mangilao.)

CUT-OFF DATE FOR RECEIPT OF QUESTIONS: 4:00 P.M., Monday, March 09, 2020

INSTRUCTIONS TO BIDDERS:

INDICATE WHETHER: _____ INDIVIDUAL _____ PARTNERSHIP _____ CORPORATION

INCORPORATED IN: _____

Technical and Price Proposals (separate sealed envelope) shall be submitted to the issuing office above no later than **2:00 P.M., April 07, 2020**. Technical Proposals and Price Proposals submitted after the time and date specified above shall be rejected. See attached General Terms and Conditions and Sealed Bid Solicitation for details.

The undersigned offers and agrees to furnish within the time specified, the articles and services at the price stated opposite the respective items listed on the schedule provided, unless otherwise specified by the bidder. In consideration to the expense of the Government in opening, tabulating, and evaluating this and other bids, and other considerations, the undersigned agrees that this bid remain firm and irrevocable not less than six (6) months after the Price Proposal Opening Date.

NAME AND ADDRESS OF BIDDER:

SIGNATURE AND TITLE OF PERSON AUTHORIZED TO SIGN THIS BID:

AWARD: CONTRACT NO.: _____ AMOUNT: _____ DATE: _____

ITEM NO(S). AWARDED: _____

CONTRACTING OFFICER:

JOHN M. BENAVENTE, P.E. DATE
General Manager

NAME AND ADDRESS OF CONTRACTOR:

SIGNATURE AND TITLE OF PERSON

Invitation For Multi-Step Bid No.:
GPA-035-20

PERFORMANCE MANAGEMENT CONTRACT FOR THE

CABRAS UNITS #1 & #2 STEAM POWER PLANT

John J. Cruz, Jr., P.E.
Assistant General Manager,
Engineering & Technical Services

Melinda C. Mafnas, P.E.
Assistant General Manager,
Operations

John M. Benavente, P.E.
General Manager

PERFROMANCE MANAGEMENT CONTRACT FOR THE CABRAS UNITS #1 & #2 STEAM POWER PLANT

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INVITATION FOR MULTI-STEP BID

The Guam Power Authority, hereinafter referred to as GPA, is inviting interested firms to participate in a **Multi-Step Invitation for Bid (IFB) for an Operations & Management Contract (OMC) to manage, operate, and maintain the Cabras Units #1 & #2 Steam Power Plant.**

This bid shall be a Two Step process. Step One will establish a Qualified BIDDERs List (QBL) based on acceptable submitted Technical Proposals. Step Two will evaluate the Price Offers from the vendors identified on the QBL and award a contract. Step One is the period from IFB announcement through Notification of Qualified BIDDERs. Step Two is the period after establishment and notification of the QBL up to the contract award date.

The contract time shall be for **36 months** after issuance of Notice to Proceed with **options to renew up to two (2) additional 12-month periods**. All BIDDERs identified after Step One of the bid process on the Qualified BIDDERs List must submit their price proposal with a **bid security in the amount of $150,000**. Bid security can be made by a surety bond or cash deposit in the form of a certified check or cashier's check made payable to the Guam Power Authority.

All interested parties are hereby noticed that minority business enterprises will be afforded full opportunity to submit bids in response to the invitation and will not be discriminated against on the grounds of race, color, and national origin in consideration for an award.

The right is reserved to reject any or all bids and to waive any imperfection in the bids in the interest of the Guam Power Authority.

1.0 INSTRUCTIONS TO BIDDERS

1.1. GENERAL DESCRIPTION OF BID PROCESS

Interested parties shall submit Technical Proposals and Price Proposals for this solicitation. The bid shall be a two-step process.

The first step involves evaluation of the Technical Proposal and establishment of a Qualified BIDDERs' List (QBL) based on acceptable submitted Technical Proposals. The second step is evaluation of the qualified BIDDERs' Price Proposals.

The BIDDER whose total price proposal (Fixed Management Fee and O&M Spending Budget) for the five contract years yields the lowest total cost to GPA shall be awarded the CONTRACTOR Contract.

1.2. PRE-BID CONFERENCE AND PLANT TOURS

A Pre-Bid Conference is scheduled on **February 25, 2020 at 9:00 AM**. BIDDERs are encouraged to join the conference to receive general instructions and an overview of the requirements for this solicitation, but attendance is not required to participate in the bid.

For the purpose of becoming familiar with the power plants, all prospective BIDDERs will have the opportunity, at their own expense, to visit Guam and the Cabras Power Plant site to study local conditions, available facilities, craft wages, roads, communications, and available transport facilities. BIDDERs should also acquaint themselves with the relevant laws, rules, and regulations of Guam. GPA will schedule Plant Tours on **February 25, 2020 at 1:00 PM**. Arrangements for all tours shall be made by written correspondence with the GPA Procurement Officer via facsimile or email at least a week before the scheduled plant tour. BIDDERs are responsible for providing GPA all necessary identification and other documents as may be required by federal and local government security policies and GPA's Safety Division.

1.3 LANGUAGE

The official language of Guam is English. The bid and all accompanying documents shall be submitted in the English language.

1.4 CORRESPONDENCE

Any prospective BIDDER desiring an explanation or interpretation of the solicitation, commercial terms, technical specifications, etc., must make a request in writing to GPA at the address listed below, referencing the Invitation for Bid No.

JOHN M. BENAVENTE, P.E.
GENERAL MANAGER (I)
GUAM POWER AUTHORITY

ATTENTION: JAMIE L.C. PANGELINAN
SUPPLY MANAGEMENT ADMINISTRATOR

Gloria B. Nelson Public Service Building
688 Route 15
Mangilao, Guam

PHONE: (671) 648-3054/55
FAX: (671) 648-3165

All inquiries must be received by the GPA Procurement Office no later than **4:00 PM on March 9, 2020**. Oral explanations or instructions given will not be binding. Any information concerning a solicitation will be furnished promptly to all parties recorded by Procurement as having received the Invitation for Bid as an amendment to the solicitation if that information is necessary in submitting bids or if the lack of it would be prejudicial to other prospective BIDDERs.

1.5 DEADLINE FOR SUBMISSION OF PROPOSALS

The Deadline for Submission of the Technical Proposal and Price Proposal is on **April 7, 2020 at 2:00 PM** Guam standard date and time. BIDDERs are reminded to submit the Price Proposal on **a separate, sealed envelope**.

The Technical Proposal and all required forms, and the Bid Bond will be opened at the same date and time as the deadline for submission of proposals. This opening time and date is also referred to as the Proposal submittal deadline or submittal date. Technical Proposals shall not be accepted after the proposal opening date.

The Price Proposal shall be submitted and accepted by GPA but shall remain unopened. The Price Proposal shall be opened at a different date and time, as indicated in Table 1: Bid Schedule. Price Proposals will not be accepted after the Proposal submittal deadline of **April 7, 2020 at 2:00 PM** Guam standard date and time.

1.6 RECEIPT AND HANDLING OF MANUALLY SUBMITTED PROPOSALS

Upon receipt, each Proposal submittal package will be time-stamped. The only acceptable evidence to establish the time of receipt at the GPA is the date/time stamp of the Guam Power Authority's procurement office on the wrapper or other documentary evidence of receipt maintained by GPA Procurement. Proposals will be stored in a secure place until the date and time set for proposal opening.

GPA procurement personnel and the BIDDERs must ensure that the outside of the sealed package is stamped received using the GPA Procurement Stamp. In addition, GPA procurement personnel must officially log the time and date that the BIDDER’s sealed proposal package has been received.

1.7 BIDDERS RESPONSIBILITIES

a. ***Examination of Technical and Functional Requirements and Tender Documents.***
Before submitting their proposal, BIDDERs must familiarize themselves with the nature and extent of the work, noting any local conditions that may affect the work to be done and the labor, materials, and equipment required.

BIDDERs are also required to carefully examine all tender documents inclusive of all technical and functional requirements and to inform themselves of all conditions and requirements for the execution of the proposed work in accordance with the laws and regulations of Guam. Ignorance on the part of BIDDERs of any part of the tender documents and Technical and Functional Requirements will in no way relieve them of the obligations and responsibilities assumed under the contract.

b. Familiarity With Laws

BIDDERs shall be familiar with all Federal (U.S.) and local laws, ordinances, rules and regulations of Guam that in any manner affect the work. Ignorance of laws on the part of the BIDDERs will not relieve the BIDDERs from responsibility.

c. Cost of Bidding

BIDDERs shall bear all costs associated with the preparation and submission of its proposals. GPA will not be responsible or liable for those costs, regardless of the outcome of the IFB process.

1.8 BID SCHEDULE

Table 1: Bid Schedule

Milestone	From	To
Bid Announcement	2/11/2020	2/25/2020
Bid Documents Available	2/11/2020	4/7/2020
Pre-Bid Conference (Non-Mandatory)	2/25/2020 9:00 AM	
Plant Tour	2/25/2020 1:00 PM	
Vendors Submit Questions	2/11/2020	3/9/2020
GPA Review and Answer Questions	3/9/2020	3/20/2020
Vendor Prepare Proposals	2/11/2020	4/6/2020
Cut Off Date for Receipt of Bid Documents	4/7/2020 at 2:00 PM	
Step One:		
Opening of Technical Proposal	4/7/2020 at 2:00 PM	
Evaluation by Committee	4/9/2020	4/22/2020
Determine & Notify Qualified Vendor	4/23/2020	4/27/2020
Step Two:		
Opening of Price Proposal	5/11/2020 at 9:00 AM	
Price Proposal Evaluation	5/12/2020	5/14/2020
Notification of Award	5/15/2020	6/04/2020
CCU & PUC Approval	6/04/2020	8/19/2020
Contract Signing	8/26/2020	
Contract Mobilization	8/27/2020	9/30/2020
Contract and Operational Commencement	10/1/2020	

1.9 PREPARATION OF BID

a. STEP ONE PROCEDURE – TECHNICAL PROPOSALS

1) BIDDERs are required to submit one (1) original, and five (5) printed bound copies of the Technical Proposal including one (1) original and five (5) printed copies of the Technical Scoring Workbook, One (1) electronic PDF format copy of the Technical Proposal in CD, DVD, and/or USB Flash drive and Technical Scoring Workbook should be submitted, at the closing date and time. Price Proposal shall be submitted in a "Separately Sealed" envelop marked "PRICE PROPOSAL" at the date and time of closing.

2) Completed Proposal Reference Sheet
The Technical Proposal Workbook is included in the bid documents as a printed version and as an MS Excel Document. The workbook contains the following tables: 1) Proposal Reference Checklist; 2) Proposal Scoring Information; 3) Proposal Scoring Sheet; 4) Evaluators Score Table; and 5) Qualification/Acceptability Table which provides the bidder, the scoring mechanism to be used by GPA, as well as GPA's scoring process.

The Proposal Reference Checklist shall be completed and submitted by the BIDDER in its Technical Proposal. The Proposal Reference Checklist shall be used by BIDDERs to indicate the sections in their proposal that address and respond to each GPA has requirement.

3) Technical Proposal and Supporting Information
The BIDDER shall provide all responses and supporting information in writing to answer the questions raised in the Technical Scoring Workbook. The Technical Proposal should include all documentation needed for GPA to effectively evaluate the BIDDER's capability in meeting the requirements of this solicitation, and in responding to each checklist item.

Each BIDDER shall submit with their proposal all the supplementary information required by the tender documents. The information submitted must be in sufficient detail and clarity to permit a complete comparison of the proposal with the Specifications. The supplementary information included with each Proposal shall include the following:

1. A copy of the BIDDER's Articles of Incorporation or other applicable forms concerning business organization (i.e. partnership, sole proprietorship, etc.) and By-Laws;

2. A sufficient number of documentation, drawings, diagrams, catalogs, illustrations, and such other information as necessary to clearly support responses to the Technical requirements.

3. Financial information on BIDDER's firm and all subcontractors that will be used in the performance management of the GPA power plants. This information shall be complete for the last five years. BIDDERs must include their Dunn and Bradstreet Number or Other Major Credit Rating Agency

rating. The financial information provided will be evaluated as indicated in Item 9 of the Checklist Item in the Technical Proposal Scoring Worksheet.

4. Required Forms – Bidders must submit with its Technical Proposal the mandatory Required Forms as listed in this bid. Failure to submit the required forms shall be cause for rejection of the bid.

    a. Certificate of Good Standing to conduct business in jurisdiction of residence;
    b. Special Provision for Major Shareholders Disclosure Affidavit
    c. Major Shareholders Disclosure Affidavit
    d. Non-collusion Affidavit;
    e. No Gratuities or Kickbacks Affidavit;
    f. Ethical Standards Affidavit;
    g. Declaration Re-Compliance with US DOL Wage Determination;
    h. Restriction against Sex Offenders
    i. Information regarding outstanding claims against the BIDDER, if any; and;
    j. Bid Bond
    k. Local Procurement Preference Application, if applicable

5. An organization chart with the qualifications of each key project position category, plus a listing of the number of employees by category and their percent commitment on the CONTRACT for each calendar year over the lifetime of the contract. Categories shall include project management, engineering, analysis, programming, training, and field support.

6. Three or more client references and project description summaries for work performed under similar scope to this project.

4) Bid Bond – The Bid Bond shall be included in the Technical Proposal packet. Failure to submit a bid bond shall be cause for rejection of the bid.

5) If the BIDDER's Proposal cannot fit within one box or chooses to submit more than one box, each box must be labeled with the following:

    1. Box Number Within the Set of Submitted Boxes
    2. The Total Number of Boxes Submitted.

b. STEP TWO PROCEDURE – PRICE PROPOSAL

1) BIDDERs are required to submit their price offer on the BID FORM in a separate sealed envelope marked "PRICE PROPOSAL". Indicate the date and time of price proposal bid package remittance.

The proposal shall include the Annual Management Fee per Contract Year.

Bidders shall not provide Price Proposal for O&M Budget as GPA sets this budget at $1,350,000 per contract year. The Bidder will accept this O&M budget, and allocate adequate funds for O&M. O&M expenses will be reimbursed by GPA monthly, for an annual total not exceeding $1,350,000. Any departures from this budget shall not be reimbursed by GPA; should the PMC anticipate any changes to the allocated budget, it shall advise GPA of the possible changes for review.

The Bid Form worksheet is included in this bid document and as a separate attachment in MS Excel File Format.

2) All price/cost data submitted with the BIDDERs' proposals shall remain firm and open for acceptance for a period of not less than six (6) months after the Proposal submittal date defined elsewhere and thereafter shall be subject to renewal by mutual agreement between the BIDDER and GPA. BIDDER shall state the actual date of expiration in their proposal.

3) BIDDERs shall provide prices/costs in U.S. Dollars. The BIDDER shall provide any equipment and material prices on the basis of CIF to the Guam job site unloaded and shall provide a breakdown of the price/cost data.

4) The basis of award shall be the three-year total bid of the Annual Management Fee and O&M Budget as specified in the Bid Form.

5) GPA reserves the right to award the contract in whole or in part based on the Evaluation Committee's determination of the most feasible method of final project delivery.

6) Changes may be made to the Price Offer prior to the proposal submittal due date.

1.10 BID SECURITY

The bid bond must accompany the Technical proposal bid submittal. Bidders who fail to submit a bid bond will be automatically disqualified from this Invitation to Bid. Each bid must be accompanied by a deposit in the amount of not less than **$150,000 (USD).**

Bid security can be provided in the following forms:

a. Cash, Bank Draft or Certified Check made payable to the Guam Power Authority;
b. By wire transfer to Guam Power Authority:
   Bank of Guam
   111 Chalan Santo Papa
   Hagatna, Guam 96910
   Account # 0601-026246
   Type of Account – Checking
   Routing/Transit # 121405115
c. Letter of Credit;
d. Surety Bond – valid if accompanied by:

1) Current Certificate of Authority to do business on Guam issued by the Department of Revenue and Taxation;
2) Power of Attorney issued by the Surety to the Resident General Agent;
3) Power of Attorney issued by two (2) major officers of the Surety to whoever is signing on their behalf.

Should the successful bidder fail or refuse to execute and deliver the contract and performance and payment bonds required within ten (10) working days after acceptance of his bid by GPA, he shall forfeit the security deposited with his bid to the Guam Power Authority as liquidated damages for such failure or refusal.

Bonds, submitted as Bid Guarantee, without signatures and supporting documents are invalid and bids will be rejected.

If a BIDDER desires to submit a bid bond with an acceptable bonding company, the BIDDER must submit original copies of the Bid Bond in the form prescribed.

1.11 NON-COLLUSION AFFIDAVIT

Each person submitting a bid for any portion of the work covered by the bid documents shall execute an affidavit, in the form provided with the bid, to the effect that he has not colluded with any other person, firm, or corporation in regard to any bid submitted. Such affidavit shall be attached to the bid.

1.12 RIGHT TO ACCEPT AND REJECT BIDS

The Guam Power Authority reserves the unqualified right, in its sole and absolute discretion, to reject any and all bids, or to accept that bid or combination of bids, if any, which in its sole and absolute judgment will under all circumstances best serve the Guam Power Authority's interests. GPA also reserves the right to waive minor informalities if it appears in GPA's best interest to do so.

Any effort by a BIDDER to influence GPA in the proposal evaluation, proposal comparison or contract award decisions may result in the rejection of the proposal. Once GPA has arrived at a decision regarding the award of the contract, it will notify promptly the successful BIDDER in writing.

1.13 METHOD OF AWARD

This is a multi-step bid procurement.

a. In Step One, only the submitted Technical Proposals will be evaluated based on the evaluation criteria. From this evaluation, a Qualified Bidders List (QBL) will be established based on acceptable submitted Technical Proposals.

b. In Step Two, the lowest qualified bid price based upon Technical Proposals that are determined to be acceptable and compliant with all technical requirements, either initially or as a result of discussions, will be considered for award.

c. Step One is the period from IFB announcement through Notification of Qualified

BIDDERs. Step Two is the period after establishment and notification of the QBL to the contract award date.

1.14 BASIS OF AWARD

The BIDDER whose total price proposal (Annual Management Fee and O&M Spending Budget) for the three contract years yields the lowest total cost to GPA shall be awarded the CONTRACTOR Contract.

1.15 EVALUATION OF TECHNICAL PROPOSALS

a. The Proposal Scoring Procedures provide the BIDDERs the opportunity to highlight their qualifications to bid in terms of their resources, skills, operating philosophy and commitments to perform specific tasks and originality.

b. Technical Proposal Evaluation

The Technical proposal scoring is designed to assess the quality of the BIDDER's resources, skills, comprehensiveness, and responses to topical questions. Each GPA evaluator shall score each BIDDER separately under a point system to determine the acceptability of each Proposal. The majority of the determinations of GPA evaluators shall prevail in the decision to Qualify or not Qualify a BIDDER for Step 2 — Price Proposal.

c. GPA will appoint 5-7 members to the Evaluation Committee for evaluation of this bid. Each member will evaluate the proposal and shall be guided by the Technical Scoring Information table. The "Technical Proposal Reference" allows the BIDDERs to indicate the part of the Technical Proposal or Supporting Information that responds to each checklist item. Each checklist item is assigned a weight according to importance and relevance to GPA's requirements, and each evaluator scores the BIDDER's response to each checklist item with five being the highest score, and one being the lowest.

d. Each GPA evaluator will score BIDDER responses using the following steps:

- Review each BIDDER's response to each question on the CONTRACTOR Checklist Items in the Technical Proposal Scoring worksheet;
- Assign a relative score to each BIDDER's response to each question;
- Determine each BIDDER's weighted average raw score using pre-specified weights for each question.

The evaluators will use the supporting information on the **Proposal Scoring Information** tab and **Proposal Reference Checklist** tab for the evaluation.

e. Each GPA evaluator will analyze the contents of the Proposals and categorize the Proposals as:

Acceptable: **Score** **≥ 70%**
Unacceptable: **Score** **< 70%**

A percent score of less than 70% indicates that a GPA evaluator has determined that the BIDDER has not supplied sufficient evidence of qualifications and should not be allowed to participate in Step 2 – Price Proposal.

After each GPA evaluator has completed the evaluation and scoring of BIDDERS, GPA shall complete the Table below. The Procurement Officer will enter for each GPA evaluator and BIDDER one and only one of the following in the appropriate table cell below:

- Acceptable
- Unacceptable.

If the majority of the GPA evaluators rate the BIDDER as Acceptable, that BIDDER is determined to be Qualified and will be allowed to participate in Step 2– Price Proposal.

The Procurement Officer may initiate Step Two if there are sufficient acceptable Unpriced Technical Proposals to assure effective price competition in the second phase without technical discussions.

BIDDERs who are rated by the majority of the GPA evaluators as Unacceptable are determined to be Not Qualified and will not be allowed to participate in Step 2– Price Proposal.

The Procurement Officer shall record in writing the basis for finding a Bidder Not Qualified and make it part of the Procurement file.

1.16 DISCUSSION OF PROPOSALS

GPA may conduct discussions with any BIDDER to determine such BIDDER's qualifications for further consideration and explore with the BIDDER the scope and nature of the required services, method of performance and the relative utility of alternative methods of approach. During the course of such discussions, the Procurement Officer shall not disclose any information derived from a technical offer to any other BIDDER.

These discussions will be conducted prior to the submission of Technical and Price Proposals.

Each BIDDER shall not contact GPA on any matter relating to its proposal, from the time of submission of the Proposals to the time the contract is awarded, except to respond to inquiries by GPA.

1.17 NOTICE OF ACCEPTABILITY OR UNACCEPTABILITY

The evaluation committee shall compile a Qualified BIDDERs' List wherein all BIDDERs whose Technical Proposal are deemed Acceptable, and has shown to be responsive and responsible, shall be notified of their Acceptability for Step Two of the bid. BIDDERs will be notified via email, fax confirmation, in writing, or telephone

communication of the status of their proposal via a Notice of Acceptability or Unacceptability.

BIDDERs whose proposals are deemed unacceptable shall be provided a notice informing them of the reason for not qualifying for Step 2 of the bid. The period between notification of BIDDERs and opening of the price proposals allow the unacceptable BIDDERs to inquire with GPA on the reasons for not qualifying. However, the BIDDER will not be allowed to augment their proposal to meet the acceptability threshold set by GPA.

1.18 PRICE PROPOSAL OPENING

BIDDERs shall complete the Annual Management Fee Price contained in the MS EXCEL Workbook Price Proposal Evaluation.xls., based on the scope described in this bid.

The Price Proposal for all qualified BIDDERs will be opened on **May 11, 2020 at 9:00 AM.** The sealed price proposal of BIDDERS whose proposals were deemed unacceptable shall be returned, unopened, to the BIDDERS.

1.19 PRICE PROPOSAL EVALUATION

The GPA Evaluation Committee shall evaluate the Annual Management Fee and O&M Budget proposed by each qualified, responsive, and responsible bidder. The committee will evaluate and compare the Price Offers for Bidder's Technical Proposals that were determined during Step One to be responsive to the tender document requirements. GPA will examine the Price Offer to determine whether they are complete, whether any computational errors have been made, whether required sureties have been furnished, whether the documents have been properly signed, and whether the Price Offers are generally in order.

Arithmetical errors will be rectified on the following basis. If there is a discrepancy between the Total Price provided, and the sum of each line item price comprising the Total Price, then the individual line item price shall prevail and the total price shall be corrected. In case of inconsistencies between the Printed and Electronic copies of the price proposals, the amounts on the Printed proposal shall prevail. If the Bidder does not accept the correction of the error, its bid will be rejected.

1.20 PROPOSAL VALIDITY

All price/cost data submitted with the BIDDERs' proposals shall remain firm and open for acceptance for a period of not less than 6 months after the Proposal submittal date. Thereafter, the price validity shall be subject to renewal by mutual agreement between the BIDDER and GPA.

1.21 PROPRIETARY DATA

For the purposes of this solicitation and submitted proposals, the laws, rules and regulations of Territory of Guam governing confidentiality shall govern. BIDDERs may designate those portions of the Proposal that contain trade secrets or other proprietary data that are to remain confidential.

The Procurement Officer shall examine the proposals to determine the validity of any request for nondisclosure of trade secrets and other proprietary data identified in writing. If the BIDDER and GPA do not agree as to the disclosure of data, the Procurement Officer shall inform the BIDDER in writing and in e-mail within five working days of the closing date for Proposal submittal what portions of the Proposal will be disclosed and that, unless the BIDDER protests under the Conditions of Contract Disputes clause the information will be so disclosed. The proposal shall be opened to public inspection subject to any continuing prohibition of the disclosure of confidential data.

1.22 DISPUTES

All controversies between GPA and the CONTRACTOR, which arise under, or are by virtue of, this contract and which are not resolved by mutual agreement, shall be resolved under Guam Procurement Law and the Government Claims Act.

1.23 MODIFICATIONS PRIOR TO DATE SET FOR OPENING BIDS

The right is reserved, as the interest of the Authority may require, to revise the specifications or drawings or both prior to the date set for opening bids. Such revisions, if any, will be announced by an addendum or addenda to this invitation for bid. If the addenda are of such a nature to require material changes in quantities or prices to be bid or both, the date set for opening bids may be postponed by such number of days as in the opinion of the issuing officer will enable bidders to revise their bids. In such cases, the addendum will include an announcement of the new date for opening bids.

Any amendment, modification or addendum issued by the Guam Power Authority, shall be binding to the same extent as if written in the tender documents.

Any addendum issued will be made available to all BIDDERs via mail, fax, e-mail, or posting to the GPA Website at www.guampowerauthority.com.

1.24 SOLICITATION CANCELLATION OR DELAY

The Guam Power Authority reserves the right to delay award or to cancel the Invitation for Bid, or to reject all proposals or any individual proposal in whole or in part, at any time prior to the final award. When a solicitation is canceled or rejected prior to final award, notice of cancellation or rejection shall be sent to all BIDDERs and all proposal materials will be promptly returned. The reasons for cancellation or rejection shall be made a part of the procurement file that is available for public inspection. After opening, but prior to award, all proposals may be rejected in whole or in part when the Procurement Officer determines that such action is in Guam's best interest for reasons including but not limited to:

a. The supplies and services being provided are no longer required;

b. The solicitation did not provide consideration of other factors of significance to the Guam Power Authority and/or the Island of Guam;

c. All otherwise acceptable proposals received have clearly unreasonable price/cost data;

d. There is reason to believe that the proposals may not have been independently arrived at in open competition, may have been collusive and may have been submitted in bad faith;

e. Any individual proposal may be rejected in whole or in part when in the best interest of GPA.

1.25 NON-REPUDIATION ISSUES

GPA has structured both its IFB submittal procedures to ensure non-repudiation of the submitted proposals. In this IFB, non-repudiation is strong and substantial evidence of the identity of the sender and owner of the proposal and of proposal's integrity in so far as it being unaltered from its original sent state, sufficient to prevent a party from successfully denying the origin, submission or delivery of the proposal and the integrity of its contents. Non-repudiation applies to both parties to this IFB transaction. It binds the sender as well as precludes the recipient from denying the exchange of information and material upon the receipt of secure acknowledgement from the recipient. GPA and the BIDDER shall manage the Manual IFB Submittal Process to address non-repudiation, security and confidentiality inclusive but not limited to the following:

- Manually executed signatures and printed media documents;
- Chain of custody receipts;
- Manual time-stamps for receipt of IFB materials;
- Machine generated Fax confirmation reports;
- Secure notification e-mail;
- Electronic Postings on the guampowerauthority.com domain;
- Physical delivery of printed material proposals;
- Physically secured area storage of IFB materials.

a. Documents Executed Outside Guam

The Power of Attorney, performance bond guarantee, and documents defining the constitution of the joint venture, consortium, company or firm, if executed outside Guam, whether required to be submitted with the proposals or after the award of the contract, must be authenticated by a Notary Public or other official authorized to witness sworn statements. For those electing to use the Electronic Proposal Submittal Process, receipt of an electronic copy of these documents will suffice to meet the submittal deadline. However, the original must be sent to GPA and post-marked no later than the proposal due day.

b. False Statements in Proposal

BIDDERs must provide full, accurate, and complete information as required by this solicitation and its attachments. The penalty for making false statements in any proposal or bid is prescribed in 18 U.S.C. 1001 and Title 9, Guam Code Annotated. Note, by use of a digital signature to sign the proposal, the BIDDER agrees that this act legally binds the BIDDER to his proposal.

c. Signature of BIDDER

A duly authorized person must sign the BIDDER's proposals. All names shall be typed or printed below the signature. A proposal submitted by a corporation must bear the seal of the corporation, be attested to by its Secretary, and be accompanied by necessary Power-of-Attorney documentation.

Associated companies or joint ventures shall jointly designate one Power-of-Attorney person authorized to obligate all the companies of the association or joint venture. A proposal submitted by a joint venture must be accompanied by the document of formation of the joint venture, duly registered and authenticated by a Notary Public, in which is defined precisely the conditions under which it will function, its period of duration, the persons authorized to represent and obligate it, the participation of the several firms forming the joint venture, the principal member of the joint venture, and address for correspondence for the joint venture. BIDDERs are advised that the joint venture agreement must include a clause stating that the members of the joint venture are severally and jointly bound.

1.26 ACCEPTANCE OF PROPOSALS

GPA reserves the right to reject any or all proposals and to waive minor informalities if it appears in GPA's best interest to do so.

Any effort by a BIDDER to influence GPA in the proposal evaluation, proposal comparison or contract award decisions may result in the rejection of the proposal. Once GPA has arrived at a decision regarding the award of the contract, it will notify promptly the successful BIDDER in writing.

1.27 DISQUALIFICATION OF BIDDER

When, for any reason, collusion or other anticompetitive practices are suspected among BIDDERs or offerors, a notice of the relevant facts shall be transmitted to the Guam Attorney General. BIDDERs suspected of collusion or other anticompetitive practices may be suspended or debarred from participating in future procurement opportunities for a specified period.

1.28 COVENANT AGAINST CONTINGENT FEES

The BIDDER warrants that he has not employed any person to solicit or secure any resultant contract upon agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give the Guam Power Authority the right to terminate the contractor, or in its discretion to deduct from the contract price or consideration the

amount of such commission, percentage, brokerage, or contingent fees. This warranty shall not apply to commissions payable by contractors upon contracts or sales secured or made through, bona fide established commercial or selling agencies maintained by the contractor for the purpose of securing business.

1.29 REQUIRED FORMS

Submittal of the following supplementary information is mandatory. GPA shall automatically disqualify any proposal submitted without the supplementary information listed below:

a. Certificate of Good Standing to conduct business in jurisdiction of residence;
b. Special Provision for Major Shareholders Disclosure Affidavit
c. Major Shareholders Disclosure Affidavit
d. Non-collusion Affidavit;
e. No Gratuities or Kickbacks Affidavit;
f. Ethical Standards Affidavit;
g. Declaration Re-Compliance with US DOL Wage Determination;
h. Restriction against Sex Offenders
i. Information regarding outstanding claims against the BIDDER, if any; and;
j. Bid Bond
k. Local Procurement Preference Application, if applicable

All required forms are in ***Appendix A thru G – Required Forms***.

1.30 NO GRATUITIES OR KICBACKS AFFIDAVIT

Pursuant to GCA 5 section 5630 (c), this clause is conspicuously set forth to alert all parties in this procurement that Guam Public Law Title 5 §5630. Gratuities and Kickbacks prohibits against gratuities, kickbacks, and favors to the Territory.

1.31 RESTRICTIONS AGAINST CONVICTED SEX OFFENDERS

GCA 5 §5253(b) restricts the PROPONENT against employing convicted sex offenders from working at Government of Guam venues. It states:

All contracts for services to agencies listed herein shall include the following provisions: (1) warranties that no person providing services on behalf of the vendor has been convicted of a sex offense under the provisions of Chapter 25 of Title 9 GCA or an offense as defined in Article 2 of Chapter 28, Title 9 GCA, or an offense in another jurisdiction with, at a minimum, the same elements as such offenses, or who is listed on the Sex Offender Registry; and (2) that if any person providing services on behalf of the vendor is convicted of a sex offense under the provisions of Chapter 25 of Title 9 GCA or an offense as defined in Article 2 of Chapter 28, Title 9 GCA or an offense in another jurisdiction with, at a minimum, the same elements as such offenses, or who is listed on the Sex Offender Registry, that such person will be immediately removed from working at said agency and that the administrator of said agency be informed of such within twenty-four (24) hours of such conviction.

1.32 REPRESENTATION REGARDING ETHICAL STANDARDS FOR GOVERNMENT EMPLOYEES AND FORMER GOVERNMENT EMPLOYEES

The bidder, offeror, or contractor represents that it has not knowingly influenced and promises that it will not knowingly influence a government employee to breach any of the ethical standards set forth in 11 G.C.A.§5601 *et.seq.* (Ethics in Public Contracting) of the Guam Procurement Act.

1.33 DISCLOSURE OF MAJOR SHAREHOLDERS

a. As a condition of bidding, any partnership, sole proprietorship or corporation doing business with the Guam Power Authority shall submit an affidavit executed under oath that lists the name and address of any person who has held more than ten percent (10%) of the outstanding interest or shares in said partnership, sole proprietorship or corporation at any time during the twelve (12)-month period immediately preceding submission of a bid. The affidavit shall contain the number of shares or the percentage of all assets of such partnership, sole proprietorship, or corporation which have been held by each such person during the twelve (12)-month period. In addition, the affidavit shall contain the name and address of any person who has received or who is or may become entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid for the bidder and shall also contain the amounts of any such actual or potential commission, gratuity or other compensation. The affidavit shall be open and available to the public for inspection and copying.

b. Failure by any bidder to submit the Major Shareholders Disclosure Affidavit on the form furnished by the Guam Power Authority shall result in the disqualification of his bid.

1.34 AWARD OF CONTRACT

The contract will be awarded to the BIDDER evaluated as being qualified and with the best-priced proposal. The successful BIDDER will be notified in writing (letter or e-mail or fax) of the Intent to Award the contract, and will be required to send to GPA, within ten (10) days of the date of receipt of such notice, the following requirements:

1. Performance Bond
2. Guam Business License
3. Insurance Policies.

Failure on the part of the successful BIDDER to provide any and all of the requirements, and/or to enter into a contract with GPA shall be sufficient grounds for the annulment of the award. The negotiations may then be resumed with the next most qualified BIDDER with the next best-priced proposal.

1.35 PERFORMANCE BOND, GUAM BUSINESS LICENSE AND INSURANCE POLICIES

Upon notification of award, the BIDDER shall provide a Performance Bond and Guam Business License, prior to Contract Signing and Contract Commencement.

The Performance Bond, equivalent to one (1) year's Fixed Management Fee, shall be executed by a surety company licensed to do business on Guam.

Upon notification of award, the BIDDER shall provide copies of the insurance policies, as proof of compliance with GPA's Insurance Requirements as specified in the IFB.

2.0 GENERAL CONDITIONS

2.1 Agreement

Prior to entering into a formal agreement, GPA and CONTRACTOR shall resolve and document any differences between the CONTRACTOR's proposal and the tender documents.

The Agreement between GPA and CONTRACTOR shall consist of the tender documents, as resolved by the CONTRACTOR's final negotiated Proposal and by GPA amendments, and the CONTRACTOR's proposal, as adjusted by a prioritized list of documents generated during the evaluation and negotiation processes and agreed to and acknowledged in writing by both parties. These documents may consist of, but are not limited to, written answers to questions, letters, and written clarifications to the proposal.

Any formal contract document shall reference GPA tender documents and the CONTRACTOR's proposal. No oral understanding or statement shall modify the Agreement. Changes to the above documents can only be made in accordance with the procedure for modifications as defined in Section 4.15 Changes.

The resolved tender documents shall take priority over and shall govern in all cases of conflict with the adjusted proposal. The CONTRACTOR's contractual obligation shall be to fulfill all requirements of the tender documents, as resolved, and to provide all features of the CONTRACTOR's proposal, as adjusted.

The tender documents are intended to be complementary, what is called for by one shall be as binding as if called for by all. If not otherwise specified in the tender documents, these General Conditions shall apply. If, during performance of the Agreement CONTRACTOR detects a discrepancy in the tender documents, CONTRACTOR shall so report to ENGINEER in writing at once and shall obtain a written interpretation or clarification from ENGINEER before proceeding further; however, CONTRACTOR shall not be liable to GPA for failure to report any conflict, error, or discrepancy in the Contract Documents unless CONTRACTOR had actual knowledge thereof or should reasonably have known thereof.

All materials, equipment, and services that may reasonably be inferred from the tender documents, as being required to produce the intended result will be supplied whether or not specifically called for. When words that have a well-known technical or trade meaning are used to describe materials, equipment, or services, such words will be interpreted in accordance with such meaning. Reference to standard specifications, manuals, or codes of any technical society, organization or association, or to the code of any Governmental authority, whether such reference be specific or by implication, shall mean the latest standard specification, manual, or code in effect on the effective date of the Agreement except as may be otherwise specifically stated in the Specification or Agreement. ENGINEER as provided in Section 4.1.11 ENGINEER’s Instructions shall issue clarifications and interpretations of the tender documents.

2.2 Indemnity

CONTRACTOR shall indemnify and hold GPA and ENGINEER harmless from any claim, liability or product liability, loss, damage, demand, cause of action or suit, expense, or fee of legal counsel arising out of or in connection with the Goods or Special Services provided by the CONTRACTOR.

2.3 Shipment, Delivery, and Acceptance of Goods

Shipment and delivery of the Goods shall be in accordance with this Paragraph except as otherwise provided or specified in the CONTRACT Documents.

All goods will be delivered at the point of delivery set forth in the Purchase Contract. CONTRACTOR shall select the means and methods of transportation. All charges necessary to effect shipment to the point of delivery, including but not limited to export packing, switching, trucking, lighter age, and special handling will be paid by CONTRACTOR.

GPA and/or ENGINEER reserve the right to inspect the Goods upon delivery for the purpose of identifying the Goods and general verification of quantities.

2.4 Accounting

For accounting purposes and for use in establishing property records, GPA may require CONTRACTOR to provide a reasonable price breakdown of the total price into separate prices applying to the individual items supplied under the Agreement.

Where the Agreement covers the reimbursement of the traveling or living expenses of the CONTRACTOR's employees or agents, the CONTRACTOR agrees to furnish complete itemization and breakdowns of such expenses when requested by GPA.

In the event of any changes to or termination of the Agreement, or the furnishing of goods or services on a labor hour or a cost reimbursable basis, CONTRACTOR shall supply information in such detail as may be reasonably required by GPA to support all applicable charges. GPA, or an independent auditor designated by GPA, shall have the right to audit, during normal working hours, CONTRACTOR's accounts and records relating to such charges. The expense of such audit will be borne by GPA.

2.5 Waiver of Claims

The making and acceptance of final payment will constitute:

A waiver of all claims by GPA against CONTRACTOR, except claims arising from unsettled liens, claims relative to defective Goods or special services appearing after final payment, or from failure to comply with the Contract Documents or the terms of any special guarantees specified therein; nor will final payment constitute a waiver by GPA of any rights in respect of CONTRACTOR's continuing obligations 'under the Procurement Documents; and

A waiver of all claims by CONTRACTOR against GPA other than those previously made in writing and still unsettled.

2.6 Supervision and Coordination by CONTRACTOR

CONTRACTOR shall competently and efficiently manage, supervise, and direct production of the Goods and furnishing of Special Services and coordinate all operations required to deliver the Goods and furnish any required Special Services.

CONTRACTOR shall designate, in writing to GPA, a person with authority to act on behalf of CONTRACTOR with respect to CONTRACTOR's obligations under the CONTRACT Documents, and all communications given to or received from that person will be binding on CONTRACTOR.

CONTRACTOR shall perform all such activities as an independent contractor and not as an agent of GPA. When others furnish materials and equipment for assembly by the CONTRACTOR, CONTRACTOR shall receive, unload, store, and handle it and become responsible therefore as though CONTRACTOR was furnishing such materials and/or equipment under the Agreement.

2.7 Substitutions

If CONTRACTOR wishes to furnish or use a substitute item of material or equipment, CONTRACTOR shall make written application to ENGINEER for acceptance thereof certifying that the proposed substitute will perform adequately the function as called for by the general design, be similar and of equal substance to that specified, and be suited to the same use and capable of performing the same function as that specified. The application will state that the evaluation and acceptance of the proposed substitute will not prejudice the CONTRACTOR's warranty or timely delivery of the Goods, whether or not acceptance of the substitute will require a change in any of the Contract Documents to adapt the design to the substitute and whether or not incorporation or use of the substitute in connection with the production of the Goods is subject to payment of any license fee or royalty.

All variations of the proposed substitute from that specified will be identified in the application and available maintenance, repair, and replacement service will be indicated. ENGINEER may require CONTRACTOR to furnish at CONTRACTOR's expense such additional data about the proposed substitute as is required by ENGINEER. GPA may require CONTRACTOR to furnish at CONTRACTOR's expense a special performance guarantee or other surety with respect to any substitute.

2.8 Documentation and Drawings

The Agreement will not be deemed satisfactorily completed until all requirements have been complied with including, but not limited to, proper material documentation, final drawings and reproductions, and other requirements stated in the Contract Documents. GPA may withhold final payment hereunder, pending completion of all such requirements by the CONTRACTOR.

At the time of each submission, CONTRACTOR shall in writing call ENGINEER's attention to any deviations that the drawings or documents may have from the requirements of the Specification or Contract Documents. CONTRACTOR shall also direct specific attention in writing to revisions other than the corrections called for by ENGINEER on previous submittals. CONTRACTOR's submission of any drawing or document bearing CONTRACTOR's approval shall constitute a representation to GPA and ENGINEER that CONTRACTOR assumes full responsibility for having determined and verified the design criteria, quantities, dimensions, installation requirements, materials, catalog numbers, and similar data and that CONTRACTOR has reviewed or coordinated each drawing or document with the requirements of the Contract Documents.

ENGINEER's review and approval of CONTRACTOR's drawings or documents will be only for conformance with the design concept of the Goods and for compliance with the information given in the Contract Documents. Such review and approval will not extend to design data reflected in drawings or documents that is peculiarly within the special expertise of CONTRACTOR or any party dealing directly with CONTRACTOR. The review and approval of a separate item as such will not indicate approval of the assembly in which the item functions. CONTRACTOR shall make corrections required by ENGINEER when drawings or documents are marked "Approved As Revised" and shall return the required number of corrected copies.

GPA and/or ENGINEER shall have the right to reproduce any and all drawing, prints, or other data or documents received from CONTRACTOR that are considered necessary for engineering, construction, or other purposes, despite any notice to the contrary appearing on the item. When a drawing or document approval is required by the Specifications, CONTRACTOR shall not commence production of any part of the Goods affected thereby until such drawing or document has been reviewed and approved by ENGINEER.

ENGINEER's review and approval of CONTRACTOR's drawings or documents will not relieve CONTRACTOR from responsibility for any deviations from the Contract Documents unless CONTRACTOR has in writing called ENGINEER's attention to such deviation at the time of submission and ENGINEER has given written concurrence and approval to the specific deviation, nor will any concurrence or approval by ENGINEER relieve CONTRACTOR from responsibility for errors or omissions in the drawings or documents submitted.

2.9 Continuing Performance

CONTRACTOR shall continue its performance under the Agreement during all claims, disputes, or disagreements with GPA. Production of Goods will not be delayed or the timely delivery of Goods or furnishing of Special Services be prejudiced, delayed, or postponed pending resolution of any claims, disputes, or disagreements, except as CONTRACTOR and GPA may otherwise agree in writing.

2.10 Access to Goods in Production

CONTRACTOR shall provide representatives of GPA, testing agencies, and governmental agencies with jurisdictional interests proper and safe access to Goods in the process of production at reasonable times as is necessary for the performance of their functions in connection with the Contract Documents.

2.11 Expediting

CONTRACTOR shall expedite delivery of the Goods and any related work of subcontractors. When requested or required by the Contract Documents, CONTRACTOR shall also provide GPA with an itemized schedule for engineering, outsourcing, fabrication, and shipping, which shall be followed by expediting reports including status of deliveries of materials and/or equipment purchased from subcontractors, if any, each month during its performance under the Agreement. If CONTRACTOR encounters delay in obtaining materials, or foresees any delay in its own manufacturing works, CONTRACTOR shall immediately inform GPA of such situation.

GPA and/or its designee shall be allowed reasonable access to CONTRACTOR's and its subcontractor's works for the purpose of expediting project progress. Any expediting done by GPA shall not relieve CONTRACTOR from its obligations as to the Delivery Time specified in the Agreement.

2.12 Compliance with Law

CONTRACTOR shall comply, and secure compliance by its subcontractors, with all applicable laws or regulations in connection with the Goods and services furnished hereunder. This includes the securing of any business or other licensing, certifications, or permits required.

If CONTRACTOR discovers any variance between the provisions of applicable laws and regulations and the drawings, Specifications, and other technical data furnished by the GPA, CONTRACTOR shall promptly notify GPA in writing thereof and obtain necessary changes from GPA before proceeding with the work affected thereby.

2.13 Price Adjustment Methods

Any adjustment in contract price within the parameters of this contract shall be made in one or more of the following ways:

a. By agreement on a fixed price adjustment before commencement of the pertinent performance or as soon thereafter as practicable;
b. By unit prices specified in the contract or subsequently agreed upon;
c. By the costs attributable to the event or situation covered by the clause, plus appropriate profit or fee, all as specified in the contract or subsequently agreed upon;
d. In such other manner as the parties may mutually agree; or
e. In the absence of agreement between the parties, by a unilateral determination by the Procurement Officer of the costs attributable to the event or situation covered by the clause, plus appropriate profit or fee, all as computed by the Procurement.

2.14 Submission of Cost or Pricing Data

The CONTRACTOR shall provide cost or pricing data for any price adjustments subject to the provisions of Section 3-403 (Cost or Pricing Data) of the Guam Procurement Regulations.

2.15 Change Orders

a. By a written order, at any time, and without notice to surety, the Procurement Officer may, subject to all appropriate adjustments, make changes within the general scope of this contract in any one or more of the following:

a. Drawings, designs, or Specifications, if the supplies to be furnished are to be specially manufactured for the Territory in accordance therewith;
b. Method of shipment or packing; or
c. Place of delivery.

2.16 Time Period for Claim

Within 30 days after receipt of a written change order under Paragraph 2.15Change Order, unless the Procurement Officer extends such period in writing or e-mail, The CONTRACTOR shall file notice of intent to assert a claim for an adjustment. Later notification shall not bar the CONTRACTOR's claim unless the Territory is prejudiced by the delay in notification.

2.17 Claims Barred After Final Payment

No claim by the CONTRACTOR for an adjustment hereunder shall be allowed if notice is not given prior to final payment under this contract.

2.18 Other Claims Not Barred

In the absence of such a change order, nothing in this clause shall be deemed to restrict the CONTRACTOR's right to pursue a claim arising under the contract if pursued in accordance with the clause entitled, "Claims Based on the General Officer's Actions or Omissions, - Notice of Claim", or for breach of contract.

2.19 Contract Price

The Contract Price constitutes the total consideration to be paid by GPA to the CONTRACTOR for the complete delivery of the Goods, Special Services, and for performing other services in connection therewith in accordance with the Contract Documents as amended by the parties pursuant to the Agreement. Unless expressly provided otherwise in the Contract Documents, the Contract Price is not subject to escalation in respect of materials and/or labor cost or any other factor or variation in rates of exchange, and all duties, responsibilities, and obligations assigned to or undertaken by the CONTRACTOR shall be at its expense without change in the Contract Price. Charges, fees, CONTRACTOR's profit, and all other expense shall be deemed to be included in the Contract Price. Furthermore, the Contract Price includes management fees and incentive/penalty payments. Therefore, the Contract Price is dynamic but bounded. Only a formal Change Order, accepted by GPA, may change the Contract Price. The CONTRACTOR shall make any claim for an increase in the Contract Price in advance of performance of any such changes. However, GPA reserves the right to challenge or refute such claims.

2.20 Force Majeure

Force Majeure referred to herein shall mean an occurrence beyond the control and without the fault or negligence of the party affected including, but not limited to, acts of God or the public enemy, expropriation or confiscation; changes in law procedures, war, rebellion, or riots; floods, unusually severe weather that could not reasonably have been anticipated; fires, explosions, epidemics, catastrophes, or other similar occurrences which are not within the control of the party affected. However, the following shall not be considered as Force Majeure:

a. Delay caused by lack or inability to obtain raw materials, congestion at CONTRACTOR's or its subcontractor's facilities, or elsewhere; market shortages, or similar occurrences, or
b. Delay, either on the part of THE CONTRACTOR or its subcontractors, caused by shortages of supervisors or labor, inefficiency, or similar occurrences, or
c. Sabotage, strikes, or any other concerted acts of workmen, which occur only in the facilities of THE CONTRACTOR or its subcontractors.

Should the circumstances of Force Majeure continue over a period of ninety (90) days, GPA has the right, if no other understanding is reached, to terminate the whole Agreement or any part thereof. Any delay or failure in performing the obligations under the Contract Documents of the parties hereto shall not constitute default under the Purchase Contract or give rise to any claim for damages or loss or anticipated profits if, and to the extent, such delay or failure is caused by Force Majeure, and if a claim is made therefore.

2.21 Invocation of Force Majeure

The party invoking Force Majeure shall perform the following:

a. Notify the other party as soon as reasonably possible by facsimile, e-mail, telex, cable or Messenger/courier of the nature of Force Majeure, anticipated exposure time under Force Majeure, and the extent to which the Force Majeure suspends the affected party’s obligations under the CONTRACT;
b. Consult with the other party and take all reasonable, prudent steps to minimize the losses of either party resulting from the Force Majeure;
c. Resume the performance of its obligations as soon as possible after the Force Majeure condition ceases.

2.22 Delivery Time and Force Majeure

Only a Change Order may change contractual Delivery Times. The CONTRACTOR shall file all claims for an extension in the Delivery Time.

The Delivery Time will be extended in an amount equal to time lost due to delays caused by Force Majeure if a claim is made therefore as provided in this Paragraph. No amendment to the Contract Price, however, shall be allowable because of Force Majeure occurrences.

Notwithstanding the foregoing, all time limits stated in the Purchase Order documents are of the essence in the agreement. The provisions of this Paragraph shall not exclude

recovery for damages (including compensation for additional professional services) for delays not caused by Force Majeure.

2.23 Warranty

The CONTRACTOR'S obligation to furnish the Goods and Special Services and to perform other services in connection therewith in accordance with the Agreement is absolute, and the CONTRACTOR warrants and guarantees to GPA that all Goods will be in accordance with the Contract Documents and will be new, fit for the purpose for which they are intended, and free from any defects, including faulty design, materials, or workmanship.

The CONTRACTOR shall provide GPA with all warranties and guarantees in writing. GPA and the BIDDER shall negotiate the manner in which claims against these warranties are addressed including any remedies for non-responsiveness. This may include retention of contract amounts, performance bonds, etc.

The CONTRACTOR shall be responsible for remedying all defects, without limitation, in design, materials, workmanship, operating characteristics, or performance of the Goods developing within twelve (12) months from the date on which GPA has placed the Goods in continuous service, or within twenty-four (24) months from the date of final payment, whichever date shall first occur, or within such longer period of time as may be prescribed by law or by the terms of any applicable special guarantee or by any specific provisions of the Contract Documents.

Any part(s) supplied in replacement of the defective part(s) of the Goods or any Goods repaired pursuant to the provisions of this Paragraph shall be supplied or repaired on the same terms and conditions as provided for herein for the supply of the Goods and in particular a new warranty period shall apply. Such new warranty period shall expire on the date twelve (12) months from the date of such replacement or repair or on the expiration date of the warranty for the original Goods that were replaced or repaired, whichever is later.

In the event the CONTRACTOR furnishes special services for installation and startup, such services shall be rendered in a competent and diligent manner and in accordance with the Contract Documents, accepted industry practice and any applicable professional standards.

2.24 Tests and Inspections

GPA or its designee shall have the right to inspect or observe the production, inspection, or testing of the Goods at any time and place including the CONTRACTOR's facilities and those of its subcontractors where the Goods are being produced.

THE CONTRACTOR shall conduct, at its responsibility and expense, all tests and inspections called for by the Contract Documents. In the event that witness inspection by GPA is required under the Contract Documents, the costs and expense arising therefrom shall be borne by the CONTRACTOR, including inspector's fees, transportation, hotel, and general flying expenses. In the event that CONTRACTOR's inspection is required at

the site, CONTRACTOR's transportation, hotel, and general living expenses shall be borne by THE CONTRACTOR.

Any inspection made by the inspector of GPA and/or its designee will be final. Such inspections or the witnessing of CONTRACTOR's test and inspection by GPA and/or its designee shall not relieve THE CONTRACTOR of any of its responsibilities or liabilities under the Contract Documents, nor be interpreted in any way as implying acceptance of the Goods.

THE CONTRACTOR shall repair and replace, without cost or delay, anything found defective by tests and inspections, and also to bear all costs of re-inspection.

The CONTRACTOR must carry out at its authority and expense any inspection required by statutory Authority, governmental regulation, or other similar Authority on the codes or standards.

2.25 Remedying Defective Goods

If at any time after GPA's acceptance of delivery under Paragraph 4.4, and before expiration of the correction period under Paragraph 4.19, GPA determines that the Goods are defective, THE CONTRACTOR shall, upon written notice from GPA, do all things necessary, at its expense, to make good the defects as soon as possible after being notified to do so by GPA. THE CONTRACTOR warrants that THE CONTRACTOR, unless otherwise agreed, shall remedy any defects.

It is understood, that if so instructed by GPA, THE CONTRACTOR shall make shipment by the fastest available method.

In the event that THE CONTRACTOR does not take prompt action to fulfill its obligations hereunder as required by GPA and to the satisfaction of GPA, GPA may, after ten (10) days written notice to THE CONTRACTOR, and without prejudice to any of its rights under the Agreement, accept the defective Goods and carry out the remedial work itself instead of requiring correction or removal and replacement, and charge THE CONTRACTOR for the costs of the work. In an emergency where delay would cause serious risk of loss or damage, GPA may take such action without prior notice to or waiting for action by THE CONTRACTOR.

2.26 Remedying Defective Special Services

If at any time GPA notifies the CONTRACTOR in writing that any of the Special Services are defective, the CONTRACTOR shall promptly provide acceptable services. If the CONTRACTOR fails to do so, GPA may obtain the Special Services elsewhere.

2.27 Cost of Remedying Defects

All direct, indirect, and other costs of correcting, removing, and replacing defective Goods or of obtaining Special Services elsewhere and of exercising GPA's rights and remedies under Paragraph 4.4, 4.19, and other sections as they apply, will be charged against THE CONTRACTOR and, if incurred prior to final payment, a Change Order will be issued incorporating the necessary revisions in the Contract Documents and a reduction in the

Purchase Price, or if incurred after final payment, an appropriate amount will be paid by THE CONTRACTOR to GPA. Such direct, indirect, and other costs will include, in particular but without limitation, compensation for additional professional services required and all costs of repair and replacement of Goods, or property of GPA or others destroyed or damaged by correction, removal, or replacement of defective Goods. THE CONTRACTOR shall not be allowed an extension of the Delivery Time because of any delay in performance attributable to the exercise by GPA of GPA's rights and remedies under this paragraph.

2.28 Stop Work Order

The Procurement Officer may, by written order to the CONTRACTOR, at any time, and without notice to any surety, require the CONTRACTOR to stop all or any part of the work called for by this contract. This order shall be for a specified period not exceeding ninety-days (90-days) after the order is delivered to the CONTRACTOR, unless the parties agree to any further period. Any such order shall be identified specifically as a stop work order issued pursuant to this clause. Upon receipt of such an order, the CONTRACTOR shall forthwith comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties shall have agreed, the Procurement Officer shall either:

a. Cancel the stop work order; or
b. Terminate the work covered by such order, as provided in the 'Termination for Default Clause' or the 'Termination for Convenience Clause of this contract.

c. Cancellation or Expiration of the Order

If a stop work order issued under this clause is canceled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the CONTRACTOR shall have the right to resume work. An appropriate adjustment shall be made in the delivery schedule or contract price shall be modified in writing accordingly, if:

1) The stop work order results in an increase in the time required for, or in the CONTRACTOR's cost properly allocable to, the performance of any part of this contract; and
2) The CONTRACTOR asserts a claim for such an adjustment within thirty (30) days after the end of the period of work stoppage; provided that, if the Procurement Officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this contract.

d. Termination of Stopped Work

If a stop work order is not canceled and the work covered by such order is terminated for default or Convenience, the reasonable costs resulting from the stop work order shall be allowed by adjustment or otherwise.

2.29 Termination for Convenience

The Procurement Officer may, when the interest of GPA or the Territory so require, terminate this contract in whole or in part, for the Convenience of the Territory. The Procurement Officer shall give written notice of the termination to the CONTRACTOR specifying the part of the contract terminated and when termination becomes effective. [GSA Procurement Regulations 6-101.10.]

2.30 CONTRACTOR's Obligations

The CONTRACTOR shall incur no further obligations in connection with the terminated work and on the date set in-the notice of termination the CONTRACTOR will stop work to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The CONTRACTOR shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The Procurement Officer may direct the CONTRACTOR to assign the CONTRACTOR's right, title, and interest under terminated orders or subcontracts to the GPA. The CONTRACTOR must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

2.31 Right to Supplies

The Procurement Officer may require the CONTRACTOR to transfer title and deliver to GPA in the manner and to the extend directed by the Procurement Officer:

a. Training material;
b. Any completed supplies; and,
c. Such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of this contract.

The CONTRACTOR shall, upon direction of the Procurement Officer, protect and preserve property in the possession of the CONTRACTOR in which the Territory has an interest. If the Procurement Officer does not exercise this right, the CONTRACTOR shall use best efforts to sell such supplies and manufacturing materials in accordance with the standards of Uniform Commercial Code of Guam (UCCG), Section 2706. Utilization of this Section in no way implies that the Territory has breached the contract by exercise of the Termination for Convenience Clause.

2.32 Compensation Under Termination for Convenience

The CONTRACTOR shall perform the following for compensation under termination for convenience.

a. The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for Convenience together with cost or pricing data to the extent required by Section 3-403 (Cost or Pricing Data) of the Guam Procurement

Regulations bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, the Procurement Officer may pay the CONTRACTOR, if at all, an amount set in accordance with subparagraph (c) of this Paragraph.

b. The Procurement Officer and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data to the extent required by Section 3-403 (Cost or Pricing Data) of the Guam Procurement Regulations and that the settlement does not exceed the total contract price plus settlement costs reduced by payments previously made by GPA, the proceeds of any sales of supplies and manufacturing materials, and the contract price of the work not terminated.

c. Absent complete agreement under Subparagraph (b) of this Paragraph, the Procurement Officer shall pay the CONTRACTOR the following amounts, provided payments agreed to under Subparagraph (b) shall not duplicate payments under this subparagraph:

    1) Contract prices for supplies or services accepted under the contract;

    2) Costs incurred in preparing to perform and performing the terminated portion of the work plus a fair and reasonable profit on such portion of the work (such profit shall not include anticipatory profit or consequential damages) less amounts paid or to be paid for accepted supplies or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

    3) Costs of settling and paying claims arising out of the termination of subcontracts or orders of this clause. These costs must not include costs paid in accordance with other subparagraphs of this Paragraph;

    4) The reasonable settlement costs of the CONTRACTOR including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the contract for the termination and settlement of subcontracts there under, together with reasonable storage, transportation, and other costs incurred in connection with the protection or

    5) Disposition of property allocable to the terminated portion of this contract. The total sum to be paid to the CONTRACTOR under this Subparagraph shall not exceed the total contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials, and the contract price of work not terminated.

d. Cost claimed, agreed to, or established shall be in accordance with Chapter 7 (Cost Principles) of the Guam Procurement Regulations. 13 GCA 2796 (UCCG) which states:

2706. SELLER's Resale Including contract for Resale

1) Under the conditions stated in Section 2703 on CONTRACTOR's remedies, the CONTRACTOR may resell the goods concerned or the undelivered balance thereof. Where the resale is made in good faith and in a commercially reasonable manner the CONTRACTOR may recover the difference between the resale price and the contract price together with an incidental damages allowed under the provisions of this division (Section 2710), but less expenses saved in consequence of the buyer's breach.
2) Except as otherwise provided in Subsection (3) or unless otherwise agreed resale may be at public or private sale including sale by way of one or more contracts to sell or of identification to an existing contract of the CONTRACTOR. Sale may be as a unit or in parcels and at any time and place and on any terms, but every aspect of the sale including the method, manner, time, place and terms must be commercially reasonable. The resale must be reasonably identified as referring to the broken contract, but it is not necessary that the goods be in existence or that any or all of them have been identified to the contract before the breach.
3) Where the resale is at private sale the CONTRACTOR must give the buyer [i.e., GPA] reasonable notification of his intention to resell.
4) Where the resale is at public sale:

    1. Only identified goods can be sold except where there is a recognized market for a public sale of futures in goods of the kind; and
    2. It must be made at a usual place or market for public sale if one is reasonably available and except in the case of goods which are perishable or threaten to decline in value speedily the CONTRACTOR must give the buyer [i.e., GPA] reasonable notice of the time and place of the resale; and,
    3. If the goods are not to be within the view of those attending the sale, the notification of sale must state the place where the goods are located and provide for their reasonable inspection by prospective BIDDER s; and
    4. The CONTRACTOR may buy.

5) A purchaser who buys in good faith at a resale takes the goods free of any rights of the original buyer [i.e., GPA] even though the CONTRACTOR fails to comply with one or more of this section's requirements.
6) The CONTRACTOR is not accountable to the buyer [i.e., GPA] for any profit made on any resale. A person in the position of a CONTRACTOR (Section 2707) or a buyer who has rightfully rejected or justifiably revoked acceptance must account for any excess over the amount of his security interest, as hereinafter defined (Subsection 3) of Section 2711."

2.33 Termination for Default

If the CONTRACTOR refuses or fails to perform any of the provisions of this contract with such diligence as will ensure its completion within the time specified in this contract, or any extension thereof, otherwise fails to timely satisfy the contract provisions, or commits any other substantial breach of this contract, the Procurement Officer may notify the CONTRACTOR in writing of the delay or non-performance and if not corrected in ten days or any longer time specified in writing by the Procurement Officer, such officer may terminate the CONTRACTOR's right to proceed with the contract or such part of the

contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part the Procurement Officer may procure similar supplies or services in a manner and upon terms deemed appropriate by the Procurement Officer. The CONTRACTOR shall continue performance of the contract to the extent it is not terminated and shall be liable for excess cost incurred on procuring similar goods or services.

2.34 CONTRACTOR's Duties

Notwithstanding termination of the contract and subject to any directions from the Procurement Officer, the CONTRACTOR shall take timely, reasonable, and necessary action to protect and preserve property in the possession of the CONTRACTOR in which GPA has an interest.

2.35 Compensation

Payment for completed supplies delivered and accepted by the GPA shall be at the contract price. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and the Procurement Officer; if the parties fail to agree, the Procurement Officer shall set an amount subject to the CONTRACTOR's rights under Chapter 9 (Legal and Contractual Remedies) of the Guam Procurement Regulations. The GPA may withhold from amounts due the CONTRACTOR such sums as the Procurement Officer deems to be necessary to protect the GPA against loss because of outstanding liens or claims of former lien holders and to reimburse the PURCHASER for the excess costs incurred in procuring similar goods and services.

2.36 Excuse for Nonperformance or Delayed Performance

Except with respect to defaults of subcontractors, the CONTRACTOR shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by the CONTRACTOR to make progress in the prosecution of the work hereunder which endangers such performance) if the CONTRACTOR has notified the Procurement Officer within fifteen (15) days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of the public enemy; act of the Territory and any other governmental entity in its sovereign restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the supplies or services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient time to permit the CONTRACTOR to meet the contract requirements. Upon request of the CONTRACTOR, the Procurement Officer shall ascertain the facts and extent of such failure, and, if such officer determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR's progress and performance would have met the terms of the contract, the delivery schedule shall be revised accordingly, subject to the rights of the GPA under the clause entitled "Termination For Convenience", Section 4.23. (As used in the Paragraph of this clause the term "subcontractor" means subcontractor at any tier.)

2.37 Erroneous Termination for Default

If, after notice of termination of the CONTRACTOR's right to proceed under the provisions of this clause, it is determined for any reason that the CONTRACTOR was not in default under the provisions of this clause, or that the delay was excusable under the provisions of Paragraph 2.36(Excuse for Nonperformance or Delayed Performance) of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for Convenience of GPA, be the same as if the notice of termination had been issued pursuant to such clause. If, in the foregoing circumstances, this contract does not contain a clause providing for termination for Convenience of GPA, the contract shall be adjusted to compensate for such termination and the contract modified accordingly subject to the CONTRACTOR's rights under Chapter 9 (Legal and Contractual Remedies) of the Guam Procurement Regulations.

2.38 Additional Rights and Remedies

The rights and remedies provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

2.39 Consequential Damages

Unless expressly provided for otherwise in this Agreement, neither party, including their agents and employees, shall be liable to the other party for consequential damages, including, but not limited to, loss of use, loss of profit and interest due to breach of contract, breach of warranty, negligence, or any other cause whatsoever, provided nothing herein shall relieve CONTRACTOR from its liability for injury to persons or property, including property of GPA, whether such liability arises in contract, including breach of warranty, or tort, including negligence.

2.40 Notices

Whenever any provision of the Contract Documents requires the giving of written notice it shall be deemed to have been validly given if delivered in person to the individual or to a member of the firm or to an officer of the corporation for whom it is intended, or if delivered at or sent by registered or certified mail, postage prepaid, to the last business address known to the giver of the notice.

2.41 Computation of Time

When any period of time is referred to in the Contract Documents by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or a day made a legal holiday by the law of the applicable jurisdiction, such day will be omitted from the time computation.

2.42 Language and Trade Terms

All communications, documents, and execution of services hereunder, unless otherwise designated, shall be in the English language. INCOTERMS (International Rules for the Interpretation of Trade Terms) published by the International Chamber of Commerce in

1980 and any subsequent revisions thereto shall govern interpretation of trade terms in the Contract Documents.

2.43 Governing Law

The laws of Guam shall govern the validity and interpretation of these conditions, the Agreement and legal relations of the parties.

CONTRACTOR shall not transfer or assign to any third parties any obligations or rights under the Agreement, nor any claims against GPA arising directly or indirectly out of the Agreement.

CONTRACTOR shall not sublet the Agreement in whole or in part without the prior written consent of GPA. Written consent of GPA for subletting shall not relieve CONTRACTOR of any of his obligations under the Agreement.

2.44 Non-waiver

GPA shall not consider any provisions of this Agreement waived unless GPA gives notice of such waiver in writing. Even if such notice has been given, such waiver shall not be construed as being a waiver of any other past or future right of GPA under the provisions of this Agreement, unless otherwise expressly stipulated therein.

Failure of GPA to insist upon strict performance of any of the terms and conditions hereof, or failure or delay of GPA to insist upon strict performance of any of the terms and conditions hereof, or failure or delay of GPA to exercise any acts, rights, or remedies provided herein or by law shall not relieve CONTRACTOR of liability under any guarantees or of obligations under the Agreement and shall not be deemed a waiver of any right of GPA to insist upon strict fulfillment of the Agreement or of any of GPA's rights or remedies as to the Goods or special services furnished.

2.45 Severability

If any work, phrase, clause, article, or other provision of this Agreement is or is deemed or adjudicated or otherwise found to be against public policy, void, or otherwise unenforceable, then said work, phrase, clause, article, or other provision shall be deleted or modified, in keeping with the express intent of the parties hereto as necessary to render all the remainder of this Agreement valid and enforceable. All such deletions or modifications shall be the minimum necessary to affect the foregoing.

2.46 Rights and Remedies

The duties and obligations imposed by these General Conditions and the rights and remedies available hereunder to the parties hereto, will be in addition to, and shall not be construed in any way as a limitation of any rights and remedies available to any or all of them which are otherwise imposed or available by law or contract, by special warranty or guarantee, or by other provisions of the Contract Documents, and the provisions of this paragraph shall be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply.

All representations, warranties, and guarantees made in the Contract Documents will survive final payment and termination or completion of this Agreement.

2.47 New material

Unless this contract specifies otherwise, the CONTRACTOR represents that the Goods and components are new. If the CONTRACTOR believes that furnishing used or reconditioned Goods or components will be in GPA's interest, the CONTRACTOR shall so notify GPA in writing. The CONTRACTOR's notice shall include the reasons for the request along with a proposal for any consideration to GPA if GPA authorizes the use of used or reconditioned Goods or components.

2.48 Claims based on the General Manager's Action or Omissions

If any action or omission on the part of the General Manager, or his/her designee, requiring performance changes within the scope of the contract constitutes the basis for a claim by the CONTRACTOR for additional compensation, damages, or an extension of time for completion, the CONTRACTOR shall continue with performance of the contract in compliance with the directions or orders of such officials, but by so doing, the CONTRACTOR shall not be deemed to have prejudiced any claim for additional compensation, damages, or an extension of time for completion; provided:

a. The CONTRACTOR shall have given written notice to the General Manager, or his/her designee:

   1) Prior to the commencement of the work involved, if at that time the CONTRACTOR knows of the occurrence of such action or omission;

   2) Within thirty (30) days after the CONTRACTOR knows of the occurrence of such action or omission, if the CONTRACTOR did not have such knowledge prior to the commencement of the work; or

   3) Within such further time as may be allowed by the Procurement Officer in writing. This notice shall state that the CONTRACTOR regards the act or omission as a reason that may entitle the CONTRACTOR to additional compensation, damages, or an extension of time. The Procurement Officer or designee of such officer, upon receipt of such notice, may rescind such action, remedy such omission, or take such other steps as may be deemed advisable in the discretion of the Procurement Officer or designee of such officer.

b. The notice required by this Paragraph describes as clearly as practicable at the time the reasons why the CONTRACTOR believes that additional compensation, damages, or an extension of time may be remedies to which the CONTRACTOR is entitled; and

c. The CONTRACTOR maintains and, upon request, makes available to the Procurement Officer within a reasonable time, detailed records to the extent practicable, of the claimed additional costs or basis for an extension of time in connection with such changes.

2.49 Limitations of Clause

Nothing herein contained shall excuse the CONTRACTOR from compliance with any rules of law precluding GPA and its officers and any CONTRACTORS from acting in collusion or bad faith in issuing or performing change orders that are clearly not within the scope of the contract.

2.50 Standards of Design and Workmanship

The finished Work shall be complete in all respects. The intent of the Specifications is to acquire or purchase management services, training, operations and maintenance materials and services, and supply and inventory management and control. All hardware shall be manufactured, fabricated, assembled, finished, and documented with quality workmanship throughout, and all of its components shall be new and suitable for the purposes specified, All firmware/software shall be designed, implemented, tested, and documented in accordance with the best and recognized correct practices and shall be suitable for the purpose specified. All work shall conform to industry best practices.

2.51 Standard Work Schedule

Work scheduled and performed by the CONTRACTOR on GPA's premises shall conform to published GPA working hours and shall account for GPA's observed holidays.

2.52 Interference with Operation

Interference with normal operation of GPA's facilities or equipment, or that of any CONTRACTORs or subcontractors on GPA's premises, shall be avoided. The GPA's representative will determine in advance whether such interference is unavoidable and will establish the necessary procedures under which the interferences will be allowed.

2.53 Release of Information

The CONTRACTOR shall not release any information, including the contract price concerning this project or any part thereof in any form, including advertising, news releases, or professional articles, without written permission of GPA.

2.54 Liens

In the event that a lien of any nature shall at any time be filed against the hardware, firmware, or software or the CONTRACTOR's facility by any person, firm, or corporation which has supplied material or services at the request of the CONTRACTOR, and for the cost of which the CONTRACTOR is liable under the terms of the Agreement, the CONTRACTOR agrees, promptly on demand of GPA and at the CONTRACTOR's expense, to take any and all action necessary to cause any such lien to be released or discharged therefrom. The CONTRACTOR agrees to hold GPA harmless from all liens, claims, or demands in connection with the Work.

2.55 Title

Title to any of the hardware, firmware, and software, management practices, training and other documents and/or processes required by GPA to continue the improved operations and maintenance of the Cabras Units #1 & #2 Plant will pass to GPA upon placement of the equipment within GPA's premises prior to commencement of its installation, subject to GPA's inspection thereof.

The CONTRACTOR shall retain title and be responsible for movement of the equipment from the delivery carrier onto the premises and the subsequent unpacking of the equipment.

If, for any reason, the Work is terminated prior to its completion, the title to all the Work performed to that time including all hardware, firmware, software, management practices, training and other documents and/or processes required by GPA to continue the improved operations and maintenance of the Cabras Units #1 & #2 Plant, whether in the CONTRACTOR's facility, in transit, or on GPA's premises, shall immediately pass to GPA.

2.56 Insurance

Contractor shall not commence work under this contract until he has obtained all insurance required under this section and owner has approved such insurance, nor shall the Contractor allow any Subcontractor to commence work on this subcontract until all similar insurance required of the Subcontractor has been so obtained and approved. He shall maintain all insurance required during the course of the work and the period of the performance management contract.

2.57 Contractors and Subcontractors Insurance

Prior to commencing the work, contractor shall obtain and thereafter maintain during the course of the work Insurance with companies acceptable to owner. The contractor shall not allow any subcontractor to commence work on his subcontract until all similar insurance required of the subcontractor has been so obtained and approved. The limits of insurance shall be as follows unless a higher limit is required by statue:

PART 1: MINIMUM INSURANCE REQUIREMENTS

A. **General Liability Insurance** including products, completed operations and contractual liability coverage in the amount of $2,000,000 per occurrence and $2,000,000 aggregate.
   i. Policy must be primary and non-contributory with endorsements attached.
   ii. GPA shall be named as an Additional Insured.
   iii. Waiver of subrogation shall be in favor of GPA
   iv. Cancellation clause of minimum 90 days' prior written notice to GPA.
      1. GPA must be given minimum 90 days' prior written notice for any material changes in the policy or cancellation of the policy.

B. **Commercial Auto** Liability insurance covering third party bodily injury and property damage in the amount of $1,000,000 combined single limit per occurrence.
   i. Policy must be primary and non-contributory with endorsements attached. GPA shall be named as an Additional Insured.
   ii. Waiver of subrogation shall be in favor of GPA
   iii. MCS 90 Endorsement
   iv. Cancellation clause of minimum 90 days' prior written notice to GPA.
      1. GPA must be given minimum 90 days' prior written notice for any material changes in the policy or cancellation of the policy.

C. **Excess Liability** insurance over the General Liability and the Commercial Auto Liability with limits of $25,000,000 or higher per occurrence/ $50,000,000 aggregate.
   i. Policy must be primary and non-contributory with endorsements attached.
   ii. GPA shall be named as an Additional Insured.
   iii. Waiver of subrogation shall be in favor of GPA
   iv. MCS 90 Endorsement
   v. Cancellation clause of minimum 90 days' prior written notice to GPA.
      1. GPA must be given minimum 90 days' prior written notice for any material changes in the policy or cancellation of the policy.

D. **Worker's Compensation and Employer's Liability Insurance** – Statutory Limits.
   i. Policy must be primary and non-contributory with endorsements attached.
   ii. GPA shall be named as an Additional Insured.
   iii. Waiver of subrogation shall be in favor of GPA
   iv. Cancellation clause of minimum 90 days' prior written notice to GPA.
      1. GPA must be given minimum 90 days' prior written notice for any material changes in the policy or cancellation of the policy.

E. **Pollution Liability Insurance** including Transportation pollution liability, and clean-up costs in the amount of $25,000,000 each claim.
   i. Policy must be primary and non-contributory with endorsements attached.
   ii. GPA shall be named as an Additional Insured.
   iii. Waiver of subrogation shall be in favor of GPA
   iv. Cancellation clause of minimum 90 days' prior written notice to GPA.
      1. GPA must be given minimum 90 days' prior written notice for any material changes in the policy or cancellation of the policy.

F. **Professional Liability Insurance** including in the amount of $10,000,000 each claim.
   i. Policy must be primary and non-contributory with endorsements attached.
   ii. GPA shall be named as a NAMED INSURED
   iii. GPA shall be named as Loss Payee
   iv. Cancellation clause of minimum 90 days' prior written notice to GPA.

1. GPA must be given minimum 90 days' prior written notice for any material changes in the policy or cancellation of the policy.

G. Contractors All Risk or Builders Risk Insurance

i. Minimum Limits, deductibles, sub-limits, coverage, and property descriptions per contract or project description.
ii. Policy must be primary and non-contributory with endorsements attached.
iii. GPA shall be named as a **NAMED INSURED**
iv. GPA shall be named as a Loss Payee
v. Waiver of subrogation shall be in favor of GPA
vi. Cancellation clause of minimum 90 days' prior written notice to GPA.

1. GPA must be given minimum 90 days' prior written notice for any material changes in the policy or cancellation of the policy.

If applicable, fuel /hazardous materials transport:

H. General Liability and the Commercial Auto Liability with limits of $5,000,000 or higher per occurrence.

i. Policy must be primary with primary wording endorsement attached.
ii. GPA shall be named an additional insured
iii. Waiver of subrogation shall be in favor of GPA
iv. Cancellation clause of minimum 60 days' prior written notice to GPA
v. Policy must have **MCS 90 Endorsement**

All policies must contain the following endorsement and on the Certificate of Insurance:

I. **Cancellation Clause** of minimum 90 days' prior written notice to GPA.

GPA must be given minimum 90 days' prior written notice before any material changes in the policy or cancellation of the policy can take effect. Written notice must be addressed to:

Guam Power Authority
Chief Financial Officer
PO BOX 2977
Hagatna, GU 96932-2977

Certificate of insurance must contain this wording to be acceptable.

PART II: PROPERTY INSURANCE SCHEDULE OF LIMITS/ DEDUCTIBLES MINIMUM LIMITS OF LIABILITY

A. INTEREST:

Real and Personal property of the Named Insured including
Property in their care, custody and control, Vehicles on the Insured Premises, Pipelines, Transmission & Distribution lines within 1,000 feet of the lnsured's generating locations, Communication Towers, Transformers, Mobile Equipment, Accounts Receivable, Electronic Data Processing Equipment and/or Media and/or Data (including full reproduction costs), Valuable Papers, Personal Property of Employees, Property in the due course of Inland Transit, Leasehold Interest, Property whilst in the incidental course

of construction and/or installation and/or fabrication and/or assembly (including testing and commissioning), Business Interruption, Extra Expense, Expediting Expense and all as more fully described herein.

B. LIMITS OF LIABILITY:

Policy limit	USD $100,000,000 per occurrence for Property Damage
Business Interruption	USD $5,000,000

C. SUBLIMITS respects perils:

Natural Perils	USD $25,000,000

(Including windstorm, earthquake, flood, volcanic Interruption and likely further perils)

D. SUBLIMITS respects coverage clause/interest:

Automatic Acquisitions, Additions and Extensions	USD $10,000,000
Debris Removal	USD $10,000,000 (or 25% whichever the greater)
Offsite Storage	USD $10,000,000
Documents & Data	USD $5,000,000
Customers & Suppliers - 1st Tier	USD $10,000,000
Errors & Omissions	USD $ 5,000,000
Expediting Expense	USD$ 5,000,000
Inland Transit	USD $10,000,000
Extra Expense	USD$10,000,000
Professional Fees	USD $2,500,000
Fire Fighting	USD $2,500,000

DEDUCTIBLES: USD $250,000 per occurrence except:

PHYSICAL DAMAGE:

- Machinery Breakdown USD $500,000 per occurrence
- Named Windstorm 2.5% of Loss

Business Interruption: 30 Days Waiting Period per occurrence except:

- Machinery Breakdown 45 Days waiting period per occurrence
- Named Windstorm 45 Days waiting period per occurrence

2.58 Indemnification

The Contractor shall indemnify, defend and hold harmless owner (GPA) against all loss, damage, or expense (including reasonable attorney's fees incurred by owner) arising out of the performance of the work, including injury or death to any person or persons resulting from the acts or omission of the Contractor or the Contractor's employees, servants, agents or subcontractors and from mechanics and materialism liens.

2.59 Certificate of Insurance

Contractor shall furnish certificates of insurance and waiver of subrogation endorsement to GPA prior to commencement of work showing evidence of such coverage, including the statement to the effect that cancellation or termination of the insurance shall not be effective until at least (10) days after receipt of written notice to GPA. At all times Contractor's insurance shall be primary to any other insurance that may be carried by GPA. The statement of limits of insurance coverage shall not be construed as in any way limiting the Contractor's liability under this agreement. GPA shall be an additional insured on all liability coverage and certificates of insurance shall clearly indicate such.

2.60 Insurance Company and Agent

All insurance policies herein required of the Contractor shall be written by a company duly authorized and licensed to do business in the State or Territory where work under this contract is being performed and be executed by some agent thereof duly licensed as an agent in said State or Territory.

2.61 GPA Insurance

GPA agrees that it will keep the property and machinery and equipment insured, at a minimum, against loss or damage by fire with extended coverage endorsement for full replacement value as determined by GPA from time to time. Such insurance shall be issued by financially responsible insurers duly authorized to do business in the state or territory where the property is located and shall contain the standard form of waiver of subrogation. The insurance company shall be required to give GPA not less than ninety days (90) notice in the event of cancellation or material alteration of such coverage. Nothing contained herein shall be construed as creating any liability or responsibility on the part of the CONTRACTOR for the adequacy of insurance coverage on the property. As to any insurable risks of loss or damage to the property and machinery and equipment not required to be insured hereunder, GPA shall bear the cost of the same. GPA shall be deemed to be self-insured as to the deductible or co-insurance amount applicable to such insurance coverage and shall pay any deductible or co-insurance amount applicable in the event of such loss or damage.

2.62 Waiver of Subrogation

The parties hereby release each other and their respective officers, employees, and agents from all loss or damage to the Premise property, machinery and equipment and to the fixtures, personal property, equipment and improvements of either GPA or CONTRACTOR in or on the Property, notwithstanding that any such loss or damage may be due to or result from the negligence of either of the parties or their respective officers, employees or agents. This waiver does not apply to maintenance and repair assumed under this contract by the CONTRACTOR.

3.0 Technical and Functional Requirements

This section describes the technical and functional requirements of the Performance Management Contract. It establishes the responsibilities of the Guam Power Authority (GPA) and the Performance Management Contractor (CONTRACTOR).

The CONTRACT between the CONTRACTOR and GPA shall be constructed as a Fixed Annual Management Fee Contract, whereby the parties establish the mutually agreed contract deliverables and guarantees. In addition, the CONTRACT shall include provisions for operations and maintenance supplies and services and the inventory management and control of Cabras Units 1 and 2 Steam Power Plant.

The CONTRACT scope includes functional requirements that cover several key areas related to the operations and maintenance of the Cabras Steam Power Plant:

- Operation & Maintenance of Cabras 1&2 Steam Power Plant;
- Staff Management & Augmentation
- Budget Management
- Procurement, Inventory Management & Control;
- Plant Engineering;
- Environmental Compliance, including requirements related to:
    - All existing and applicable permit requirements
    - Consent Decree
    - State Implementation Plan
- Completion of Critical Repairs to assure the units' reliability, availability and efficiency;
- Completion of Major Maintenance Projects
- Plant de-activation, de-commissioning and clean-up;

3.1 Management

The CONTRACTOR shall be responsible for the overall management of the plant as well as the management of the plant staff. The CONTRACTOR shall oversee the implementation and completion of all operations and maintenance activities, especially those necessary to maintain reliability, high availability, and efficiency.

3.2 Procure OEM & Non-OEM Support as Required

The CONTRACTOR will be required to procure all OEM and Non-OEM assistance it requires to support the daily operation and maintenance of the plant. GPA personnel may assist the CONTRACTOR with issues and historical perspective, but the CONTRACTOR will primarily be responsible for obtaining OEM and Non-OEM Support.

3.3 Working Capital and CONTRACTOR Expenses

The CONTRACTOR is responsible to fund all operation & maintenance expenses, inventory management and procurement expenses, as well as expenses for implementing and completing projects related to plant life extension, meeting performance guarantees,

and maintaining reliability and efficiency. The CONTRACTOR shall be reimbursed by the Authority upon successful documentation of such expenditures, following the guidelines for compensation as delineated in GPA's policies and standard operating procedures.

The CONTRACTOR shall have sufficient working capital to support its cash flow requirements including any cash flow requirements associated with its operations and maintenance (O&M), inventory management and procurement responsibilities and critical projects for ensuring availability, efficiency and reliability. The minimum working capital acceptable during each contract period shall be no less than 50% of the O&M budget allotted by GPA for the Power Plant for the respective period.

All CONTRACTOR direct and indirect expenses and taxes, including all CONTRACTOR employees related expenses and taxes are the sole responsibility of the CONTRACTOR.

3.4 Budget

The CONTRACTOR shall optimally manage the Operation and Maintenance Spending (O&M Spending) not to exceed the authorized budget amount for each contract year. The CONTRACTOR shall provide appropriate justifications and auditable records of all O&M procurement activities. Any O&M spending beyond authorized limit shall be justified by the CONTRACTOR with proper and sufficient supporting documentation and shall follow the appropriate GPA review process for approval or disapproval. Spending above the approved budget that is not authorized by GPA shall be the sole financial responsibility of the CONTRACTOR.

O&M Spending excludes Cabras 1&2 Employees' base salaries, premiums and benefits, but includes overtime. The CONTRACTOR shall optimize overtime spending to lower total plant costs. As a guide, overtime for Cabras 1&2 Employees shall not exceed 15% of base annual salaries. However, exceptions may be made during emergency response for force majeure situations, such as Typhoon Recovery and other critical support periods, which do not constitute normal operations. The allowance for overtime during these situations will require approval from GPA. The CONTRACTOR shall report overtime expenses to GPA monthly and at the end of each contract year, and the report shall include details of overtime such as justifications, overtime work details and related information.

The CONTRACTOR shall track all O&M costs. The CONTRACTOR shall be required to submit a report of O&M spending to GPA monthly and at the end of each contract year. The report shall illustrate O&M Spending, including Overtime Spending, and shall include details and justification for each item. Justification is particularly important for items exceeding the budget.

The CONTRACTOR will prepare and submit to GPA a three-year plant budget beginning with the next fiscal year by March 31 of each contract year, in accordance with and following the schedule for GPA's Budget Approval Process.

GPA shall authorize the proposed O&M spending budgets for each contract year by the CONTRACTOR. GPA reserves the right to negotiate bid amounts prior to contract commencement. The negotiated amounts shall establish the maximum spending limit for

O&M expenses. GPA shall review and negotiate the next fiscal year budget with the CONTRACTOR by June 30 of each contract year.

GPA will make timely reimbursements to the CONTRACTOR for the expenses incurred by the CONTRACTOR in conjunction with the CONTRACTOR's O&M procurement responsibilities. The CONTRACTOR shall include certifications, receipts, and proof of payment and delivery on site of materials and services to be entitled for reimbursable compensation. The CONTRACTOR shall invoice GPA for these expenses no more than once monthly. Cost-plus reimbursement shall not be allowed. There shall be no additional costs or fees for reimbursement of O&M expenses.

3.5 Guarantees, Incentives and Penalties

The CONTRACTOR shall be guided by the Guarantees as discussed in Section 7 of this document. To ensure optimum performance as well as efficient operation and maintenance of the plant, GPA shall apply incentives and penalties as discussed in Section 8 of this document.

3.6 Plant Engineering and Technical Services

The CONTRACTOR shall provide plant engineering and technical services for the following:

- Regular O&M activities
- Critical Repairs to ensure proper and optimum operation of the power plant up to the commencement of operation of GPA's new power plant, including structural integrity, compliance with all required environmental and safety regulations, such as the Fire Code and Environmental Permits;
- Major Maintenance Activities, including but not limited to major maintenance for the RO-EDI System and Fire Suppression Systems;
- Power Plant de-activation, de-commissioning and clean-up

3.7 Contractor Staffing

The plant organization shall be composed of CONTRACTOR Management and GPA Plant Staff. The CONTRACTOR shall utilize all Cabras employees beginning on the Commencement Date and continuing through the Termination Date of the Contract.

The CONTRACTOR shall provide appropriate staffing levels of CONTRACTOR employees to provide overall plant management, resident technical expertise for steam power plant operation and maintenance, procurement & inventory control, engineering, and administrative support as necessary. The Technical Scoring will evaluate the CONTRACTOR's proposed staffing level.

3.8 GPA Staffing

The Cabras #1 & #2 plant currently has forty-one (41) Full Time Employees (FTEs). Schedule D has an organization chart illustrating the staffing pattern.

3.9 CONTRACTOR Staffing Responsibilities

The CONTRACTOR has the responsibility to ensure adequate plant staffing, and shall manage and adjust, with GPA's approval, for optimal operation and maintenance of the plant. The CONTRACTOR shall regularly report on the adequacy of staffing levels. If there are vacancies required to be filled, CONTRACTOR shall request GPA to hire replacement(s). In case GPA is unable to hire the replacement(s), GPA may request the CONTRACTOR to fill the position by direct hire(s). Upon receipt of this notice, the CONTRACTOR may hire personnel, upon mutual agreement, to replace GPA employees at wage rates and benefits subject to approval by GPA. Reimbursement shall only be for the period of time CONTRACTOR-hired employees are employed and performing work up to the termination date of their employment with the CONTRACTOR. The cost for hiring additional personnel will not go against the CONTRACTOR's O&M budget. Salaries, wages and benefits of any additional employee hired by the CONTRACTOR shall be based on prevailing rates specified by US Department of Labor rates and shall be reimbursed by GPA.

a. Line Management Responsibility

The CONTRACTOR management is responsible for supervising the classified work force of Cabras Units 1&2 Steam Power Plant Steam Power Plant. The CONTRACTOR shall have the authority, with consultation and coordination with GPA, to establish work rules, assign and direct the work of the GPA work force, make work schedules, establish safety procedures, prescribe training and approve attendance at training, and any other necessary management actions in performing the requirements of this contract.

The CONTRACTOR shall have discretion in selecting methods and means in the management of GPA employees to accomplish the repair, operation, and maintenance of the plant.

b. Chain of Command

The CONTRACTOR, in dialog with and with the consent of GPA, will be responsible for creating an appropriate reporting structure.

c. Employee Performance Review

The CONTRACTOR will have the authority and discretion to counsel or issue written warnings to individual employees for unsatisfactory work performance and violations of work rules, conduct rules, safety procedures, or other conduct the CONTRACTOR determines to be detrimental to the safe and efficient repair, management, operation, and maintenance of the Cabras Power Plants.

In its sole discretion, GPA may take disciplinary actions, as it deems appropriate. The CONTRACTOR shall cooperate and assist GPA by providing such witnesses and evidence as GPA may reasonably request to support any disciplinary action.

The CONTRACTOR may request disciplinary action but shall not have authority to initiate or direct disciplinary action against any individual GPA employee; provided,

however, that GPA shall use its best efforts to proceed promptly, diligently, and thoroughly to process all requests and take such disciplinary action as requested by the CONTRACTOR if reasonable under the circumstances, including, but not limited to the immediate suspension of GPA employees during the notice period of GPA's disciplinary procedures, or placing employee on administrative leave pending adverse action, if their continued presence would interfere with the safe and efficient operation of Cabras Plants or the safety and health of persons or if the suspension was necessary to eliminate the possibility of deliberate damage to equipment, property, or important documents.

The CONTRACTOR will conduct regular performance reviews of each employee, which will be coordinated with GPA Human Resources Division. In addition, the CONTRACTOR will provide input for setting annual personnel development goals. The employee performance reviews and development goals setting made by the CONTRACTOR do not replace the formal performance reviews performed by GPA supervisors. However, they provide one of the key inputs to the formal GPA review process. These CONTRACTOR inputs will drive promotion and demotion decisions and standards for job performance. Documentation of both good and unacceptable employee performance shall be the responsibility of the CONTRACTOR and/or those GPA employees that report directly to the CONTRACTOR.

The CONTRACTOR, at its own discretion, may have the authority to make cash awards to GPA employees using CONTRACTOR funds as an incentive for superior work performance or other significant contribution by an individual GPA employee to the safe and efficient repair, management, operation, and maintenance of the Cabras Steam or Diesel Power Plants based upon employee superior performance as evaluated by CONTRACTOR. The cost for cash awards is not reimbursable by GPA.

d. Authority to Promote and Demote Personnel

The CONTRACTOR may provide GPA recommendations for appropriate promotions or demotions. The CONTRACTOR shall establish a standardized procedure documenting the promoting and demoting of employees at the plant.

GPA shall retain all authority and responsibility for promotions and demotions, recognizing CONTRACTOR recommendations, GPA system needs and Guam civil service rules and regulations.

e. Manage Scheduling of Leave Time

The CONTRACTOR will manage and approve the scheduling of vacation, holiday and other leave time to minimize overtime and other O&M costs, subject to the constraints of GPA Leave Policies and in accordance with Personnel Rules & Regulations, public laws and executive orders as amended or established. The CONTRACTOR will also have authority to schedule extended hours, staggered hours, flexible hours and Sunday working hours as the CONTRACTOR may determine necessary to ensure the safe and efficient management, operation, maintenance and repair of the Cabras Plants. The CONTRACTOR shall not unreasonably deny employee requests for authorized absence. The CONTRACTOR’s disapproval of

GPA employee requests for authorized absence shall be based solely upon scheduling needs to ensure the safe and efficient repair, management, operation, and maintenance of the plant.

f. Overtime

In the event that CONTRACTOR requires GPA personnel to perform overtime, CONTRACTOR shall follow established GPA personnel rules and regulations, policies and procedures, guidelines, and applicable local and federal laws in the requesting and reporting of overtime.

g. Safety Compliance Personnel

The CONTRACTOR will provide their own safety equipment and test procedures for areas such as air quality monitoring. This is specifically referring to the confined / enclosed space issues as defined by OSHA/GOSHA. The CONTRACTOR will not rely on GPA for these type of services unless in the case of an emergency. However, all safety equipment and test procedures shall be reviewed and approved by GPA Safety Division.

The CONTRACTOR shall allow GPA Safety Division Inspectors to conduct periodic scheduled and unscheduled facilities inspections to detect potential hazards so that proper remediation activities can be implemented. GPA Safety Division Inspectors shall document and forward all inspection results through GPA and the CONTRACTOR chain of command.

h. Occupational Safety and Health / Equipment Clearance System

The CONTRACTOR shall design the training program in a manner that will instruct employees in the safe and healthful performance of their work. The CONTRACTOR shall tailor this training and evaluation to the employee's job requirements and level of responsibility. The CONTRACTOR shall keep all Occupational Safety and Health training records for the contract duration. As a minimum, the training records shall indicate the following information:

- Subject matter;
- Duration; start and stop time;
- Names of attendees;
- Date of Training.

The CONTRACTOR will develop and train employees on the use of and establish their own equipment clearance system. This clearance system shall apply to all equipment associated with units 1 & 2 except for the following:

1) The line of demarcation regarding the high voltage transformer and natural areas of O&M responsibility shall be defined; and,

2) Some overlap of equipment commonly used for combined systems such as the oil handling or condensate production that may require careful coordination.

This training shall adhere to the OSHA/GOSHA mandated training program particular to the employees' job and environment, operating practices and procedures with a practical understanding of prevention strategies.

The CONTRACTOR shall ensure that all employees, upon assignment to positions involving potential exposures to hazardous or toxic substances, including asbestos exposure equal to or exceeding the permissible exposure limits (PEL) undergo proper medical examination and are entered into a medical surveillance program as required by GOSHA.

The CONTRACTOR shall ensure that all employees assigned to positions involving potential exposures to hazardous or toxic substances are issued and are required to wear equipment and/or devices such as:

- Welding or wire mesh gloves;
- Respirators;
- Hard hats;
- Goggles;
- Foot protection;
- Face shields;
- Rubber gloves and coveralls;
- Safety glasses.

i. Disciplinary Action Documentation

The CONTRACTOR will document and forward recommendations of any suggested disciplinary action to the Assistant General Manager of Operations. All recommendations for disciplinary action must comply with requirements set forth by the GPA Personnel Rules & Regulations, Civil Service laws and other administrative policies as amended or established. The Assistant General Manager of Operations will forward such recommendations to the General Manager of GPA for further disposition as required.

j. Dispute Resolution Process Usage

Should the CONTRACTOR have a problem that is not resolved to their satisfaction, regarding personnel or disciplinary action, it will have the right to have the issue reviewed as part of the dispute resolution process.

k. Responsibility for Direct Hires from Outside the Guam Power Authority

CONTRACTOR may participate in the interview and selection process of any and all new Cabras Units #1 & #2 employees for positions not filled by the normal internal transfer of employees by GPA but rather through direct hire from the outside labor pool. The CONTRACTOR will have a voice in the interview and selection process of the new employee, including but not limited to the use of standardized aptitude testing.

This action is subject to the standard Government of Guam hiring practices in accordance with local and federal laws, personnel rules and regulations, and other administrative orders, policies and procedures.

l. Utilization of Contractors/Consultants and/or Staff Augmentation

The CONTRACTOR may, at any time, in consultation with GPA, have CONTRACTOR employees or consultants perform functions, duties, and responsibilities at Cabras Units #1 & #2 power plant as CONTRACTOR determines in accordance with the scope of this contract. Reimbursement for salaries and benefits shall be based on the rates approved by GPA. Reimbursement shall only be for the period the CONTRACTOR hired Employees/Consultants are employed and performing work up to the termination date of their employment/contract with CONTRACTOR.

m. Cooperation with GPA Personnel Administration

CONTRACTOR shall cooperate with GPA in GPA's personnel administration to the extent that CONTRACTOR has a role in the supervisory process.

3.10 Guam Power Authority Staffing Responsibilities

a. Human Resources

GPA shall perform all personnel administration functions for GPA employees assigned to the Cabras Steam Power Plant.

GPA shall have access to its employees assigned to the Cabras 1 & 2 plant for the purpose of performing its administrative functions. Personnel administration functions shall include, but not be limited to:

1) Computation and payment of compensation as authorized by administrative laws, rules, policies and procedures; GPA shall retain its standard responsibilities for all GPA employee payroll expenses and disbursements;

2) Administration of sick leave, maternity leave, paternity leave, annual leave, military leaves of absence and such other programs providing GPA employees authorized absences;

3) Recruitment, examination and appointment of new hires;

4) Administration of employee benefit plans, health insurance, retirement plans, worker compensation plans, the Drug Free Workplace Policy, and such other programs for the welfare of GPA employees;

5) In-service training programs and such other training programs for which GPA employees are eligible; and,

6) Such other personnel matters not related to the maintenance, operation, and repair of the Transportation section.

b. Select, Provide, Promote and Demote All Classified Employees

GPA shall select, provide, promote and demote all classified employees for normal operation and maintenance of the plant, in accordance with Civil Service Commission policies, personnel rules and regulations, administrative orders, local and federal laws.

The CONTRACTOR may submit recommendations for promotions and demotions of classified employees.

c. Administer Salary, Benefits & Disciplinary Actions

While GPA is not responsible for the direct line management of the O&M, it is responsible for functions such as disciplinary action. All salary and benefit administration will continue to be the responsibility of GPA, consistent with other standard practices. GPA will continue to have the same responsibility to enforce disciplinary action type issues as present.

d. Cross Training of Transitional Employees

The responsibility for any cross training of transitional employees will reside in the GPA divisions that utilize them, in cooperation with the CONTRACTOR as part of the training program for the employees.

e. Grievance Reporting Procedure and Arbitration

GPA will provide copies of the Grievance reporting and resolution procedures to the CONTRACTOR. Disputes will be handled in accordance with the existing GPA policies. GPA will develop a specific process of handling higher-level disputes between the CONTRACTOR and GPA personnel. Costs associated with disputes requiring payment to non-CONTRACTOR employees may require the CONTRACTOR to adjust the monthly invoice payments.

f. Disciplinary Actions and Procedures, Including Poor Performance

GPA will be responsible for administering disciplinary actions against GPA employees per GPA standard policies and procedures. GPA management will determine and apply the degree of penalty to employees as appropriate.

Should the CONTRACTOR's O&M activities be impacted, then the degree of required payment will be discussed with GPA and possibly adjusted to reimburse the CONTRACTOR for only fair losses, not to include the loss of production or electrical output.

g. Communicating of Reporting Structure

GPA shall communicate and inform all employees of the newly adopted and reporting system and the associated process to handle and resolve any possible future disciplinary action processes.

h. Replacement of Employees

GPA shall use best efforts to replace all employees who resign, retire, transfer or upon any official personnel action that will cause departure.

In cases of emergency, GPA, may at its discretion, assign GPA employees on a temporary basis to the Cabras Units #1 & #2 Steam Power Plant until vacant positions are filled with permanent employees. GPA shall notice the CONTRACTOR thirty (30) days prior to the final replacement date that its best efforts to replace employees were unsuccessful.

Upon receipt of this notice, CONTRACTOR may hire personnel, upon mutual agreement, to replace GPA employees at wage rates and benefits subject to approval by GPA.

i. Guam Power Authority Employee Payroll

GPA shall retain its standard responsibilities for all employee payroll expenses and disbursements.

3.11 Resource Allocation of GPA Central Maintenance Personnel

The CONTRACTOR is highly encouraged to optimize the use of Central Maintenance personnel subject to GPA's specified minimum and maximum acceptable performance standards. GPA shall provide reasonable support from the Central Maintenance Section to the CONTRACTOR under the direct authorization of the Manager of Generation.

3.12 Resource Allocation of GPA Engineering and Planning Personnel

At the CONTRACTOR's request, GPA may supply engineering and planning personnel services as required on a case-by-case basis consistent with the GPA's mission and availability of staff and skill sets.

3.12 Training

The CONTRACTOR shall be responsible for all training and associated costs necessary to perform contract obligations and adhere to regulatory requirements such as OSHA or GOSHA. The CONTRACTOR shall include estimated training costs in their proposal for GPA's consideration and approval.

The CONTRACTOR shall retain training records and certificates of all GPA employees under CONTRACTOR management. The CONTRACTOR shall submit copies of GPA employees' records, including but not limited to certificates, recordings of actual training hours per event (for all training types), individual training assessments, progress reports, evaluations, and other related documents upon completion of each training activity for filing into employees' official personnel files. Upon CONTRACTOR's completion of Contract, all original documents, i.e. training certificates, recordings of training hours, individual assessments, progress reports, evaluations and other related forms will be turned over to GPA Human Resources Division.

3.13 Operation of Cabras Units 1&2 Steam Power Plant

The CONTRACTOR is required to perform and manage all operational responsibilities for the Cabras Units 1 & 2 Steam Power Plant, which include Plant Operation Responsibilities and Requirements as specified in this bid document.

The CONTRACTOR shall manage, oversee, and perform all duties and responsibilities related to the proper and efficient management of the power plants. This includes but is not limited to duties specified in the Technical and Functional requirements, current SOPs, manufacturer SOPs, and all other duties as assigned by the GPA General Manager and his designee.

At the direction of the GPA General Manager or other GPA stakeholders, the CONTRACTOR may also be requested to undertake activities that impact the operation of the plant. Such projects will follow GPA's standard procedures for approval, budgeting and implementation.

3.14 Unit Operating Information

The CONTRACTOR shall provide regular reports on unit commitment and unit operations to GPA management and all divisions identified as requiring the information.

The Unit Commitment information shall include the following information for each generation unit:

- Heat Rate Variances (MBTU/MWh);
- Capacity Derations (MW); And,
- Upper and Lower unit commitment levels (MW);
- Forbidden Regions;
- Any Condition that may limit dispatching of the Unit.

Unit operation information shall be provided to the Generation division on a daily basis.

3.15 Environmental Compliance

There have been recent updates and new requirements to the Environmental Regulations applicable to the Cabras Units #1 and #2 Steam Turbine Power Plant. GPA is required to comply with these update requirements. Until such time that GPA commences the plans to comply with certain requirements, CONTRACTOR will be responsible for ensuring the completion of activities currently required, which includes, but is not limited to:

a. Compliance with the Consent Decree Requirements in the Fuel Switching Enforcement Action, such as enforcement of Fuel Switching Protocol;
b. Conduct and complete required emissions tests;
c. Monitoring of all emission tests and results and ensuring compliance with applicable rules and regulations;
d. Record-keeping, documentation and review of emission test data;
e. Completion of necessary corrective actions in order to meet emission requirements;
f. Monitor all low-volume waste streams to be within compliance with all local, federal and international regulations;
g. Completion of all activities required by the applicable Air Pollution Control Permit (FO-002), which will include:

- Ensuring that all Emission Limits are not exceeded
- Ensuring that all proposed control measures and/or equipment are installed and properly operated.
- Ensuring that all control measures, equipment, facilities and systems installed or used to achieve compliance with terms and conditions of the permit are maintained in good working order and operated as efficiently as possible at all times, including startup, shutdown and malfunction.
- Conduct proper Preventive Maintenance Procedures for the significant sources of emissions, in accordance with manufacturer's recommendations.
- Implement adequate control measures approved by GEPA to prevent exceeding of any applicable ambient air quality standards during the operation of the facility.
- Operate and maintain appropriate pollutions controls to minimize NOx Emissions from the generators such as water/fuel injection rate, sulfur content (refer to Section II.C of Permit).
- Comply with all monitoring, testing, and recordkeeping requirements.
- Comply with all Reporting Requirements and submit all requirements to GEPA in collaboration with GPA's Planning and Regulatory Division.
- Ensure that Compliance Certifications are completed as required (Section II.J.).
- Complete all Reporting Requirements and Fee Payments for Annual Emissions.
- All other responsibilities under Permit No. FO-002

h. Completion of all activities required by the applicable National Pollution Discharge Elimination System (NPDES) permit;
i. Completion of all activities required by the GPA and Federal Spill Prevention, Control and Countermeasure (SPCC) Plan, including implementation, monitoring and reporting;
j. Remediation of all oil spill incidents to the satisfaction of local and federal regulatory bodies;
k. Completion of all activities required by Best Management Practices (BMP) Plan;
l. Completion and submission of all required reports;
m. Record-keeping and maintenance of equipment as may be required, such as but not limited to the Fuel Switching System;
n. Payment of all penalties from non-compliance with any and all environmental requirements from local and federal bodies, with the exception of the Guam State Implementation Plan and GPA Consent Decree;

3.16 GPA Planning and Regulatory Division

GPA's Planning and Regulatory Division (P&R) shall support the CONTRACTOR in meeting all environmental compliance requirements. P&R shall audit the CONTRACTOR on a regular basis as a means of monitoring and ensuring that all requirements are satisfied.

The CONTRACTOR shall coordinate all activities on Environmental Compliance, including records and reports, to P&R. The CONTRACTOR shall provide full cooperation during P&R's audits and monitoring activities.

3.17 Maintenance

The CONTRACTOR is required to perform and manage all Maintenance Responsibilities for Cabras Units 1 and 2 including but not limited to the Maintenance Responsibilities and Requirements as specified in this bid document.

The CONTRACTOR will be responsible for all equipment associated with the plant. Plant electrical maintenance personnel are only qualified to handle equipment with an operating voltage of 5000 volts and below. The CONTRACTOR shall be responsible for coordinating with qualified personnel to maintain, repair, and/or reset all other electrical equipment. Coordination with the GPA Transmission & Distribution division shall be done through the Generation Manager's office.

3.18 Use of the GPA Computerized Maintenance Management System

The CONTRACTOR shall utilize the functionality of the GPA CMMS. The CONTRACTOR shall provide a monthly report summarizing the scheduled and actual Maintenance Activities, and the data shall be available in the CMMS. This report shall also include comparisons of scheduled, actual, and manufacturer-recommended Maintenance Activities.

3.19 Physical Boundaries of Cabras 1&2

Maps identifying the physical boundaries of the Cabras 1&2 Power Plant are provided in the supporting documents. The CONTRACTOR will be responsible for the maintenance of all equipment, facilities and assets within the physical boundary of the power plants, including the structural integrity of the power plant and all equipment within its physical boundaries.

3.20 Management of Waste Oil and Waste Oil Facility

The CONTRACTOR shall dispose of waste oil in a safe manner consistent with GPA agreements, local and federal environmental regulations, and industry best practices. The CONTRACTOR shall train, assign, and manage normal shift personnel to this duty.

The CONTRACTOR shall also be responsible for the operation and maintenance of the Cabras 1 & 2 waste oil facility, and shall work with GPA's P&R division to ensure it is operated within the requirements set by local and federal regulatory requirements.

The CONTRACTOR shall also be responsible for working with other GPA Contractors that may need to access the waste oil facility. These contractors will be required to coordinate with the Generation Manager, his designee and the CONTRACTOR prior to starting work on the facility.

3.21 Operation and Maintenance of RO-EDI System and Maintaining Proper Water Quality

The CONTRACTOR shall be responsible for properly operating and maintaining the existing Reverse Osmosis – Electro De-Ionization System and ensure the plant is provided with emulsion water that meets quality standards at a low operational cost.

3.22 Optimization of Fuel Consumption

The CONTRACTOR shall comply with the criteria defined within the Quality Management Plan for Prudent Fuel Use and LEAC Plan for Performance Goals.

The CONTRACTOR shall comply with the requirements stated in the Fuel Switching Enforcement Action Consent Decree, and minimize the excessive use of Low Sulfur Fuel. The CONTRACTOR shall document Low Sulfur Fuel usage at all times and include justification for such usage. For use of Low Sulfur Fuel other than for adverse wind conditions, including but not limited to equipment problems or malfunctions, the CONTRACTOR must determine and correct the problem immediately. The event should be properly documented, justified, and reported to GPA by the next working day. The additional fuel costs associated with excessive use of Low Sulfur Fuel shall be paid for by the CONTRACTOR.

3.23 Maintenance of GPA's Wind Turbine Generator

GPA's pilot 275-kW Wind Turbine Generator (WTG) located in Cotal, Yona is currently in operation. Cabras 1&2 employees are in charge of the maintenance of the WTG and for securing the wind turbine when necessary. The CONTRACTOR shall coordinate with GPA and ensure that the employees assigned to maintain and secure the WTG complete the necessary tasks and activities in order to maintain the availability of the WTG and ensure it is running properly. Operation and Maintenance for the WTG shall be separate from the O&M of the Cabras #1 and #2 Power Plant and will be fully funded by GPA.

3.24 Maintenance of Transformers

The CONTRACTOR shall perform all transformer maintenance (predictive and preventive) and testing including dissolved gas analysis (DGA) for all transformers associated with the power plants. Maintenance on the large power transformers shall be coordinated with GPA's Transmission & Distribution division. The CONTRACTOR shall provide a report of maintenance activities and test results to GPA on a monthly basis.

3.25 Instrumentation

The CONTRACTOR shall make full use of the Historian and available instrumentation to collect key performance information. Proponents must provide the list and periodicity of key performance data collected at similar plants under their operation. Additionally, each Proponent must provide what analyses are performed using this information. Hourly readings are not sufficient to fulfill this requirement. Proponents must ensure that all instruments that can be made capable of electronic download and storage are made capable of this function. All performance information must be made available to GPA for independent analysis. If required, the CONTRACTOR must provide any software,

equipment, and training to Authority staff to access, manipulate and analyze this information.

All key performance information shall be archived appropriately in electronic form.

3.26 Power Supply for Start-Up

GPA will provide all power for Start-up and outage related activities.

3.27 Outage Planning and Optimized Outage Scheduling

The CONTRACTOR will coordinate the scheduling of all its outage requirements through the Manager of Generation who will, in turn, coordinate with the GPA Power System Control Center (PSCC). System demand will primarily dictate the optimal dates for scheduling outages. Major outage schedules must be established between GPA and the CONTRACTOR and planned far enough in advance that they will support quality outage planning efforts as described elsewhere.

The CONTRACTOR should coordinate with GPA in documenting the details of the outage and determining the effects to EAF and EFOR, for application in evaluations.

The CONTRACTOR will manage outages to the mutually agreed upon schedule, and is responsible for informing the Manager of Generation or his designee, and other divisions affected by the outage planned, for any changes in the outage schedule. Should this occur, the CONTRACTOR shall use its best efforts to work towards adhering to the originally agreed to schedule.

The outage schedule shall be provided by the Manger of Generation and his designee to other GPA divisions (such as PSCC, SPORD and Finance) for dispatching, fuel consumption forecasting, and such other analysis that requires plant outage schedule information. The schedule must account for planned and actual performance, as well as details for cases wherein planned outages deviated from original schedule.

3.28 Root-Cause Analysis and Critical Path Management

The CONTRACTOR shall be primarily responsible for root cause analysis and critical path management for all planned and unplanned outages.

3.29 Facility Maintenance and Improvement

The CONTRACTOR is responsible for the maintenance and improvement of all facilities within its physical boundary. Including, but not limited to the upkeep of property grounds, housekeeping services, and janitorial services. The maintenance and improvement shall be in a manner that is acceptable and satisfactory to GPA. Facility maintenance and improvement will be evaluated regularly and shall be included in the evaluation of CONTRACTOR performance.

Projects requiring immediate action shall be determined jointly by GPA and the CONTRACTOR, through an assessment to be done after contract commencement.

The proposed improvements will become the basis for further refinement of the O&M Expense Budget. GPA and CONTRACTOR representatives will annually determine and negotiate which items GPA will fund for the next fiscal and contract year.

3.30 Identification and Approval of Projects

The CONTRACTOR is responsible for Critical Repairs and Major Maintenance projects to ensure proper and optimum operation of the power plant up to the commencement of GPA's new power plant. A list has been provided for the activities planned for FY 2020 for reference but should not be interpreted as the only projects needed for the plant.

The CONTRACTOR, upon commencement of the contract, is responsible for identifying and recommending projects to GPA. The list shall be submitted to the Generation Manager and/or his designee, for their review together with the CONTRACTOR upon contract commencement. The project list and supporting information will then be forwarded to GPA Executive Management for review and approval. Projects shall not commence until after approval is received.

The project list shall be reviewed and updated monthly or as frequently as projects are required.

3.31 Project Management

The CONTRACTOR shall accept project management duties for all critical repairs and Major Maintenance Projects, and other projects related to reliability, availability, and efficiency. Should the CONTRACTOR elect to hire a third party to perform this activity, the CONTRACTOR will be fully responsible for the third party's actions, performance and payment under the CONTRACTOR's Annual Management Fee. Payment for such election is not reimbursable by GPA.

3.32 Field Installation

The CONTRACTOR bears the responsibility for field installation-type activities of all assigned projects. Should the CONTRACTOR elect to hire a third party to perform this activity, the CONTRACTOR will be fully responsible for the CONTRACTOR's actions, performance and payment.

3.33 Acceptance Testing

The CONTRACTOR will be responsible for performing acceptance testing for life extension, reliability, availability, and efficiency projects. Acceptance testing must include a detailed written planning document with structured and non-structured procedures with pass/fail criteria for all important elements of the project. The CONTRACTOR shall submit electronic and hard copies of the proposed acceptance test document sufficiently in advance of actual testing. The Authority shall provide a timely review and approval of these documents in a reasonable time frame.

3.34 Guam Power Authority Recommended Projects

GPA shall provide the listing of recommended projects to the CONTRACTOR. The initial listing will contain activities to be performed over a multi-year time frame. GPA and the CONTRACTOR shall evaluate the list and mutually agree to the overall priority and scheduling of these activities.

The goals of 1) safety and insurance issues 2) maintain or improve plant reliability and availability 3) improvement of plant efficiency 4) minimization of total cost to GPA, and 5) effective outage scheduling, shall drive the project activities and their schedule.

3.35 De-activation and/or De-commissioning of the Power Plant, including Clean-up of the Facility

GPA defines deactivation as the shutdown of the plant to include disconnection of interconnection, draining of all tank systems, lubrication and chemicals, and removal of all waste including hazardous waste. Decommissioning would include tear-down, salvage, and disposal of all plant equipment as well as clean-up of the entire facility. As part of GPA's integrated resource plan, and to ensure continued compliance with environmental requirements such as the applicable Consent Decree and State Implementation Plan, the Cabras 1&2 power plant will be de-activated at the earliest on December 31, 2021.

The CONTRACTOR will be required to provide a De-activation/De-commissioning Plan and Proposal to GPA. If awarded the contract, GPA and the CONTRACTOR will further refine the proposal and put together a practical and cost-effective De-activation or Decommissioning Plan subject to approvals such as from the CCU and PUC. Once approved, the CONTRACTOR shall complete this plan in coordination with GPA's Generation Division and support divisions such as Planning & Regulatory Division.

At a minimum, CONTRACTOR shall be responsible for cleaning known spills or leaks as part of the de-activation process. CONTRACTOR will also be tasked to complete an equipment list and inventory list and propose a plan for salvaging or disposing key items.

3.36 CONTRACTOR Procurement Responsibilities

a. Operations and Maintenance Procurement Outsourcing

   The CONTRACTOR shall implement procurement methods to ensure cost controls remain within the authorized O&M Spending Budget. The CONTRACTOR shall allow GPA access to all procurement and cost records. All procurement and cost records and processes are subject to audit by GPA.

b. Recommend & Pre-qualify Vendors for Authorization

   The CONTRACTOR shall provide a listing of those vendors who they have experienced solid success with and wish for GPA to invite to bid on upcoming work required by the CONTRACTOR. This will expand the normally available pool of high quality vendors and ensure these vendors are informed of GPA's intent to bid.

c. Procure Operating & Maintenance Supplies

The CONTRACTOR will require normal as well as special materials to support the operation and maintenance of the facility. These supplies in most cases will be pre-qualified and approved in the budget process. Those items that are pre-qualified and approved will be processed through the normal CONTRACTOR directed process. The CONTRACTOR will obtain the best terms, conditions, pricing, and availability to meet the needs of the power plants and ensure high levels of reliability as well as keep outages to a minimum.

d. Third-Party O&M Outsource Contracts

The CONTRACTOR may utilize external third-party resources to support the O&M needs of the plant. The CONTRACTOR will direct the procurement functions as required and utilize whatever third-parties necessary. The CONTRACTOR will be responsible for payment to these third-parties and shall obtain the best terms, conditions, pricing, and availability to meet the needs of the power plants and ensure high levels of reliability.

e. Create or Improve Procurement Procedures to Expedite Repairs

The CONTRACTOR shall develop its own internal procurement procedures to support the purchase and acquisition of emergency materials and professional services. The CONTRACTOR will direct the procurement functions as required and utilize whatever outside resources necessary. The CONTRACTOR shall be responsible for payment of these outside contractors and obtain the best terms, conditions, pricing, and availability to meet the needs of the power plants and ensure high levels of reliability.

3.37 Guam Power Authority Procurement Responsibilities

a. Fuel Procurement and Delivery, Including Quality Assurance

GPA will provide procurement and delivery services of fuel to the CONTRACTOR for Cabras 1 & 2 Power Plant. This service will guarantee the fuel's supply and quality in such a manner that it will not disrupt the normal operation of the plant. Problems with the fuel's quality, if any, shall be well documented and submitted by the CONTRACTOR to GPA, along with the cost impact and any problems.

GPA will cover all costs associated with the delivery of required fuels, and guarantee uninterrupted fuel delivery.

Fuel analysis conducted by GPA through its contractors will be accepted as the sole authority on all fuel issues.

b. Local Vendors

As requested, GPA will provide a complete listing of all vendors, suppliers and consulting organizations utilized in the past two years, to the CONTRACTOR for

their consideration and use. The listing shall include company name, address, and phone and fax numbers. A summary of the basic services provided will be included in the listing of vendors and any basic rates charged to GPA in the past two years.

GPA will determine and create a listing of those vendors it has authorized and recommends to perform services as well as supply goods for the CONTRACTOR. This listing shall contain only those vendors who have actually performed work in the past two years and who have achieved good performance ratings.

3.38 Inventory Management

a. Maintain Required Spare Parts Inventory

The CONTRACTOR shall be responsible for the management of the spare parts inventory for Cabras 1&2 Power Plant. This responsibility requires the CONTRACTOR to manage and replace all spare parts, materials, parts, components and equipment currently in stock as it is used in the facility. It also requires the CONTRACTOR to be responsible for the security and proper storage of the spare parts, and for the replacement of any losses.

The CONTRACTOR shall repair large items removed from stock such as motors, pump assemblies, circuit breakers, etc. to "like-new" condition. The items shall be returned to stock if the repair option is the best option in support of the plant's operation. If the original item is not repairable, then new or "like-new" equipment or parts must be procured by the CONTRACTOR to replenish the stock items.

The CONTRACTOR is required to complete Annual Inventory Counts and report the prior year and current year's inventory to GPA, for each contract year. Standards for inventory valuation and item count currently used by GPA may be adopted.

The CONTRACTOR shall determine whether items in the inventory are active or inactive. The CONTRACTOR may sell off the inactive items if they have no value to GPA or the power plant, and only after it has secured GPA's agreement to do so. The CONTRACTOR shall use proceeds of the sale to secure needed items for stock.

The CONTRACTOR shall take all active inventory items and tie them to the equipment as listed in the CMMS. This activity will assist planners in better matching materials to maintenance requirements

All inventory at the beginning and end of the contract duration will be the property of the GPA.

b. Recommended Tasks for Inventory Optimization

The CONTRACTOR shall be responsible for optimizing the inventory for Cabras Units #1, and #2, through completion of the following tasks:

- Review and provide a recommended list of spare parts and inventory requirements for all systems associated with the Cabras 1&2 Steam Power Plant;

- Determine inventory requirements to ensure continuous rotation, refurbishment, and/or replacement of parts;
- Identify and make necessary adjustments to the existing safety stock levels and ordering schedules;
- Track and account for all inventory proceedings;
- Ensure parts specifications are updated for system upgrades.

c. Quality of Refurbishing of Stock Items after Usage

The CONTRACTOR shall carefully consider the quality of all refurbishment activities performed on items returned to stock. The quality of repairs often times will not be realized until the component is placed into service. The CONTRACTOR shall keep a record of any associated warrantees and request extended warrantees where applicable based on commencement from in-service dates and not delivered dates. All warrantees shall be transferred to GPA at the end of the contract period.

d. Account for the Location of Specialized Tools & Assets

The CONTRACTOR and GPA shall perform an inventory of all tools, non-stock parts, material and equipment assigned to the plant, at the time of turnover of management responsibilities. The CONTRACTOR will be responsible for the safe use and control of all tools during the contract term. Should additional tools or equipment be required, the CONTRACTOR may first request to use tools from the Central Maintenance section or other GPA sites. However, GPA is not obligated to supply such tools or equipment if they are needed for other GPA projects. The CONTRACTOR may be required to secure tools and equipment on its own to support plant operations and maintenance.

e. Inventory Proceedings

GPA and the CONTRACTOR shall discuss and agree, in writing, on all inventory proceedings.

Prior to any decision not to reorder any stock item, both parties must fully discuss the matter and must agree to such decisions in writing. If both parties mutually agree not to reorder an item, the CONTRACTOR must still keep detailed records for future usage in the event that the item is required in future years. These records must accompany a copy of the written agreement of both parties. The records must continue to reflect the equipment details in order to support reordering. The CONTRACTOR shall not remove these items from the inventory master listing. However, the CONTRACTOR must code these items to reflect the inventory level at zero.

f. Inventory Issuance Process

GPA and the CONTRACTOR shall discuss and agree, in writing, on the Inventory Issuance Process to be followed.

The current method shall be established as a Baseline Process, and may be adopted or revised upon contract commencement, so long as it is properly discussed and approved by GPA and the CONTRACTOR.

g. Guam Power Authority Inventory Responsibilities

GPA shall inventory all tools, equipment and vehicles, and develop a master inventory listing prior to the arrival of the CONTRACTOR. GPA shall continue to provide warehouse supervision as currently being provided.

4.0 Communications and Reporting

4.1 CONTRACTOR Reporting Requirements

The CONTRACTOR is responsible for providing regular reports including but not limited to the following:

a. Operations and Maintenance activities – scheduled and actual completed activities
b. Project Management
c. Plant Operational Costs including but not limited to providing a model for operational costs in the following forms:
    - Annual Management Fee
    - O&M Expenses (Fixed Fee + Variable Cost)
    - Expenses for maintenance of facilities
    - Critical Repairs, Major Maintenance Costs
d. Performance Report
e. Environmental Compliance Report
f. Inventory Status Report
g. Special Reports, such as for the De-activation and Decommissioning Project, the contents of which shall be determined jointly by GPA and the CONTRACTOR prior to commencement of the project(s).
h. Any other report as required in this section and in the other sections of this bid document
i. Any other report as required by GPA, including:
    - Data for Island Wide Power System (IWPS) Report
    - Daily Production Data and Generation Loading Reports
    - Key Performance Indicators (Daily, Weekly, Monthly and Annually)

4.2 Auditable Reporting of Performance Measurements

The CONTRACTOR shall provide comprehensive weekly and monthly reporting of actual historical measurements for all performance measures as well as information on fuel deliveries and consumption. The report shall include detailed explanations of any violations of minimum guaranteed performance and requirements.

The daily, weekly and monthly reports of Performance Metrics shall include, but are not limited to:

a. EAF, EFOR, Forced Outage Hours, EPDH, EUDH
b. Details of Outages
c. Gross, Station and Net Generation
d. Fuel Consumption (HSFO, LSFO, DSL)
e. Lubricants Consumption
f. Gross and Net Heat Rate
g. Gross and Net Efficiency (KWH/gal)
h. Heating Value (daily and monthly)
i. Capacity Factor (daily and monthly)
j. Off-Spec Conditions and Variance Reporting

The CONTRACTOR shall provide the power system operators with the minimum and maximum unit commitment capabilities for the next 24 hours every day at midnight. The CONTRACTOR shall provide detailed explanations of any inability to meet desired operational levels – e.g. partial forced or scheduled capacity derations.

4.3 Weekly and Monthly Project Status

The CONTRACTOR shall provide monthly project status reports during the planning stage and weekly project status reports during the actual project implementation until the completion of the project. A report confirming that the purpose or objectives of the projects are met, and the benefits or savings are realized (when applicable) shall be provided for GPA's review.

4.4 Monthly Expenditures

The CONTRACTOR shall provide summaries of compliance/non-compliance regarding monthly expenditures. The accounting and reporting of these monthly expenditures shall conform to generally accepted accounting standards. Proper justifications and documentation, especially for overtime expenses and spending above budget, for each expenditure shall also be provided.

4.5 Incentive/Penalty Calculations

The CONTRACTOR shall provide annual reports with detailed calculations of incentive/penalty payments for the following performance measures for GPA's review and approval:

- EAF
- Heat Rate

The CONTRACTOR shall also provide annual reports on the detailed calculations of EFOR for inclusion in the Performance Evaluation.

4.6 Personnel Performance Reviews

The CONTRACTOR shall provide regular personnel performance reviews as required by standard GPA rules and regulations. The CONTRACTOR shall coordinate these regular reviews with the GPA Human Resources Division.

The CONTRACTOR shall document and archive all evidence supporting all recommendations for disciplinary action against GPA personnel under their purview as required by standard GPA rules and regulations.

4.7 Annual and Monthly Inventory Management Reports

The CONTRACTOR shall conduct an annual spare parts inventory and report on inventory values and variances in accordance with generally accepted accounting standards. Coordinate the annual inventory with GPA Accounting. The Previous Year and Current Year's inventory valuations shall be included in this report. The annual inventory

report shall also include all Inventory Proceedings, Inventory Optimization activities, accounting of Tools & Assets, and annual inventory valuation.
The CONTRACTOR shall also provide GPA with a monthly report which shall include at a minimum the following data:

- Inventory In Stock (item, quantity, cost breakdown)
- Safety Stock Status (Below Safety Stock, Not-In-Stock, On Order, etc.)
- Inventory Status (fast-moving items, slow-moving items, non-moving items, etc.)
- Updated List of Critical Parts and Inventory

4.8 Other CONTRACTOR Compliance Responsibilities

The CONTRACTOR shall comply with the following requirements and responsibilities:

a. Comply with Annual Quality Audit within Plant - The CONTRACTOR shall comply with all GPA or authorized third party quality audits.

b. Use of English & Other US Standards - All communications, correspondence, reports, engineering calculations and drawings, O&M records, documentation and other forms of verbal, electronic and written communications shall be in the English language and other US standard units of measure, forms, and formats.

c. Use of Compatible Software and Electronic Formats – All communications, correspondence, reports, engineering calculations and drawings, O&M records, documentation and other forms of electronic and written communications shall conform to formats used by the following software:

- AutoCAD;
- Microsoft Word;
- Microsoft Excel;
- Microsoft Front Page;
- Microsoft Power Point;
- Microsoft Project.

d. Availability/Outage Definition Standards - The CONTRACTOR shall calculate all availability and outage performance measurements in accordance with NERC GADS definitions.

4.9 Guam Power Authority Reporting Responsibilities

a. Monthly Review of Reported Performance Measurements

GPA or a mutually acceptable third party will verify the CONTRACTOR's actual performance and the CONTRACTOR's adherence to best practices in order to assure long-term plant viability. Thus, GPA or a third party shall critically review, in cooperation with the CONTRACTOR, the CONTRACTOR's reported measured performance in order to reach agreement on the actual level of achieved performance improvement. Discovered variances may trigger compensation dispute procedures or, in an extreme case, contract termination procedures.

b. Compensation - External Influences

GPA shall monitor, record, and report the observed measurements of all external variables that are used in the determination of CONTRACTOR compensation. GPA and the CONTRACTOR shall identify these external variables.

c. Incentive/Penalty Calculations Review

GPA will review and verify the CONTRACTOR's calculations of incentive/penalty payments. GPA and the CONTRACTOR shall, in their best efforts, reach an agreement on the actual incentive penalty payments. Discovered variances may trigger compensation dispute procedures or, in an extreme case, contract termination procedures. GPA shall also provide the Fuel Cost to be used for heat rate incentive/penalty calculations.

5.0 Contract Terms and Contract Fees

5.1 Proposed Annual Management Fees

A portion of the CONTRACTOR's compensation may be in the form of Annual Management Fees. The CONTRACTOR may propose either a constant fee for the life of the contract, or an escalating fee. Front-end loaded fees are expressly prohibited.

Services to be provided under the Fixed Management Fee include:

- On-site Technical and Management Services
- Office Space (if not available on-site)
- Office expenses
- Engineering Services for CIP development & feasibility studies
- Plant Engineering and Technical Services
- Procurement of OEM and Non-OEM Support
- Other services specified to be under the Fixed Management Fee as specified in other parts of this bid document.

5.2 Proposed O&M Spending Budget

The CONTRACTOR shall propose an O&M Spending Budget, based on the object codes specified in this bid document for each contract year. Compensation for O&M Spending will be made on a reimbursable basis not to exceed the proposed Annual O&M Spending Budget. Cost-plus reimbursement is not allowed.

5.3 GPA Contract Fee Responsibilities

GPA shall provide prompt payments to the CONTRACTOR for costs and services rendered in accordance with the Contract. Said payment shall be made within thirty (30) days of being invoiced. Should part of the invoice be challenged, GPA will at a minimum pay the unchallenged portions of the invoice under the same terms. Should GPA fail to make any payments due to the CONTRACTOR under the Contract, GPA shall pay interest to the CONTRACTOR in accordance with the provisions of the Prompt Payment Act, 5 GCA Sections 22502-22507.

5.4 Contract Period

GPA intends for this contract to be a three-year contract with options to extend annually, for a maximum of two additional 1-year extensions. The total contract period including maximum extension years shall be five (5) years.

5.5 Payment Milestones and Schedule

Payment milestones have been selected to clearly identify the actual status of the portion of the Work completed rather than anticipated project progress schedules. Payments will be based on actual completion of each milestone event, where applicable, and not on the scheduled completion date. When a change in the Agreement is approved, the total contract price will be altered to the new total, and the remaining milestone payments will be adjusted.

Milestones shall not be scheduled more frequently than once every month. GPA will not approve a milestone payment until all preceding milestones have been approved. GPA will make payments within thirty days from receipt and approval of the invoice for the completed milestone.

The payment milestones for monies due to the CONTRACTOR from GPA are as follows:

- Annual Management Fees, to be paid in twelve (12) monthly installments;
- Monthly Reimbursement Payments for Operations and Maintenance related expenditures not exceeding the following GPA-approved and allocated amounts:

Contract Year 1	Contract Year 2	Contract Year 3	Option Year 1	Option Year 2
$1,350,000.00	$1,350,000.00	$1,350,000.00	$1,350,000.00	$1,350,000.00

Reimbursement will be based on actual amounts spent by PMC.

- Reimbursement Payments Critical Repair and/or Major Maintenance projects not yet included in the O&M budget.
- Reimbursement of Inventory purchases (stock items; items issued out of warehouse will be charged against O&M budget).

The payment milestones for monies due to GPA from the CONTRACTOR are as follows:

- Penalty Compensation Payments due to CONTRACTOR's failure to meet its minimum performance guarantees, as agreed upon in Sections 7 and 8 for the following:
    * EAF – annual, through adjustment of Annual Management Fee
    * Heat Rate – annual, through adjustment of Annual Management Fee

6.0 Form of Contract

The DRAFT CONTRACT attached on the section that follows is the Form of Contract GPA intends to enter into with the CONTRACTOR. Any questions, clarifications, corrections or changes should be sent by the BIDDER to GPA prior to the deadline for proposals so it can be addressed by GPA prior to Proposal Evaluations.

Exceptions and major changes to the contract shall not be accepted upon award and Contract Finalization.

PERFORMANCE MANAGEMENT CONTRACT FOR THE GUAM POWER AUTHORITY CABRAS UNITS #1 & #2 STEAM POWER PLANT

between

GUAM POWER AUTHORITY

and

(CONTRACTOR)

OCTOBER 01, 2020

PERFORMANCE MANAGEMENT CONTRACT

This Performance Management Contract ("Contract") is made and entered into on the _____ day of_____, 2020 by and between:

CONTRACTOR, (Name of Organization), (type of organization), duly organized and existing under the laws of _____ and licensed, registered and qualified to do business in Guam with its principal address at _____;

-and-

GUAM POWER AUTHORITY, a Public Corporation with its office located at the Gloria B Nelson Public Service Building, 688 Route 15, Mangilao, Guam, 96913;

RECITALS

WHEREAS, GPA desires to efficiently operate and maintain its Cabras Steam and Slow Speed Diesel Power Plants; and

WHEREAS, GPA seeks to ensure the reliability and availability of its Cabras Steam Power Plant in order to meet capacity requirements until the new power plant is commissioned and actively operating; and

WHEREAS, the Consolidated Commission on Utilities has determined that Performance Management Contract is the preferred option for GPA to ensure continued effective generation outage planning, maintenance, and overall performance of its Cabras Steam Power Plant; and

WHEREAS, the Guam Public Utilities Commission has, through stipulation, ordered that GPA retain a CONTRACTOR for its Cabras Steam Power Plant; and

WHEREAS, GPA seeks to engage the professional services and assistance of (Name of CONTRACTOR) to provide operations, maintenance, and management services, outage planning and scheduling, budgeting, procurement, and such other services as are specified herein; and

WHEREAS, GPA, has agreed to supply fuel to the generating power station upon the terms and subject to the conditions hereinafter appearing; and

WHEREAS, (Name of CONTRACTOR) is fully willing to provide, and is capable of providing, the management, operations, maintenance and repair services set forth in the IFB and Agreement in accordance with the terms and conditions thereof.

NOW, THEREFORE, in consideration of the above premises and the mutual promises set forth herein and the terms and conditions hereinafter set forth and for other good and valuable consideration, receipt of which is hereby acknowledged; (Name of CONTRACTOR) and GPA hereby agree as follows:

SECTION 1 – DEFINITION OF TERMS

In this Agreement and in the Recitals hereto:

“Approved” The word "Approved," when applied by ENGINEER to Contractor's drawings or documents, shall mean that the drawings or documents are satisfactory from the standpoint of interfacing with GPA furnished components, and/or that ENGINEER has not observed any statement or feature that appears to deviate from the Specification requirements.

“Approved As Revised” The words "Approved As Revised," when applied by ENGINEER to Contractor's drawings or documents shall mean that the drawings or documents are approved as defined above, except that the corrections shown are required for the proper interfacing with GPA furnished components or are necessary to be in conformance with the Specification's requirements.

“Cabras 1 & 2 Units” shall mean the steam generator plant consisting of two (2) – 66 megawatt steam turbine generator units, such plant being used for baseload operations. Comprehensive information

concerning the plant's design, historical performance, operation, maintenance activities, future maintenance, capital requirements and condition assessment are fully set forth in Schedule A of GPA-035-20. The Cabras 1 & 2 Plant Technical Description is fully incorporated herein by reference.

"Change Order" A written instrument to Contractor signed by GPA authorizing an addition, deletion, or revision in the goods or special services, or an adjustment in the purchase order price or the delivery time, issued after the effective date of the Contract Agreement (Agreement).

"Claim" means any dispute or disagreement brought in accordance with the Guam Procurement Law, 5 GCA §5001 et. seq. and the Government Claims Act of Guam, 5 GCA §6001 et. seq. and the procedures thereunder.

"Commencement Date" means the date upon which CONTRACTOR assumes operational control of GPA's Cabras Units.

"Completion Date" shall have the meaning given in the Contract, or the last day of any extension of this contract.

"Contractor" The CONTRACTOR with whom GPA has entered into the Contract Agreement.

"Contract Agreement (Agreement)" The written agreement between GPA and Contractor covering the furnishing of the Goods, Special Services, and other services in connection therewith evidencing what is contemplated and agreed to between the parties including any other Contract Documents either attached to the Agreement or made a part thereof by reference therein.

"Contract Documents" The Contract Agreement, Bonds (where required), these General Conditions, any Supplementary Conditions, the Specifications, the Drawings and any other documents specifically identified in the Contract Agreement, together with all Modifications issued after execution of the Contract Agreement.

"Day" A calendar day of twenty-four (24) hours measured from midnight to the next midnight.

“Defective” An adjective which when modifying the words Goods or Special Services refers to Goods or Special Services which are unsatisfactory, faulty, deficient, do not conform to the Contract Documents, or do not meet the requirements of any inspection, reference standard, test, or approval referred to in the Contract Documents.

“Delivery Time” The total number of days or the dates stated in the Agreement for furnishing the Goods and/or Special Services.

“Deliverable Work Product” shall mean such reports, products, or services that Contractor is required to provide to the Guam Power Authority in accordance with this Contract, and such other work product as may be specified in the IFB.

“Drawings” Drawings are all official drawings approved by the ENGINEER and showing the character and scope of the Goods to be furnished.

“Effective Date of the Contract Agreement” The date indicated in the Agreement on which it becomes effective, or if no such date is indicated, the date by which the Contract is signed by both parties.

“ENGINEER” Wherever the words "ENGINEER" or "ENGINEERS" appear in the CONTRACT Documents, it shall mean GPA's engineer duly appointed as “ENGINEER”. GPA shall assign several ENGINEERs as required to cover specialized areas of expertise.

“ENGINEER's Instructions” Written instructions issued by ENGINEER which clarify or interpret the CONTRACT Documents or order minor changes or alterations in the Goods or Special Services to be furnished but which do not involve a change in the Purchase Price or the Delivery Time.

“Equivalent Availability” shall be as defined in the NERC standards.

“Final Payment” means the last payment made by GPA to CONTRACTOR after delivery and acceptance of all Services as herein specified and performed under this Agreement. For purposes of found. Error only, said term shall refer to date upon which GPA made the final or last payment due to

CONTRACTOR for a specific good, performance item, work task or service, and not the last payment made by GPA to Contractor arising from the contract.

"Force Majeure" shall mean those events or acts specified in .

Accident or Injury During Travel. GPA assumes no liability for any accident or injury that may occur to Contractor, its agents, dependents or personal property while en route to or from Guam or during any travel mandated by the terms of this Agreement.

SECTION 18 – FORCE MAJEURE of this Contract.

"Forced Outage" shall be as defined in the NERC standards.

"FTE" mean "Full Time Equivalent Employee," or the availability of one full time employee for no less than two thousand and eighty work hours in one calendar year.

"Fuel" means the Bunker -C fuel or Distillate Fuel delivered by GPA that shall have the fuel specifications described in Schedule C of the IFB.

"Fuel Specifications" means the specifications as to the quality and method of storage, supply and delivery of the fuel for Cabras 1&2 and 3&4 as described in Schedule C of the IFB.

"Fuel Supply Procedures" means the procedures and parameters for the supply and delivery of fuel by GPA described in Schedule C of the IFB.

"General Manager" The General Manager is the Chief Executive Officer of the Guam Power Authority. The office and title of General Manager shall apply to any person acting in a regular or in an acting capacity as the Chief Executive Officer of the Guam Power Authority.

"Goods" All property required to be furnished by Contractor under the procurement documents.

"Guam Power Authority" means that public corporation of the Government of Guam or its successors, which has statutory authority to operate and maintain public power on Guam.

"Heat Rate" means the ratio of the amount of heat energy required to produce a given amount of electrical energy.

"Insurance" shall have that meaning specified in SECTION 16 - INSURANCE of this Contract.

"Modification" A written amendment of the Contract signed by both parties, or Change Order, or ENGINEER's Instructions.

"Month" means the period beginning the first day of the calendar month.

"O&M Spending" means spending for certain categories of operations and maintenance expenditures for the Cabras Units 1 & 2 directly impacting GPA's total O&M costs. Such expenditures need to the optimally controlled by the contractor in order to maximize the total benefit to GPA and its customers.

"Operation & Maintenance Contract" means this Contract for the management, operation, and maintenance of the Cabras 1&2 Steam Power Plant.

"OWNER" The Guam Power Authority, a Public Corporation.

"Performance Bond" shall mean that Performance Bond or guarantee of a financial institution or similar security acceptable to the Guam Power Authority in the amount as specified in the IFB. Provision of such Performance Bond by the CONTRACTOR is a condition precedent to the formation and execution of this Contract, and failure by the Contractor to furnish a Performance Bond at the time specified and in the manner provided, or to maintain such Performance Bond in full effect during the term of this Contract, shall be grounds for cancellation of the Contract.

"Planned Outage" shall mean an outage scheduled by CONTRACTOR and GPA as defined in the NERC standards.

"Point of Delivery" The place at which property in the goods shall pass to GPA shall be CIF landed at job-site, Guam, unloaded.

"Power Stations" means the Cabras Power Plant Units 1&2 Steam Power Plant.

"Procurement Officer " The General Manager of the Guam Power Authority or the General Manager's designee.

"Project" The plant, facilities, or works the Goods and Services are to be used for or incorporated into.

"Project Scope" means the scope of the supply of work of the contractor in connection with the Project.

"PURCHASER" The Guam Power Authority with whom Contractor has entered into the Contract Agreement.

"Qualified GPA Employee" shall mean an employee who on and after the Commencement Date: (1) GPA certifies is in compliance with GPA's Drug Free Workplace Policy; (2) by reason of education, training and/or experience, possesses the requisite qualifications for and capability to perform, as established by the Civil Service Commission, the duties and responsibilities of the position to which the employee is to be assigned; (3) has had satisfactory performance reviews within GPA; (4) if assigned by GPA to the Cabras Unit 1&2 Power Plant, performs, in a manner satisfactory to CONTRACTOR.

"Scope of Services" shall mean those services set forth in Section 2 of this Contract and as indicated in IFB hereto, a copy of which is attached hereto and incorporated herein by reference.

"Seller" The Contractor.

"SITE or Site" The SITE is the area where the Project is to be executed. In this case, the SITE is the Cabras 1&2 Steam Power Plant.

"Special Services" Services to be furnished by Contractor at the Cabras Unit 1&2 Power Plant as required by the Contract Agreement.

"Termination Date" shall have the meaning given in the Contract.

"Territory" The Territory of Guam.

SECTION 2 – PURPOSE AND SCOPE OF SERVICES

2.1 Purpose. GPA hereby retains (Name of CONTRACTOR) to manage, operate and maintain the Cabras Units 1&2 Power Plant. By awarding the contract, the goal of GPA is to improve the efficiency, reliability, operations, maintenance the Cabras Units 1&2 Power Plant.

2.2 The Scope of Services to be rendered. CONTRACTOR shall be responsible for the following:

1) Management, Operation, and Maintenance of the Cabras Steam Power Plant (Cabras Units 1&2 Steam Power Plant);
2) Accomplishment of the critical repairs and major maintenance projects as well as projects ensuring the units meet or maintain availability, reliability and efficiency standards;
3) Supervision of Plant Staff;
4) Meeting Specified Performance Standards Objectives including but not limited to Unit Availability and Heat Rate;
5) Meeting all Environmental Compliance Rules and Regulations;
6) Procurement, Inventory control and management;
7) Plant De-activation, Decommissioning and Clean-up; and
8) Other Responsibilities and Duties as cited in the Invitation for Bid Documents. (Name of CONTRACTOR) shall provide those services and deliverables as set forth in the IFB.

2.3 Key Performance Indicators. (Name of CONTRACTOR) shall utilize best operation and maintenance practices, training and management techniques to accomplish key performance indicators for the Cabras Steam Power Plants including:

1) Equivalent Availability
2) Relative Heat Rate
3) Emission Guarantees
4) Other Performance Indicators as may be requested by GPA

SECTION 3 – CONDITIONS PRECEDENT

3.1 CONTRACTOR's Submittals. (Name of CONTRACTOR) shall supply the following to GPA, each in form and substance satisfactory to GPA unless such condition precedent is waived by GPA:

1) copies of resolutions adopted by (Name of CONTRACTOR)'s Board of Directors authorizing the execution, delivery and performance by (Name of CONTRACTOR) of this Agreement certified by the company secretary of (Name of CONTRACTOR) in a manner satisfactory to GPA;
2) a performance bond as specified in SECTION 26 – PERFORMANCE BOND of the Contract.
3) a copy of the Articles of the Incorporation of (Name of CONTRACTOR), certified by the company secretary in a manner satisfactory to GPA;
4) a copy of (Name of CONTRACTOR)'s license to do business in Guam.
5) a legal opinion of (Name of CONTRACTOR)'s legal counsel in form and substance the equivalent of GPA's general counsel opinion in Article 3.02(ii).

3.2 GPA's submittals. GPA shall supply the following to (Name of CONTRACTOR) form and substance satisfactory to (Name of CONTRACTOR), each in form and substance satisfactory to (Name of CONTRACTOR) unless such condition precedent is waived by (Name of CONTRACTOR):

1) copies of resolutions adopted by the Consolidated Commission on Utilities authorizing the execution, delivery and performance by GPA of this Agreement, each certified by the corporate secretary of GPA in a manner satisfactory to (Name of CONTRACTOR);

2) a legal opinion of GPA's Staff Attorney concerning corporate authority.

3.3 Insurance. (Name of CONTRACTOR) shall obtain all insurance specified in SECTION 16 - INSURANCE of this Agreement.

SECTION 4 – CONTRACT DOCUMENTS

4.1 Documents Included. It is mutually agreed that the following lists of documents which are attached hereto, bound herewith or incorporated herein by reference shall constitute the contract documents, all of which are made a part hereof, and collectively evidence and constitute the contract between the parties hereto, and they are as fully a part of this Agreement as if they were set out verbatim and in full herein, and are designated as follows:

1) MSB GPA-035-20

2) Amendments to MSB GPA-035-20

3) This Operation & Maintenance Contract

4) The Performance Bond

5) Affidavit of Disclosure of Major Shareholders

6) Audited financial information of (Name of Contractor)'s firm and all subcontractors that will be used in the Performance Management of the Cabras

Steam and Cabras Slow Speed Diesel Power Plant.

7) Certificate of Good Standing to conduct business in jurisdiction of residence

8) Non-collusion Affidavit

9) Ethical Standards Affidavit

10) No Gratuities or Kickbacks Affidavit

11) Declaration Re Compliance with US DOL Wage Determination

12) Restriction Against Sex Offenders Employed By Service Providers to Government of Guam From Working on Government of Guam Property

4.2 Discrepancies. In the case of discrepancies or conflicts between the above-referenced contract documents, this CONTRACT shall take precedence over MSB GPA-035-20, and (Name of CONTRACTOR)'s proposal submitted in response to the IFB. In case of discrepancies or conflicts between the Amendments to MSB GPA-035-20, the Amendments shall take precedent. Should (Name of CONTRACTOR) believe that there is any discrepancy or inconsistency between this Contract and the other contract documents, (Name of CONTRACTOR) shall bring such discrepancy to the attention of the General Manager before proceeding with the work affected thereby.

4.3 Presumption of Familiarity. It will be conclusively presumed that (Name of CONTRACTOR) has read, examined, and agreed to each and every term, condition, provision, covenant or agreement contained within each and every Contract Document. (Name of CONTRACTOR) is assumed to be familiar with all federal (U.S.) And local laws, ordinances, rules and regulations of Guam that in any manner affect the work. Ignorance of law on the part of (Name of CONTRACTOR) will not relieve (Name of CONTRACTOR) from responsibility.

SECTION 5 – CONTRACT TERM

5.1 Term. The term of this Operation & Maintenance Contract shall be for a three-year period commencing on or about October 1, 2020 and terminating on September 30, 2023. The contractual obligation of GPA and (Name of CONTRACTOR) is subject to the availability of funds.

5.2 Extension. Prior to the expiration of the two-year contract term, GPA may, its election, extend the contract for up to two (2) additional one-year (1-year) terms. If the Agreement shall be renewed, then the parties shall meet and discuss the new terms and conditions of the Agreement six months before Termination Date.

5.3 Notice of Extension. GPA shall notify (Name of CONTRACTOR) in writing its intent to extend the contract no later than six months before the current expiration date.

GPA shall give appropriate notice of its intentions regarding its option to exercise contract extension. The notification will include the number of years GPA intends to extend the contract, not to exceed five years.

GPA and the CONTRACTOR shall negotiate the contract extension terms based on the optimum requirements for the plant. These requirements shall be considered as starting negotiation points between GPA and the CONTRACTOR, should GPA elect to exercise the optional contract extension. Final confirmation by mutual agreement between GPA and the CONTRACTOR for contract extension shall be given after completion of negotiation no less than no later than six months before Termination Date. However, GPA may elect to reverse its decision without penalty at any time within six months of the end of the contract period based on poor CONTRACTOR performance during this period.

SECTION 6 – OPERATION OF THE POWER PLANT

6.1 Full Responsibility for Management, Operations and Maintenance. During the term of this contract and any extension thereof, (Name of CONTRACTOR) shall be responsible for the management, operation, maintenance and repair of the Cabras Units 1&2 Steam Power Plant Steam

Power Plant, including all regularly schedule preventative or remedial maintenance and any maintenance required due to plant forced outage. (Name of CONTRACTOR) shall perform its duties, to the extent permitted by Guam law, to keep the plant in good working order.

6.2 Procure OEM and Non-OEM Support as Required. (Name of Contractor) shall be responsible for procuring all OEM and Non-OEM assistance required to support the daily operation and maintenance of the plant.

6.3 Management of the O&M Budget. GPA shall approve the operations and maintenance budget for the Cabras Units 1&2 Steam Power Plant Steam Power Plant as proposed by (Name of Contractor). Said budget shall be finalized in writing and approved with execution of this Contract. (Name of CONTRACTOR) shall furnish all agreed upon and required equipment, materials and supplies, and services, keeping within this budget. GPA shall reimburse (Name of CONTRACTOR) for such expenditures as GPA has given prior written approval. In addition, GPA reserves the right to audit (Name of CONTRACTOR), using its own staff or outside resources, to ensure that (Name of CONTRACTOR) has implemented adequate cost controls.

Contractor shall develop, monitor and manage the annual plant budget. Such budget shall not be implemented without the written approval of GPA. In planning the budget, the Contractor will develop a process of justifying activities, personnel, materials and supplies, etc. in support of plant mission critical objectives.

6.4 Management Responsibility for Cabras 1&2 Power Plant Personnel. (Name of CONTRACTOR) shall provide, to the extent permitted by Guam Law, management and supervision of the staff at Cabras in the day-to-day performance of its duties in accordance with Contract requirements. The CONTRACTOR shall comply with all responsibilities for the management of personnel as required in MSB GPA-035-20.

6.5 CONTRACTOR Staffing Level. CONTRACTOR shall provide all services hereunder as an independent Contractor. For the duration of the duration of the Performance Management Contract, CONTRACTOR shall have sufficient number of FTE (Full Time Equivalent employee) physically present and available to ensure that the required services are performed. The number of physically present FTE's on Guam at any particular time during the contract period may be more or less depending on the operational status of the plant. GPA may, at its discretion, request that an employee (initial or additional) proffered by Contractor be replaced in the event that the Authority believes that such employee lacks the requisite experience or expertise. Contractor will bring personnel to Guam with such expertise as is necessary to perform the services required hereunder.

6.6 Employee Positions. The Contractor will provide appropriate staffing levels of employees, including:

1) (to be identified in the Bids)

2)

3)

6.7 Hiring of Personnel Contractors and Subcontractors. CONTRACTOR may provide, upon prior written consent of GPA, experienced personnel, contractors, and subcontractors, if required during the performance of the Services hereunder. Said personnel, contractors or subcontractors shall be under CONTRACTOR's sole and exclusive direction and control, CONTRACTOR shall remain, at all times, an independent contractor and shall be responsible for and shall promptly pay all federal, state and municipal taxes chargeable or assessed with respect to CONTRACTOR's personnel, contractors or subcontractors, including but not by any limitation, social security, unemployment, federal and state withholding, and other taxes. CONTRACTOR shall also be responsible for and pay all compensation and/or any reimbursements due to personnel, contractors, subcontractors, and no additional amounts shall

be due from the Authority.

The CONTRACTOR may, at any time, in consultation with GPA, have CONTRACTOR employees or consultants perform functions, duties, and responsibilities at the Cabras plant as CONTRACTOR determines in accordance with the scope of this contract. Reimbursement for salaries and benefits shall be based on rates approved by GPA. Reimbursement shall only be for the period the CONTRACTOR hired Employees / Consultants are employed and performing work up to the termination date of their employment / contract with CONTRACTOR.

The listings of any (Name of CONTRACTOR)/CONTRACTOR personnel, contractors or subcontractors shall be subject to the approval of GPA, commencing at the start of this contract. (Name of Contractor) shall provide a list of personnel, contractors, and subcontractors assigned to perform work under this contract for GPA's review and approval.

6.8 Provision of Listing of Personnel/Contractors/Subcontractors. (Name of Contractor) shall provide GPA with a listing of the name and address of all personnel, contractors or subcontractors, utilized by it for this project within seven (7) days of the hiring or engagement of the CONTRACTOR with such personnel, contractor or subcontractor. These listings shall be subject to GPA approval under the terms stated above.

6.9 Training. For the duration of this contract and any extension thereof, the Contractor will be responsible for all training and associated costs necessary to perform contract obligations and adhere to regulatory requirements such as OSHA or GOSHA.

6.10 Operations. CONTRACTOR shall perform and manage all responsibilities and activities pertaining to the Operation of the Cabras Units 1&2 Steam Power Plant, including all obligations specified under MSB GPA-035-20.

6.11 Environmental Compliance. The Contractor shall operate the power plant in compliance

with all environmental and other federal local laws and regulations of this agreement, requirements (US Environmental Protection Agency and Guam Environmental Protection Agency) and shall comply with any changes in such laws, regulations and permits and with any new laws and regulations.

6.12 Maintenance. CONTRACTOR shall perform and manage all responsibilities and activities pertaining to the Maintenance of the Cabras Units 1&2 Steam Power Plant, including all obligations specified under MSB GPA-035-20.

6.13 Specialized Technical and Engineering Support. Contractor shall provide ongoing technical and engineering services to plan major outages, prepare budgetary estimates for major outages, outline project critical tasks and assist in defining reasonable or realistic schedules for completion. In addition, Contractor will:

1) Utilize the GPA Computerized Maintenance and Management System (CMMS) to track repairs, preventive maintenance history, materials and labor costs, etc.

2) Ensure that all major outages are planned well in advance and are executed to meet projected budgets, time lines, and all technical specifications of the work.

3) Provide effective methods to help manage all major overhauls in specific target areas.

4) Provide engineering expertise to evaluate cost effective alternative solutions whenever generation components show greater wear and tear than expected during the outage planning study.

5) Assist in developing detailed condition assessment inspections to provide valuable data in planning a major outage for a specific targeted power plant.

6) The Contractor shall evaluate, monitor and provide recommendations on plant operating procedures, employee skill gaps and any other resources (such as

reference technical drawings, service manuals, or other tools) that are usually helpful in the efficient operation of a particular power plant.

6.14 Plant Engineering and Technical Services. CONTRACTOR shall provide plant engineering and technical services for:

a) Critical Repairs;

b) Major Maintenance Projects; and

c) Tasks related to compliance with the Guam State Implementation Plan and Consent Decrees;

d) Other repairs, projects activities or technical tasks necessary to maintain reliability, availability, efficiency; comply with regulatory requirements; align with resource implementation planning efforts; and to support GPA in other initiatives or projects.

6.15 Procurement Authority. In pursuance of its obligations to furnish equipment, materials, supplies and services; agreed by GPA, in maintaining and repairing the plant, (Name of CONTRACTOR) shall have the authority to:

1) enter into contracts for the supply of materials and services, including, contracts with GPA;

2) appoint and remove consultants and professional advisers;

3) purchase replacement parts and equipment;

4) perform other obligations as specified in MSB GPA-035-20 regarding Procurement and Outsourcing.

6.16 Plant Inventory Management. Contractor shall be responsible for the management of plant inventory, and will perform all obligations related to Plant Inventory Management including, but not

limited to

1) Maintain required spare parts inventory

2) Recommend tasks for inventory optimization

3) Account for specialized tools and assets

4) inventory management reporting

5) perform other obligations as specified in MSB GPA-035-20.

6.17 Regulatory Reporting. (Name of CONTRACTOR) shall undertake those communications and reporting requirements.

6.18 Designated Representative. Contractor has designated _____ as its primary contact for GPA with regard to the services provided hereunder. Contractor shall ensure that said person is reasonably available to GPA management in person during working hours for the term of this contract.

6.19 Compliance with Law. Contractor shall comply, and secure compliance by its subcontractors, with all applicable laws or regulations in connection with the Goods and services furnished hereunder. This includes the securing of any business or other licensing, certifications, or permits required.

If Contractor discovers any variance between the provisions of applicable laws and regulations and the drawings, Specifications, and other technical data furnished by the GPA, Contractor shall promptly notify GPA in writing thereof and obtain approval of necessary changes from GPA before proceeding with the work affected thereby.

6.20 Full Efforts. Contractor agrees to exercise reasonable business efforts to perform the required duties and responsibilities under this Agreement in accordance with the laws, rules and regulations of the Government of Guam.

6.21 Accuracy of Work. Contractor shall be responsible for the professional and technical

accuracy of all work and materials furnished under this contract. Contractor shall, without cost to GPA, correct and revise any material errors or deficiencies in its work.

6.22 Business License. Contractor agrees to obtain and keep current a Guam business license, or other licenses required by law, and to provide proof of such license to GPA.

6.23 Performance. GPA's review, approval, acceptance of and payment of fees for services required under this contract shall not be construed to operate as a waiver of any rights under this contract or of any cause of action arising out of Contractor's failure to perform in accordance with this contract.

SECTION 7 – PERSONNEL MANAGEMENT – UTILIZATION OF GPA EMPLOYEES

7.1 GPA Assignment of Existing Employees. GPA shall, unless otherwise provided for in this Section, on the Commencement Date, assign to the Cabras Units 1&2 Steam Power Plant and shall keep assigned to the Cabras Units 1&2 Steam Power Plant all Qualified GPA Employees assigned to and actually working at the power plants as of the date first written above. GPA shall make the assignments in such a manner and at such a time so as to ensure that the GPA employees so assigned are present for duty at the Cabras Units 1&2 Steam Power Plant on the Commencement Date at the times at which they are normally present.

7.2 CONTRACTOR Utilization of Existing GPA Employees. CONTRACTOR shall, unless otherwise provided for in this Section, beginning on the Commencement Date and continuing through the Termination Date, utilize all GPA employees assigned to Cabras Units 1&2 Steam Power Plant.

7.3 General Assignment. All GPA employees assigned by GPA to the Cabras Units 1&2 Steam Power Plant, at any time under any provision of this Contract shall be, at the time of their assignment, and shall, at all times during their assignment, continue to be Qualified GPA Employees and shall be assigned to Cabras Units 1&2 Steam Power Plant. Before assigning an employee Cabras Units 1&2 Steam Power Plant, GPA shall establish that the employee is a Qualified GPA Employee.

7.4 Personnel Administration. GPA shall, subject to Sections 7.5 through 7.10, perform all personnel administration functions for GPA employees assigned to the Cabras Units 1&2 Steam Power Plant. GPA shall have access to its employees assigned to the Cabras Units 1&2 Steam Power for the purpose of performing its administrative functions. Personnel administration functions shall include, but not be limited to:

1) Computation and payment of compensation; GPA shall retain its standard responsibilities for all GPA employee payroll expenses and disbursements;
2) Administration of sick leave, maternity leave, paternity leave, annual leave, military leaves of absence and such other programs providing GPA employees authorized absences;
3) Recruitment, examination and appointment of new hires;
4) Administration of employee benefit plans, health insurance, retirement plans, worker compensation plans, and such other programs for the welfare of GPA employees;
5) In-service training programs and such other training programs for which GPA employees are eligible; and,
6) Such other personnel matters not related to the maintenance, operation, and repair of the Cabras Units 1&2.

7.5 GPA Policies and Procedures. GPA shall take such actions and shall establish, to the extent not already in existence, and implement Departmental policies, procedures, or rules pursuant to appropriate authority, applicable to CONTRACTOR and to GPA employees assigned to the Cabras Unit 1&4 that facilitate and enhance CONTRACTOR's ability to efficiently and effectively repair, operate, and maintain the Cabras Units 1&2 Steam Power Plant and which, at a minimum, provide for:

1) In the event that GPA disciplines any GPA employee assigned to the Cabras Units 1&2 Steam Power Plant and imposes the adverse action of suspension ("Disciplined Employee"), GPA shall provide a substitute employee who shall be a Qualified GPA Employee ("Substitute Employee") for the position then occupied by the Disciplined Employee. The Substitute Employee shall work at the Cabras Units 1&2 Steam Power Plant for the period beginning on the day before the suspension of the Disciplined Employee and continuing through the day after the suspension ends. This requirement for GPA to provide a Substitute Employee also applies to a suspension of an employee during the notice period of the disciplinary procedures and when an employee is placed on administrative leave pending adverse action.

2) CONTRACTOR approval of GPA employee absences for sick leave, maternity leave, paternity leave, family medical leave, annual leave, military leaves of absence and such other programs providing for GPA employee authorized absences. CONTRACTOR shall grant approval in accordance with applicable Civil Service Regulations and shall not unreasonably deny employee requests for authorized absence. CONTRACTOR disapproval of GPA employee requests for authorized absence shall be based solely upon scheduling needs to ensure the safe and efficient repair, operation, and maintenance of the Cabras Units 1&2 Steam Power Plant;

3) CONTRACTOR authority to schedule extended hours, staggered hours, flexible hours and Sunday working hours as CONTRACTOR may determine necessary to

ensure the safe and efficient refurbishing, operation, and maintenance of the Cabras Units 1&2 Steam Power Plant;

4) CONTRACTOR authority to make cash awards to GPA employees using CONTRACTOR funds. CONTRACTOR shall have sole discretion making such cash awards as an incentive for superior work performance or other significant contribution by an individual GPA employee to the safe and efficient repair, operation, and maintenance of the Cabras Units 1&2 Steam Power Plant based upon employee superior performance as evaluated by CONTRACTOR.

5) CONTRACTOR authority and discretion to counsel or issue written warnings to individual employees for unsatisfactory work performance and violations of work rules, conduct rules, safety procedures, or other conduct CONTRACTOR determines to be detrimental to the safe and efficient repair, operation, and maintenance of the Cabras Units 1&2 Steam Power Plant. In its sole discretion, GPA may take disciplinary action, as it deems appropriate. CONTRACTOR shall cooperate and assist GPA by providing such witnesses and evidence as GPA may reasonably request to support any disciplinary action. CONTRACTOR may request disciplinary action but shall not have authority to initiate or direct disciplinary action against any individual GPA employee; provided, however, that GPA shall use its best efforts to proceed promptly, diligently, and thoroughly to process all requests and take such disciplinary action as requested by CONTRACTOR if reasonable under the circumstances, including, but not limited to the immediate suspension of GPA employees during the notice period of GPA's disciplinary procedures, or placing employee on

administrative leave pending adverse action, if their continued presence would interfere with the safe and efficient operation of the Cabras Units 1&2 Steam Power Plant or the safety and health of persons or if the suspension was necessary to eliminate the possibility of deliberate damage to equipment, property, or important documents;

6) GPA and CONTRACTOR, upon request, must provide all information relating to employee activities necessary to the management and GPA employees assigned to Cabras Units 1&2 Steam Power Plant.

7) CONTRACTOR has the authority and responsibility to prepare the official performance appraisals for all GPA employees assigned to Cabras Units 1&2 Steam Power Plant in accordance with the established GPA Personnel Rules and Regulations and performance evaluation procedures; and,

8) Appropriate implementation of Section 6.2 through 6.12.

7.6 CONTRACTOR Plant Management. CONTRACTOR shall have the authority to establish work rules, assign and direct the work of the GPA work force, make work schedules, establish safety procedures, prescribe training and approve attendance at training, and any other necessary management actions in performing the requirements of this Contract; provided however, that CONTRACTOR shall act in consultation and coordination with GPA on such matters. CONTRACTOR shall have the sole discretion in selecting methods and means to accomplish the refurbishing, operation, and maintenance of the Cabras Units 1&2 Steam Power Plant.

7.7 Assignment to Position. The assignment of GPA employees to the Cabras Units 1&2 Steam Power Plant shall be to a specific position within each power plant.

7.8 No Reassignment Without CONTRACTOR Consent. GPA shall not cause the assignment of any Qualified GPA Employee assigned to the Cabras Units 1&2 Steam Power Plant to cease without the consent of CONTRACTOR; such consent shall not be unreasonably withheld.

7.9 CONTRACTOR may, at any time, with prior written approval from GPA, have CONTRACTOR employees or consultants perform functions, duties, and responsibilities at the Cabras Units 1&2 Steam Power Plant and 3&4 as CONTRACTOR determines in accordance with the scope of the CONTRACTOR.

7.10 CONTRACTOR shall cooperate with GPA in GPA's personnel administration under Section 6.10 to the extent that CONTRACTOR has a role in the supervisory process.

7.11 CONTRACTOR Vacancies – Consideration of GPA Employees. When CONTRACTOR hires to fill positions at the Cabras Units 1&2 Steam Power Plant, CONTRACTOR shall give due consideration, to all Qualified GPA Employees or retirees, who at the time of their retirement were Qualified GPA Employees who apply. CONTRACTOR and GPA may meet and confer to discuss the development of plans whereby CONTRACTOR could hire retirees of GPA.

SECTION 8 – SUPPLY OF FUEL

8.1 During the term of this agreement, GPA shall at all times supply all fuel necessary for Cabras Units 1&2 Steam Power Plant to generate the electricity for dispatch by GPA.

8.2 The cost of the fuel to be supplied by GPA pursuant to this Section shall be for GPA’s account.

8.3 All fuel to be supplied by GPA shall be of the quality and supplied and delivered in the manner described in the IFB.

8.4 All fuel shall be tested as provided in the IFB.

8.5 GPA shall ensure that at all times the necessary stocks of fuel are available for storage at

the fuel storage tanks of Cabras Units 1&2 Steam Power Plant.

8.6 The Contractor shall prepare weekly fuel schedules showing anticipated times and Quantities of fuel to be utilized by Cabras Units 1&2 Steam Power Plant and GPA shall be responsible for ensuring the availability of fuel supplies, for the payment therefore and for all arrangements with the suppliers.

SECTION 9 – DUTIES AND RESPONSIBILITIES OF GPA

9.1 Cooperation. GPA agrees to make its management and staff available to Contractor so that Contractor can provide the services required hereunder.

9.2 Availability of Records. GPA shall take all steps to ensure that documentation required by Contractor for performance of its duties are available to Contractor. GPA will promptly assist Contractor in obtaining such information as is needed by Contractor to perform the services hereunder.

9.3 Responsibility for Transmission Lines. GPA, at its own cost, will be responsible for the maintenance and repair of all the transmission lines and switchgear within the switchyard and on the GPA grid to ensure that at all times they are capable of accepting the energy and capacity provided by Cabras Units 1&2 Steam Power Plant.

9.4 GPA/Contractor Steering Committee. GPA and the Contractor shall organize a Steering Committee, which shall, from time to time, meet and discuss and agree on safety and technical guidelines for the operation of Cabras Units 1&2 Steam Power Plant and for the maintenance, repair and safety/security of the Unit. The Contractor shall operate Cabras Units 1&2 Steam Power Plant within such guidelines.

SECTION 10 – COMPENSATION FOR SERVICES

10.1 Payment. GPA shall pay Contractor for costs and services rendered hereunder in accordance with this Agreement. Said payment shall be made within 30 days of being invoiced. Should

part of the invoice be challenged, GPA will at a minimum pay the unchallenged portions of the invoice under the same terms as above. Should GPA fail to make any payment due to (Name of Contractor) under this Agreement, GPA shall pay interest to (Name of Contractor) in accordance with the provisions of the Prompt Payment Act, 5 GCA Sections 22502-22507.

10.2 Contract Price. The Contract Price constitutes the total consideration to be paid by GPA to Contractor for the complete delivery of the Goods, Special Services, and for performing other services in connection therewith in accordance with the Contract Documents as amended by the parties pursuant to the Agreement. Unless expressly provided otherwise in the Contract Documents, the Contract Price is not subject to escalation in respect of materials and/or labor cost or any other factor or variation in rates of exchange, and all duties, responsibilities, and obligations assigned to or undertaken by Contractor shall be at its expense without change in the Contract Price. Charges, fees, Contractor's profit, and all other expense shall be deemed to be included in the Contract Price. Furthermore, the Contract Price includes management fees and incentive/penalty payments. Therefore, the Contract Price is dynamic but bounded.

Only a formal Change Order request, accepted by GPA, may change the Contract Price. Contractor shall make any claim for an increase in the Contract Price in advance of performance of any such changes. However, GPA reserves the right to challenge or refute such claims.

10.3 Payment Milestones and Schedule. Payment milestones have been selected to clearly identify the actual status of the portion of the Work completed rather than anticipated project progress schedules. Payments will be based on actual completion of each milestone event, where applicable, and not on the scheduled completion date. When a change in the Agreement is approved, the total contract price will be altered to the new total, and the remaining milestone payments will be adjusted.

Milestones shall not be scheduled more frequently than once every month. GPA will not approve a milestone payment until all preceding milestones have been approved. GPA will make payments within thirty days from receipt and approval of the invoice for the completed milestone.

The payment milestones for monies due to the Contractor from GPA are as follows:

1) Annual Management Fees;

2) Reimbursement Payments for Operations and Maintenance related expenditures as agreed to and scheduled between GPA and the Contractor, not to exceed O&M budget approved and allocated by GPA;

3) Reimbursement Payments for Capital Expenditures or Major O&M work and related expenditures as agreed to and scheduled between GPA and the Contractor;

4) Incentive Compensation Payment

5) Payment Compensation Payments due to GPA from the Contractor based on Contractor's failure to meet its minimum performance guarantees.

10.4 The cost of management fees under this Agreement shall remain fixed during the term of this Agreement. As stated, the total amount of fees includes all travel costs, living allowances, expenses, and all other matters related to the price of this contract. The total contract price is intended to be all inclusive of costs and expenses related to performance hereunder.

10.5 Contractor shall submit for review by GPA monthly invoices accompanied by a progress report describing the work performed during the compensation period. All payments to Contractor shall be free of any deductions, including but not limited to withholding taxes.

10.6 The amounts paid or reimbursed to Contractor shall in no event exceed the dollar amount indicated above except upon prior written agreement by the parties. Prior to incurring any expense not

contemplated in the total fee, Contractor shall request prior approval of any such additional expense from GPA. No such expense shall be reimbursable unless approved in advance by GPA.

10.7 Final payment shall be made upon delivery and acceptance of all Services as herein specified and performed under this Agreement. Prior to final payment, and as a condition precedent thereto, Contractor shall execute and deliver to the Authority a release of any claims arising under and by virtue of this Agreement against the Authority except any identified written claims in existence at the time of the final payment.

10.8 The prices and costs set forth in this Agreement are based on the assumption that the Services performed will be subject to the Guam Gross Receipts Tax. Contractor is responsible for payment of any applicable taxes.

SECTION 11 - TERMINATION

11.1 Order to Stop Work. The Procurement Officer may, by written order to the Contractor, at any time, and without notice to any surety, require the Contractor to stop all or any part of the work called for by this contract. This order shall be for a specified period not exceeding ninety-days (90-days) after the order is delivered to the Contractor, unless the parties agree to any further period. Any such order shall be identified specifically as a stop work order issued pursuant to this clause. Upon receipt of such an order, the Contractor shall forthwith comply with its terms and take all reasonable steps to minimize the occurrence of costs allocable to the work covered by the order during the period of work stoppage. Before the stop work order expires, or within any further period to which the parties shall have agreed, the Procurement Officer shall either:

1) Cancel the stop work order; or

2) Terminate the work covered by such order, as provided in the 'Termination for Default Clause' or the 'Termination for Convenience Clause of this contract.

11.2 Cancellation of Expiration of the Order. If a stop work order issued under this clause is canceled at any time during the period specified in the order, or if the period of the order or any extension thereof expires, the Contractor shall have the right to resume work. An appropriate adjustment shall be made in the delivery schedule or contract price shall be modified in writing accordingly, if:

1) The stop work order results in an increase in the time required for, or in the Contractor 's cost properly allocable to, the performance of any part of this contract; and

2) The Contractor asserts a claim for such an adjustment within thirty (30) days after the end of the period of work stoppage; provided that, if the Procurement Officer decides that the facts justify such action, any such claim asserted may be received and acted upon at any time prior to final payment under this contract.

11.3 Termination of Stopped Work. If a stop work order is not canceled and the work covered by such order is terminated for default or convenience, the reasonable costs resulting from the stop work order shall be allowed by adjustment or otherwise.

11.4 Termination. The Procurement Officer may, when the interest of GPA so requires, terminate this contract in whole or in part, for the convenience of' GPA. The Procurement Officer shall give written notice of the termination to the Contractor specifying the part of the contract terminated and when termination becomes effective.

11.5 Contractor's Obligations. The Contractor shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the Contractor will stop work to the extent specified. The Contractor shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The Contractor shall settle the liabilities and claims arising out of the termination of subcontracts and orders connected with the terminated work. The Procurement Officer may direct the Contractor to assign the Contractor's right, title, and interest under terminated orders or subcontracts to the GPA. The Contractor must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

11.6 Rights to Supplies. The Procurement Officer may require the Contractor to transfer title and deliver to GPA in the manner and to the extend directed by the Procurement Officer:

1) Training material;

2) Any completed supplies; and,

3) Such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawings, information and contract rights (hereinafter called "manufacturing material") as the Contractor has specifically produced or specially acquired for the performance of the terminated part of this contract. The Contractor shall, upon direction of the Procurement Officer , protect and preserve property in the possession of the Contractor in which GPA has an interest. If the Procurement Officer does not exercise this right, the Contractor

shall use best efforts to sell such supplies and manufacturing materials in accordance with the standards of **Uniform Commercial Code of Guam (UCCG), Section 2706.** Utilization of this Section in no way implies that GPA has breached the contract by exercise of the Termination for Convenience Clause.

11.7 Compensation Under Termination for Convenience. The Contractor shall perform the following for compensation under termination for convenience.

1) The Contractor shall submit a termination claim specifying the amounts due because of the termination for Convenience together with cost or pricing data to the extent required by **Section 3403 (Cost or Pricing Data) of the Guam Procurement Regulations** bearing on such claim. If the Contractor fails to file a termination claim within one year from the effective date of termination, the Procurement Officer may pay the Contractor, if at all, an amount set in accordance with subparagraph (c) of this Paragraph.

2) The Procurement Officer and the Contractor may agree to a settlement provided the Contractor has filed a termination claim supported by cost or pricing data to the extent required by **Section 3403 (Cost or Pricing Data) of the Guam Procurement Regulations** and that the settlement does not exceed the total contract price plus settlement costs reduced by payments previously made by GPA, the proceeds of any sales of supplies and manufacturing materials, and the contract price of the work not terminated.

3) Absent complete agreement under Subparagraph (b) of this Paragraph, the Procurement Officer shall pay the Contractor the following amounts, provided payments agreed to under Subparagraph (b) shall not duplicate payments under this subparagraph:

a. Contract prices for supplies or services accepted under the contract;

b. Costs incurred in preparing to perform and performing the terminated portion of the work plus a fair and reasonable profit on such portion of the work (such profit shall not include anticipatory profit or consequential damages) less amounts paid or to be paid for accepted supplies or services; provided, however, that if it appears that the Contractor would have sustained a loss if the entire contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

c. Costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to **Paragraph 11.7** of this clause. These costs must not include costs paid in accordance with other subparagraphs of this Paragraph;

d. The reasonable settlement costs of the Contractor including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the contract for the termination and settlement of subcontracts there under, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this contract. The total sum to be paid the Contractor under this Subparagraph shall not exceed the total contract price plus the reasonable settlement costs of the Contractor reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under subparagraph (b) of this Paragraph, and the contract price of work not terminated.

e. Cost claimed, agreed to, or established under subparagraph (b) and (c) of

this Paragraph shall be in accordance with **Chapter 7 (Cost Principles) of the Guam Procurement Regulations, 13 GCA 2706. All references in said regulations to "seller" shall be deemed to refer to "contractor" herein.**

11.8 Termination for Default. If the Contractor refuses or fails to perform any of the provisions of this contract with such diligence as will ensure its completion within the time specified in this contract, or any extension thereof, otherwise fails to timely satisfy the contract provisions, or commits any other substantial breach of this contract, the Procurement Officer may notify the Contractor in writing of the delay or non-performance and if not corrected in ten days or any longer time specified in writing by the Procurement Officer, such officer may terminate the Contractor's right to proceed with the contract or such part of the contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part the Procurement Officer may procure similar supplies or services in a manner and upon terms deemed appropriate by the Procurement Officer. The Contractor shall continue performance of the contract to the extent it is not terminated and shall be liable for excess cost incurred on procuring similar goods or services.

11.9 Contractor's Duties. Notwithstanding termination of the contract and subject to any directions from the Procurement Officer, the Contractor shall take timely, reasonable, and necessary action to protect and preserve property in the possession of the Contractor in which GPA has an interest.

11.10 Compensation. Payment for completed supplies delivered and accepted by the GPA shall be at the contract price. Payment for the protection and preservation of property shall be in an amount agreed upon by the Contractor and the Procurement Officer; if the parties fail to agree, the Procurement Officer shall set an amount subject to the Contractor's rights under Chapter 9 (Legal and Contractual Remedies) of the Guam Procurement Regulations. The GPA may withhold from amounts due the Contractor such sums as the Procurement Officer deems to be necessary to protect the GPA against loss because of outstanding liens or claims of former lien holders and to reimburse the

PURCHASER for the excess costs incurred in procuring similar goods and services.

11.11 Excuse for Non-Performance or Delayed Performance. Except with respect to defaults of subcontractors, the Contractor shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by the Contractor to make progress in the prosecution of the work hereunder which endangers such performance) if the Contractor has notified the Procurement Officer within fifteen (15) days after the cause of the delay and the failure arises out of causes constituting a “force majeure” or “act of god” as defined in paragraph .

11.12 Accident or Injury During Travel. GPA assumes no liability for any accident or injury that may occur to Contractor, its agents, dependents or personal property while en route to or from Guam or during any travel mandated by the terms of this Agreement.

11.13 SECTION 18 – FORCE MAJEURE of this agreement.

11.14 Erroneous Termination for Default. If, after notice of termination of the Contractor's right to proceed under the provisions of this clause, it is determined for any reason that the Contractor was not in default under the provisions of this clause, or that the delay was excusable under the provisions of Paragraph 8.3.4 (Excuse for Nonperformance or Delayed Performance) of this clause, the rights and obligations of the parties shall, if the contract contains a clause providing for termination for Convenience of GPA, be the same as if the notice of termination had been issued pursuant to such clause. If, in the foregoing circumstances, this contract does not contain a clause providing for termination for Convenience of GPA, the contract shall be adjusted to compensate for such termination and the contract modified accordingly subject to the Contractor's rights under Chapter 9 (Legal and Contractual Remedies) of the Guam Procurement Regulations.

11.15 Additional Rights and Remedies. The rights and remedies provided in this clause are in addition to any other rights and remedies provided by law or under this contract.

11.16 Termination by Contractor. If, within thirty (30) days after payment of a proper and correct invoice is due from GPA to CONTRACTOR, and upon ten (10) days written notice from

CONTRACTOR to GPA, CONTRACTOR may terminate this agreement.

11.17 Work Product. Upon such termination of this Agreement, all briefs, reports, summaries, completed work, and work in progress, and such other information and materials as may have been accumulated by Contractor in performing this Agreement shall, in the manner and to the extent determined by GPA, become the property of and be delivered to GPA. Contractor may retain a copy of all work that it produces.

11.18 Extension. This Agreement may be extended only upon the written mutual agreement of the parties. The provisions of any such renewal term will be in accordance with the written agreement of the parties.

11.19 No Continuing Obligations. Upon termination of this Agreement, as herein above provided, neither party shall have any further obligation hereunder except for (i) obligations accruing prior to the date of termination, and (ii) obligations, promises or covenants which are expressly made to extend beyond the term of this Agreement.

11.20 Bankruptcy. GPA shall have a right to terminate this Agreement if Contractor [including, for purposes of this paragraph, any parent subsidiary or affiliate thereof]: shall file a petition in bankruptcy or shall be adjudicated bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, dissolution or similar relief under any law or regulation relating to bankruptcy, insolvency or the rights of creditors generally; shall seek or consent to or acquiesce in the appointment of a trustee for, or a receiver for liquidation of, its business or affairs; shall make an assignment for the benefit of creditors; or there shall be filed against Contractor, its parent company, affiliates, or subsidiaries an involuntary petition in bankruptcy or any proceeding seeking to reorganize, dissolve or liquidate such companies; or if a trustee or receiver shall be appointed for or over the business or property of any of them.

SECTION 12 – RELATIONSHIP OF THE PARTIES

12.1 Personnel of Contractor. Contractor may provide, upon prior written consent of GPA, additional experienced professional personnel, hereinafter referred to as "Employee", if required

during the performance of the Services hereunder. Employee shall be under Contractor's sole and exclusive direction and control, and for no purposes shall such Employee be considered an employee of GPA. Contractor shall remain at all times, an independent contractor and shall be responsible for and shall promptly pay all federal, state and municipal taxes chargeable or assessed with respect to Contractor's employees, including but not by any way of limitation, social security, unemployment, federal and state withholding, and other taxes. Contractor shall also be responsible for and pay all compensation and/or any reimbursements due Employee, and no additional amounts shall be due from the Authority. The Authority may, at its discretion, request that an Employee (initial or additional) proffered by Contractor be replaced in the event that the Authority determines that such Employee lacks the requisite experience or expertise.

12.2 Duty To Inform Employees. It is Contractor's duty and obligation to inform Employees of (1) applicable GPA rules and regulations; and (2) the proprietary nature of information and the need to guard its secrecy per Section 12 hereof.

12.3 Independent Contractor Status. It is expressly understood and agreed that, in the performance of Services under this Agreement, Contractor and its personnel/employees shall at all times act as an independent contractor with respect to GPA, and not as an employee or agent of GPA. Further, it is expressly understood and agreed by the parties that nothing contained in this Agreement shall be construed to create a joint venture, partnership, association, or other affiliation or like relationship between the parties, or a relationship of landlord and tenant, it being specifically agreed that their relationship is and shall remain that of independent parties to a contractual relationship as set forth in this Agreement.

12.4 Provision of Listing of Personnel/Contractors/Subcontractors. Contractor shall provide GPA with a listing of the name and address of all personnel, contractors or subcontractors utilized by it for this project within seven (7) days of the hiring or engagement of such personnel, contractor or subcontractor by Contractor.

12.5 No Employment Benefits To Contractor. There shall be no employee benefits to

Contractor occurring from this Agreement such as:

1) Insurance coverage provided by GPA.

2) Participation in the Government of Guam retirement system.

3) Accumulation of vacation leave or sick leave.

12.6 No Withholding By GPA. There shall be no withholding of taxes by GPA.

12.7 No Employment Benefits To Contractor, Its Employees Or Personnel. No person providing services on behalf of Contractor pursuant to this Agreement shall have any claim under this Agreement or otherwise against GPA for salary, vacation pay, paid sick leave, retirement benefits, social security, workers compensation, health, disability, professional malpractice, or unemployment insurance benefits or other employee benefits of any kind. Contractor understands and agrees that (i) its employees or personnel who provide services under this Agreement will not be treated as GPA employees for tax purposes, (ii) GPA will not withhold on behalf of Contractor's employees or personnel any sums for income tax, unemployment insurance, social security, or any other withholding pursuant to any law or requirement of any governmental body or make available any of the benefits afforded to employees of GPA, and (iii) all of such payments, withholdings, and benefits, if any, are the sole responsibility of Contractor.

12.8 Payment of Taxes. Contractor will be responsible for paying all taxes applicable to them as an independent contractor, including but not limited to, GRT, income tax, or any other tax.

12.9 Representation. Contractor and its personnel are not authorized to make representations on behalf of GPA without GPA's express consent.

SECTION 13 – OWNERSHIP OF INFORMATION, DATA AND DOCUMENTS

13.1 Title. Title to, ownership and copyright in all deliverables shall vest in GPA, and such materials shall be delivered to GPA upon completion of the Services or upon request of GPA. Contractor shall obtain and/or execute any necessary documents for GPA to perfect or protect such ownership. Any materials retained by Contractor shall be treated in accordance with GPA's Record Retention Policy.

13.2 Previously Created Materials. Ownership of materials previously created by Contractor, which may be used as part of the Services, shall continue to be property of Contractor.

13.3 Conveyance To GPA. The entire right, title and interest, including copyright in all deliverables hereunder shall be transferred to and vested in GPA. The parties expressly agree to consider as works made for hire those works ordered or commissioned by GPA, which qualify as such in accordance with copyright laws. For all such original works, Contractor agrees to provide documentation satisfactory to GPA to ensure the conveyance of all such right, title and interest, including copyright, to GPA.

13.4 Proprietary Rights Indemnification. Contractor warrants that any material furnished by Contractor will not infringe upon or violate any copyright, trade secret or any other proprietary right of any third party.

SECTION 14 – CONFIDENTIAL AND TRADE SECRET INFORMATION

14.1 Protection of Trade Secret. Contractor and its employees upon coming into contact with or receiving directly from GPA confidential and/or trade secret information, will be bound by any protective order relating to this information. Contractor and employees will treat all information received by it during the term of this Agreement as strictly confidential and will not disclose such information in any form, to third parties or internally within Contractor's firm to employees without a need to know such information, without the express written permission of GPA. Confidential information, whether magnetically stored or not must be secured. Contractor will control access to such material and ensure that no breach of confidentiality occurs. Contractor, on receiving requests or orders for information in the form of questions, interrogatories, etc. from non GPA sources, will advise GPA immediately by telephone and follow-up by providing copies of such requests.

14.2 Proprietary Information. Any information, whether or not protected by patent or copyright, including, but not limited to, programs, files, specifications, drawings, sketches, models, samples, tools, business information, technical information or other data, written or otherwise (hereinafter "Information"), which has been furnished or disclosed to Contractor shall remain GPA's

property and shall be treated by Contractor as being proprietary information. Information shall not be reproduced, published or disclosed to any third party; or utilized by Contractor for any other purposes without the prior written consent of GPA. All copies of the information shall be returned to GPA immediately upon request after the conclusion of Services; provided, however, that Contractor may maintain the professionally mandated work paper record of its Services.

14.3 Previous Information. Contractor shall have no obligation to preserve the proprietary nature of any information, which was previously known to Contractor free of any obligation to keep confidential; or is disclosed to third parties by GPA without restriction; or is or becomes publicly available by other than unauthorized disclosure.

SECTION 15 –ACCESS TO RECORDS AND OTHER REVIEW

Contractor shall maintain all books, documents, papers, accounting records and other evidence pertaining to costs incurred and to make such materials available at its offices at all reasonable times during the contract period and for three (3) years from the date of the final payment under this Agreement, for inspection by the Authority.

SECTION 16 - INSURANCE

16.1 Insurance Required. Contractor shall not commence work under this contract until he has obtained all insurance required under this section and owner has approved such insurance, nor shall the Contractor allow any Subcontractor to commence work on this subcontract until all similar insurance required of the Subcontractor has been so obtained and approved. He shall maintain all insurance required during the course of the work and the period of the performance management contract.

16.2 Contractors and Subcontractors Insurance. Prior to commencing work, Contractor shall obtain and thereafter maintain during the course of the work Insurance with companies acceptable to GPA leave. The Contractor shall not allow any Subcontractor to commence work on his subcontract until all similar insurance required of the Subcontractor has been so obtained and approved. The limits of insurance shall be as follows unless a higher limit is required by statute:

PART 1: MINIMUM INSURANCE REQUIREMENTS

A. General Liability Insurance including products, completed operations and contractual liability coverage in the amount of $2,000,000 per occurrence and $2,000,000 aggregate.

i. Policy must be primary and non-contributory with endorsements attached.

ii. GPA shall be named as an Additional Insured.
iii. Waiver of subrogation shall be in favor of GPA
iv. Cancellation clause of minimum 90 days prior written notice to GPA. GPA must be given minimum 90 days prior written notice for any material changes in the policy or cancellation of the policy.

B. Commercial Auto Liability insurance covering third party bodily injury and property damage in the amount of $1,000,000 combined single limit per occurrence.

i. Policy must be primary and non-contributory with endorsements attached.
ii. GPA shall be named as an Additional Insured.
iii. Waiver of subrogation shall be in favor of GPA
iv. MCS 90 Endorsement
v. Cancellation clause of minimum 90 days prior written notice to GPA. GPA must be given minimum 90 days prior written notice for any material changes in the policy or cancellation of the policy.

C. Excess Liability insurance over the General Liability and the Commercial Auto Liability with limits of $25,000,000 or higher per occurrence/ $50,000,000 aggregate.

i. Policy must be primary and non-contributory with endorsements attached.
ii. GPA shall be named as an Additional Insured.
iii. Waiver of subrogation shall be in favor of GPA
iv. MCS 90 Endorsement
v. Cancellation clause of minimum 90 days prior written notice to GPA. GPA must be given minimum 90 days prior written notice for any material changes in the policy or cancellation of the policy.

D. Worker's Compensation and Employer's Liability Insurance – Statutory Limits.

i. Policy must be primary and non-contributory with endorsements attached
ii. GPA shall be named as an Additional Insured.
iii. Waiver of subrogation shall be in favor of GPA
iv. Cancellation clause of minimum 90 days prior written notice to GPA. GPA must be given minimum 90 days prior written notice for any material changes in the policy or cancellation of the policy.

E. Pollution Liability Insurance including Transportation pollution liability, and clean-up costs in the amount of $25,000,000 each claim.

i. Policy must be primary and non-contributory with endorsements attached.
ii. GPA shall be named as an Additional Insured.
iii. Waiver of subrogation shall be in favor of GPA
iv. Cancellation clause of minimum 90 days prior written notice to GPA.

GPA must be given minimum 90 days prior written notice for any material changes in the policy or cancellation of the policy.

F. Professional Liability Insurance including in the amount of $10,000,000 each claim.

i. Policy must be primary and non-contributory with endorsements attached.

ii. GPA shall be named as NAMED INSURED
iii. GPA shall be named as a Loss Payee
iv. Cancellation clause of minimum 90 days prior written notice to GPA. GPA must be given minimum 90 days prior written notice for any material changes in the policy or cancellation of the policy.

G. Contractors All Risk or Builders Risk Insurance

i. Minimum Limits, deductibles, sub-limits, coverage, and property descriptions per contract or project description.
ii. Policy must be primary and non-contributory with endorsements attached.
iii. GPA shall be named as a **NAMED INSURED**
iv. GPA shall be named as a Loss Payee
v. Waiver of subrogation shall be in favor of GPA
vi. Cancellation clause of minimum 90 days prior written notice to GPA. GPA must be given minimum 90 days prior written notice for any material changes in the policy or cancellation of the policy.

If applicable, fuel /hazardous materials transport:

H. General Liability and the Commercial Auto Liability with limits of $5,000,000 or higher per occurrence.

vii. Policy must be primary with primary wording endorsement attached.
viii. GPA shall be named an additional insured
ix. Waiver of subrogation shall be in favor of GPA
x. Cancellation clause of minimum 60 days prior written notice to GPA
xi. Policy must have **MCS 90 Endorsement**

All policies must contain the following endorsement and on the Certificate of Insurance:

I. Cancellation Clause of minimum 90 days prior written notice to GPA.

GPA must be given minimum 90 days prior written notice before any material changes in the policy or cancellation of the policy can take effect. Written notice must be addressed to:

Guam Power Authority
Chief Financial Officer
PO BOX 2977
Hagatna, GU 96932-2977

Certificate of insurance must contain this wording to be acceptable.

PART II: PROPERTY INSURANCE SCHEDULE OF LIMITS/ DEDUCTIBLES

MINIMUM LIMITS OF LIABILITY

A. INTEREST:
Real and Personal property of the Named Insured including
Property in their care, custody and control, Vehicles on the Insured Premises, Pipelines, Transmission & Distribution lines within 1,000 feet of the lnsured's generating locations, Communication Towers, Transformers, Mobile Equipment, Accounts Receivable, Electronic Data Processing Equipment and/or Media and/or Data (including full reproduction costs), Valuable Papers, Personal Property of Employees, Property in the due course of Inland Transit, Leasehold Interest, Property whilst in the incidental course of construction and/or installation and/or fabrication and/or assembly (including testing and commissioning), Business Interruption, Extra Expense, Expediting Expense and all as more fully described herein.

B. LIMITS OF LIABILITY:

Policy limit	USD $100,000,000 per occurrence for Property Damage
Business Interruption	USD $5,000,000

C. SUBLIMITS respects perils:

Natural Perils	USD $25,000,000

(Including windstorm, earthquake, flood, volcanic Interruption and likely further perils)

D. SUBLIMITS respects coverage clause/interest:

Automatic Acquisitions, Additions and Extensions	USD $10,000,000
Debris Removal	USD $10,000,000 (or 25% whichever the greater)
Offsite Storage	USD $10,000,000
Documents & Data	USD $5,000,000
Customers & Suppliers - 1st Tier	USD $10,000,000
Errors & Omissions	USD $ 5,000,000
Expediting Expense	USD$ 5,000,000
Inland Transit	USD $10,000,000
Extra Expense	USD $10,000,000
Professional Fees	USD $2,500,000
Fire Fighting	USD $2,500,000

DEDUCTIBLES: USD $250,000 per occurrence except:

PHYSICAL DAMAGE:
- Machinery Breakdown USD $500,000 per occurrence
- Named Windstorm 2.5% of Loss

Business Interruption: 30 Days Waiting Period per occurrence except:
- Machinery Breakdown 45 Days waiting period per occurrence
- Named Windstorm 45 Days waiting period per occurrence

16.3 Certificate of Insurance. Contractor shall furnish certificates of insurance and waiver

of subrogation endorsement to GPA prior to commencement of work showing evidence of such coverage, including the statement to the effect that cancellation or termination of the insurance shall not be effective until at least (10) days after receipt of written notice to owner. At all times Contractor's insurance shall be primary to any other insurance that may be carried by GPA. The statement of limits of insurance coverage shall be construed as in any way limiting the Contractor's liability under this agreement. GPA shall be an additional insured on all liability coverage and certificates of insurance shall clearly indicate such.

16.4 Insurance Company and Agent. All insurance policies herein required of the Contractor shall be written by a company duly authorized and licensed to do business in Guam and be executed by some agent thereof duly licensed as an agent in Guam.

16.5 GPA Insurance. GPA agrees that it will keep the property and machinery and equipment insured, at a minimum, against loss or damage by fire with extended coverage endorsement for full replacement value as determined by GPA from time to time. Such insurance shall be issued by financially responsible insurers duly authorized to do business in the state or territory where the property is located and shall contain the standard form of waiver of subrogation. The insurance company shall be required to give GPA not less than ninety days (90) notice in the event of cancellation or material alteration of such coverage. Nothing contained herein shall be construed as creating any liability or responsibility on the part of the CONTRACTOR for the adequacy of insurance coverage on the property. As to any insurable risks of loss or damage to the property and machinery and equipment not required to be insured hereunder, GPA shall bear the cost of the same. GPA shall be deemed to be self-insured as to the deductible or co-insurance amount applicable to such insurance coverage and shall pay any deductible or co-insurance amount applicable in the event of such loss or damage.

16.6 Waiver of Subrogation. The parties hereby release each other and their respective officers, employees, and agents from all loss or damage to the Premise property, machinery and equipment and to the fixtures, personal property, equipment and improvements of either GPA or

CONTRACTOR in or on the Property, notwithstanding that any such loss or damage may be due to or result from the negligence of either of the parties or their respective officers, employees or agents. This waiver does not apply to maintenance and repair assumed under this contract by the CONTRACTOR.

SECTION 17 - INDEMNITY

17.1 Indemnification. The Contractor shall indemnify, defend and hold harmless owner (GPA) against all loss, damage, or expense (including reasonable attorney's fees incurred by owner) arising out of the performance of the work, including injury or death to any person or persons resulting from the acts or omission of the Contractor or the Contractor's employees, servants, agents or subcontractors and from mechanics and materialism liens.

17.2 Accident or Injury During Travel. GPA assumes no liability for any accident or injury that may occur to Contractor, its agents, dependents or personal property while en route to or from Guam or during any travel mandated by the terms of this Agreement.

SECTION 18 – FORCE MAJEURE

18.1 Force Majeure. Force Majeure referred to herein shall mean an occurrence beyond the control and without the fault or negligence of the party affected including, but not limited to, acts of God or the public enemy, expropriation or confiscation; changes in law procedures, war, rebellion, or riots; floods, unusually severe weather that could not reasonably have been anticipated; fires, explosions, epidemics, catastrophes, or other similar occurrences which are not within the control of the party affected. However, the following shall not be considered as Force Majeure:

1) Delay caused by lack or inability to obtain raw materials, congestion at Contractor 's or its subcontractor's facilities, or elsewhere; market shortages, or similar occurrences, or

2) Delay, either on the part of Contractor or its subcontractors, caused by shortages of supervisors or labor, inefficiency, or similar occurrences, or

3) Sabotage, strikes, or any other concerted acts of workmen which occur only in the facilities of Contractor or its subcontractors. Should the circumstances of Force Majeure continue over a period of ninety (90) days, GPA has the right, if no other understanding is reached, to terminate the whole Agreement or any part thereof in accordance with Section 10, TERMINATION. Any delay or failure in performing the obligations under the Contract Documents of the parties hereto shall not constitute default under the Purchase Contract or give rise to any claim for damages or loss or anticipated profits if, and to the extent, such delay or failure is caused by Force Majeure, and if a claim is made therefore.

18.2 Invocation of Force Majeure. The party invoking Force Majeure shall perform the following:

1) Notify the other party as soon as reasonably possible by facsimile, e-mail, telex, cable or Messenger/courier of the nature of Force Majeure, anticipated exposure time under Force Majeure, and the extent to which the Force Majeure suspends the affected party's obligations under the CONTRACT;

2) Consult with the other party and take all reasonable, prudent steps to minimize the losses of either party resulting from the Force Majeure;

3) Resume the performance of its obligations as soon as possible after the Force Majeure condition ceases.

18.3 Delivery Time and Force Majeure. Only a Change Order may change contractual Delivery Times. Contractor as provided in found. Error and its sub-paragraphs shall file all claims for an extension in the Delivery Time.

The Delivery Time will be extended in an amount equal to time lost due to delays caused by Force Majeure if a claim is made therefore as provided in this Paragraph. No amendment to the

Contract Price, however, shall be allowable because of Force Majeure occurrences. (However, GPA shall pay for reasonable overtime rates and benefits during periods of Force Majeure).

Notwithstanding the foregoing, all time limits stated in the Purchase Order documents are of the essence in the agreement.

SECTION 19 - WARRANTY

19.1 Contractor's obligation to furnish the Goods and Special Services and to perform other services in connection therewith in accordance with the Agreement is absolute, and Contractor warrants and guarantees to GPA that all Goods will be in accordance with the Contract Documents and will be new, fit for the purpose for which they are intended, and free from any defects, including faulty design, materials, or workmanship.

19.2 Contractor shall provide to GPA with all warranties and guarantees in writing. GPA and the Contractor shall negotiate the manner in which claims against these warranties are addressed including any remedies for non-responsiveness. This may include retention of contract amounts, performance bonds, etc.

19.3 Contractor shall be responsible for remedying all defects, without limitation, in design, materials, workmanship, operating characteristics, or performance of the Goods within twelve (12) months from the date on which GPA has placed the Goods in continuous service, or within twenty-four (24) months from the date of final payment, whichever date shall first occur, or within such longer period of time as may be prescribed by law or by the terms of any applicable special guarantee or by any specific provisions of the Contract Documents.

19.4 Any part(s) supplied in replacement of the defective part(s) of the Goods or any Goods repaired pursuant to the provisions of this Paragraph shall be supplied or repaired on the same terms and conditions as provided for herein for the supply of the Goods and in particular a new warranty period shall apply. Such new warranty period shall expire on the date twelve (12) months from the date of such replacement or repair or on the expiration date of the warranty for the original Goods that were replaced or repaired, whichever is later.

19.5 In the event the Contractor furnishes special services for installation and startup, such services shall be rendered in a competent and diligent manner and in accordance with the Contract Documents, accepted industry practice and any applicable professional standards.

SECTION 20 – TESTS AND INSPECTIONS

20.1 GPA or its designee shall have the right to inspect or observe the production, inspection, or testing of the Goods at any time and place including the Contractor 's facilities and those of its subcontractors where the Goods are being produced.

20.2 Contractor shall conduct, at its responsibility and expense, all tests and inspections called for by the Contract Documents. In the event that witness inspection by GPA is required under the Contract Documents, the costs and expense arising therefrom shall be borne by the Contractor, including inspector's fees, transportation, hotel, and general flying expenses. In the event that Contractor's inspection is required at the site, Contractor's transportation, hotel, and general living expenses shall be borne by the Contractor, including inspector's fees, transportation, hotel, and general flying expenses. In the event that Contractor's inspection is required at the site , Contractor's transportation, hotel, and general living expenses shall be borne by Contractor.

20.3 Any inspection made by the inspector of GPA and/or its designee will be final. Such inspections or the witnessing of Contractor 's test and inspection by GPA and/or its designee shall not relieve Contractor of any of its responsibilities or liabilities under the Contract Documents, nor be interpreted in any way as implying acceptance of the Goods.

SECTION 21 – DEFECTS IN GOODS AND SERVICES

21.1 Remedying Defective Goods. If at any time after GPA’s acceptance of delivery and before expiration of the correction period, GPA determines that the Goods are defective, Contractor shall, upon written notice from GPA, do all things necessary, at its expense, to make good the defects as soon as possible after being notified to do so by GPA. Contractor warrants that Contractor, unless otherwise agreed, shall remedy any defects.

It is understood, that if so instructed by GPA, Contractor shall make shipment by the fastest available method.

In the event that Contractor does not take prompt action to fulfill its obligations hereunder as required by GPA and to the satisfaction of GPA , GPA may, after ten (10) days written notice to Contractor, and without prejudice to any of its rights under the Agreement, accept the defective Goods and carry out the remedial work itself instead of requiring correction or removal and replacement, and charge Contractor for the costs of the work. In an emergency where delay would cause serious risk of loss or damage, GPA may take such action without prior notice to or waiting for action by Contractor.

21.2 Remedying Defective Special Services. If at any time GPA notifies Contractor in writing that any of the Special Services are defective, Contractor shall promptly provide acceptable services. If Contractor fails to do so, GPA may obtain the Special Services elsewhere.

21.3 Cost of Remedying Defects. All direct, indirect, and other costs of correcting, removing, and replacing defective Goods or of obtaining Special Services elsewhere and of exercising GPA's rights and remedies will be charged against Contractor and, if incurred prior to final payment, a Change Order will be issued incorporating the necessary revisions in the Contract Documents and a reduction in the Purchase Price , or if incurred after final payment, an appropriate amount will be paid by Contractor to GPA. Such direct, indirect, and other costs will include, in particular but without limitation, compensation for additional professional services required and all costs of repair and replacement of Goods, or property of GPA or others destroyed or damaged by correction, removal, or replacement of defective Goods. Contractor shall not be allowed an extension of the Delivery Time because of any delay in performance attributable to the exercise by GPA of GPA's rights and remedies under this paragraph.

SECTION 22 – CHANGE ORDER

22.1 Change Order. By a written order, at any time, and without notice to surety, the Procurement Officer may, subject to all appropriate adjustments, make changes within the general

scope of this contract in any one or more of the following:

1) Drawings, designs, or Specifications, if the supplies to be furnished are to be specially manufactured for GPA in accordance therewith;

2) Method of shipment or packing; or

3) Place of delivery.

GPA may at any time request changes in the services to be performed hereunder.

22.2 Time Period for Claim. Within 30 days after receipt of a written change order under SECTION 22 – CHANGE ORDER, unless the Procurement Officer extends such period in writing or e-mail, The Contractor shall file notice of intent to assert a claim for an adjustment. Later notification shall not bar the Contractor's claim unless GPA is prejudiced by the delay in notification.

22.3 Claims Barred After Final Payment. No claim by the Contractor for an adjustment hereunder shall be allowed if notice is not given prior to final payment under this contract.

SECTION 23 – SUCCESSORS AND ASSIGNMENTS

This Agreement is binding upon the parties hereto and their respective heirs, successors and assigns. However, Contractor shall not assign, subcontract or otherwise transfer this Agreement, its interests herein or its responsibilities and duties hereunder without the prior written consent of GPA. For purposes of this section, any change in ownership of Contractor or its corporate entity shall be deemed an assignment or transfer under this section. "Change in corporation entity" includes any sale or transfer of shares, the organization of corporate structure, alteration of the current ownership and organization of Contractor.

SECTION 24 –REPRESENTATIVES OF GPA

The GPA representative, for the purpose of this Agreement, shall be the Assistant General Manager of Operations, or such other person as GPA from time to time may designate in writing. Whenever approval or other authorization, or communication or submission to GPA is required by the terms of this Agreement, such request for approvals, authorizations, communications or submissions, shall be directed to the GPA representative and then executed by the General Manager. However, the

Consolidated Commmision on Utilities reserves full authority to review or resolve any matter arising hereunder which is within its purview and authority.

SECTION 25 – PROFESSIONAL RELATIONSHIP

Contractor has undertaken a limited review of its records to determine its professional relationships with persons and entities in the utilities industry, and based upon that review, represents that it has the right to enter into this Agreement and it is not precluded from performing the Services to be provided hereunder. Contractor will notify GPA immediately if any additional relationships come to its attention. However, given Contractor's size, complexity, geographic dispersion and number of clients, it cannot assure GPA that all of such relationships have or will come to light.

SECTION 26 – PERFORMANCE BOND

Contractor shall submit to GPA a performance bond within thirty (30) days after the receipt of the Notice of Contract Award, in the amount of _____, payable to GPA in the form of a surety bond, surety company or surety bond acceptable to GPA's bankers, or a cash deposit in a local bank approved by GPA and callable upon proper demand. A performance bond is required in order to assure that Contractor will perform the terms and conditions of the Contract, and that Contractor will provide against direct or indirect damages that may be suffered during the duration of the Contract. The required performance bond shall be in such form that GPA shall approve in its absolute discretion. Failure to furnish a performance bond at the time specified above and in the manner as provided shall be grounds for cancellation of Contract.

SECTION 27 – DISPUTE RESOLUTION

27.1 Regular Meetings. Throughout the term of this Agreement representatives of GPA and the Contractor shall meet regularly to discuss the progress of the projects in order to ensure that the arrangements between the parties hereto proceed on a mutually satisfactory basis.

27.2 Informal Resolution. The parties hereto agree that in the event that there is any dispute or difference between them arising of this Contract or in the interpretation of any of the provisions hereof, they shall endeavor to meet together in an effort to resolve such dispute by

discussion between them, but failing such resolution, the Chief Executives of GPA and the Contractor shall meet to resolve such dispute difference and the joint decision of such Chief Executives shall be binding upon the parties hereto and in the event that a settlement of any such dispute or difference is not reached pursuant to this sub-clause, then the provisions of Section 27.3 shall apply.

27.3 Formal Claims. Where any dispute is not resolved as provided for in the preceding Section 27.1 and 27.2 it shall be resolved pursuant to the Guam Procurement Law 5 GCA, Section 5001 et. seq. and the Government Claims Act, 5 GCA Section 2001 et. seq.

27.4 Continuing Performance. Contractor shall continue its performance under the Agreement during all claims, disputes, or disagreements with GPA. Production of Services or Goods will not be delayed or the timely delivery of Goods or furnishing of Services be prejudiced, delayed, or postponed pending resolution of any claims, disputes, or disagreements, except as Contractor and GPA may otherwise agree in writing.

SECTION 28 - MISCELLANEOUS

28.1 No Inducements. Each party to this Agreement acknowledges that no representation, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, which are not embodied herein, and that no agreement, statement, or promise not contained in this Agreement, shall be valid or binding.

28.2 Modifications. Any modification of this Agreement will be effective only if it is in writing signed by the party to be charged.

28.3 Approval By The Comission. For the purpose of this Paragraph and of the entire Agreement, the signature of the Chairman of the Consolidated Commmision on Utilities is the only signature that will bind GPA. GPA shall not be liable to Contractor for any work performed by Contractor prior to the approval of this Agreement by the Consolidated Commmision on Utilities and Contractor hereby expressly waives any and all claims for Service performed in expectation of this Agreement prior to its approval by the Consolidated Commmision on Utilities.

28.4 Compliance. Contractor shall be required to comply with all Federal and Territorial

laws and ordinances applicable to the Services provided.

28.5 Notices. Any notice, demand or other document required or permitted to be delivered hereunder shall be in writing and may be delivered personally or shall be deemed to be delivered seven (7) days after deposit in the United States mail, postage prepaid, registered or certified mail, return receipt requested, addressed to the parties at their respective address indicated below, or at such other address as may be theretofore been specified by written notice delivered in accordance herewith:

TO CONTRACTOR:

[ADDRESS]

TO GPA:
Post Office Box 2977
Agana, Guam 96910
Telephone No.: (671) 649-6818 / 647-9225
Facsimile No.: (671) 647-6046 / 646-2512
E-Mail Address: gpagm@ite.net

Notice may be given by facsimile transmission to the facsimile numbers indicated above, and shall be deemed to be delivered upon actual receipt by the party.

28.6 Non-waiver. GPA shall not consider any provisions of this Agreement waived unless GPA gives notice of such waiver in writing. Even if such notice has been given, such waiver shall not be construed as being a waiver of any other past or future right of GPA under the provisions of this Agreement, unless otherwise expressly stipulated therein. Failure of GPA to insist upon strict performance of any of the terms and conditions hereof, or failure or delay of GPA to insist upon strict performance of any of the terms and conditions hereof, or failure or delay of GPA to exercise any acts, rights, or remedies provided herein or by law shall not relieve Contractor of liability under any guarantees or of obligations under the Agreement and shall not be deemed a waiver of any right of GPA to insist upon strict fulfillment of the Agreement or of any of GPA's rights or remedies as to the Goods or special services furnished.

28.7 Governing Law. This Agreement has been entered into Guam and shall be governed by and construed in accordance with the laws of Guam and all applicable federal laws.

28.8 Invalid Provisions. If any provision of this Agreement is held to be illegal, invalid, or unenforceable under present or future laws effective during the term hereof, such provision shall be fully severable and this Agreement shall, to the extent possible and without destroying the intent of this Agreement, be construed and enforced as if such illegal, invalid, or unenforceable provision had never comprised a part hereof; and the remaining provisions hereof shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance therefrom.

28.9 Time. Time is of the essence in the Contract and in every part hereof.

28.10 Computation of Time. When any period of time is referred to in the Contract Documents by days, it will be computed to exclude the first and include the last day of such period. If the last day of any such period falls on a Saturday or Sunday or a day made a legal holiday by the law of the applicable jurisdiction, such day will be omitted from the time computation.

28.11 Language and Trade Terms. All communications, documents, and execution of services hereunder, unless otherwise designated, shall be in the English language. INCOTERMS (International Rules for the Interpretation of Trade Terms) published by the International Chamber of Commerce in 1980 and any subsequent revisions thereto shall govern interpretation of trade terms in the Contract Documents.

28.12 Rights and Remedies. The duties and obligations imposed by this agreement and the rights and remedies available hereunder to the parties hereto, will be in addition to, and shall not be construed in any way as a limitation of any rights and remedies available to any or all of them which are otherwise imposed or available by law or contract, by special warranty or guarantee, or by other provisions of the Contract Documents, and the provisions of this paragraph shall be as effective as if repeated specifically in the Contract Documents in connection with each particular duty, obligation, right, and remedy to which they apply. All representations, warranties, and guarantees made in the Contract Documents will survive final payment and termination or completion of this Agreement.

28.13 New material. Unless this contract specifies otherwise, the Contractor represents that

the Goods and components are new. If the Contractor believes that furnishing used or reconditioned Goods or components will be in GPA's interest, the Contractor shall so notify GPA in writing. The Contractor's notice shall include the reasons for the request along with a proposal for any consideration to GPA if GPA authorizes the use of used or reconditioned Goods or components.

28.14 Further Assurances. Each party hereto agrees to do all acts and things to make, execute and deliver such written instruments, as shall from time to time be reasonably required to carry out the terms and provisions of this Agreement.

28.15 Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed to be an original, but all of which together shall constitute but one and the same instrument.

28.16 Severability. If any work, phrase, clause, article, or other provision of this Agreement is or is deemed or adjudicated or otherwise found to be against public policy, void, or otherwise unenforceable, then said work, phrase, clause, article, or other provision shall be deleted or modified, in keeping with the express intent of the parties hereto as necessary to render all the remainder of this Agreement valid and enforceable. All such deletions or modifications shall be the minimum necessary to effect the foregoing.

28.17 Survival of Provisions. In order that the Parties may fully exercise their rights and perform their obligations hereunder, such provisions of this Contract that are required to insure such exercise or performance shall survive the termination of this Contract for any cause whatsoever.

28.18 Language Not to be Construed Against the Drafter. No provision in this Contract is to be construed for or against any Party because the Party or its counsel drafted such provision.

IN WITNESS WHEREOF, the parties hereto have entered into this Agreement on the dates indicated by their respective names.

CONTRACTOR

Contractor's Duly Authorized Representative	Date

GUAM POWER AUTHORITY

John M. Benavente, P.E. General Manager	Date
Joseph P. Duenas Chairman, Consolidated Commission on Utilities	Date

CERTIFIED AS TO FUNDS AVAILABLE

GPA Certifying Officer	Date

APPROVED AS TO FORM

D. Graham Botha, Esq. Legal Counsel, GPA	Date

GUAM)
) ss:
CITY OF MANGILAO)

On this _____ day of _____, 2020, before me, a Notary Public of Guam, duly commissioned and sworn, personally appeared _____, by and through its duly authorized representative, _____, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(SEAL)

_____
Notary Public

GUAM)
) ss:
CITY OF MANGILAO)

On this _____ day of _____, 2020, before me, a Notary Public of Guam, duly commissioned and sworn, personally appeared _____, by and through its duly authorized representative, _____, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(SEAL)

_____
Notary Public

GUAM)
) ss:
CITY OF MANGILAO)

On this _____ day of _____, 2020, before me, a Notary Public of Guam, duly commissioned and sworn, personally appeared _____, by and through its duly authorized representative, _____, to me known to be the identical person who executed the within and foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

(SEAL)

_____
Notary Public

7.0 Performance Guarantees

The CONTRACTOR is required to comply with GPA's performance guarantees and consumption guidelines as described in this section.

7.1 EQUIVALENT AVAILABILITY

For contract guarantee purposes, the Equivalent Availability Performance Measure shall be measured for each contract year by:

- Measuring the individual unit equivalent availability factor (EAF) expressed in percentage for each unit (Cabras 1, Cabras 2) for the contract year;
- Verifying the EAF reported by the CONTRACTOR with GPA's calculations based on reports submitted to the Generation Division and PSCC.

EAF shall be reported daily, weekly and monthly, as required by GPA's Generation Division.

The individual unit equivalent availabilities shall be calculated in accordance with standard NERC GADS definitions based on actual unit availabilities and outages, including the effects of all full and partial, scheduled and maintenance outages, and planned and forced deratings.

GPA sets its Minimum EAF Guarantee as follows:

Table 2: GPA Minimum EAF Requirements

Contract Year	Cabras 1	Cabras 2
1	**85%**	**85%**
2	**85%**	**85%**
3	**85%**	**85%**
4	**85%**	**85%**
5	**85%**	**85%**

Measurement shall be consistent with procedure as described in this document, and as specified in other sections of this IFB. Actual Performance shall be compared with the minimum performance guarantee, and shall be subject to bonuses and penalties as applicable.

7.2 EFOR

For contract guarantee purposes, the Equivalent Forced Outage Rate Performance Measure shall be measured for each contract year by measuring the individual unit equivalent forced outage rate (EFOR) expressed in percentage of each unit for the contract year. EFOR shall be reported daily, weekly and monthly, as required by GPA's Generation Division. The individual unit equivalent forced outage rate shall be calculated in accordance with standard NERC GADS definitions.

7.3 HEAT RATE AND EFFICIENCY

The Cabras Units are currently required by the Guam PUC to have a minimum Gross Heat Rate of 9,600 BTU/KWH. Each unit shall be required to meet or perform better than the Gross Heat Rate requirements required by GPA. The CONTRACTOR and GPA will track improvement in or compliance with required Gross Heat Rate performance by evaluating overall performance for each unit corresponding to GPA's LEAC periods.

In addition to Gross Heat Rate, each unit is required to track Gross and Net Efficiency (KWH/gal) and include in regular (daily, monthly) reports. The CONTRACTOR and GPA will track improvement in efficiency by evaluating the 12-month running gross and net efficiency. BIDDERS shall propose a Gross Heat Rate Guarantee at 5 MW increments for GPA's reference.

For Heat Rate and efficiency improvements that are sustained in a 12-month rolling period, GPA will share equivalent savings in fuel costs with the CONTRACTOR.

However, Contractor will pay the equivalent additional fuel costs incurred for each unit's Gross Heat Rate exceeding GPA requirements and CONTRACTOR's proposed Guaranteed Gross Heat Rate.

7.4 AVERAGE FUEL PRICES

GPA shall determine actual monthly average fuel prices in $/Mbtu for #6 high sulfur oil, #6 low sulfur oil and diesel (#2) oil based on documented purchase costs and sample heat content measurements. Such determinations shall exclude the effects of financial hedges unless such hedges directly impact the incremental cost of fuel, i.e. the cost of the last Mbtu of fuel burned.

Average fuel prices for each contract year shall equal the weighted average of the monthly prices, where the weighting factors are the actual monthly system-wide fuel consumption in Mbtu. The average fuel price for #6 oil for the contract year shall be the weighted average of the contract year average fuel prices of #6 high sulfur and #5 low sulfur fuels, where the weighting factor is the fiscal year sytem-wide MBTU consumption of each of the fuel types.

8.0 Incentives & Penalties

GPA is contracting a CONTRACTOR to perform against the following key performance indicators:

- Equivalent Availability Factor (EAF)
- Net Heat Rate
- Gross and Net Efficiency

8.1 EAF Performance Measure

GPA is contracting a CONTRACTOR to assure that the Cabras #1 and #2 Units achieve high equivalent availability factors (EAF). The CONTRACTOR shall track and compute the EAF for each unit as defined by the North American Electric Reliability Council (NERC) or its successors. The EAF computation shall be computed up to two decimal places.

Should plant unavailability be caused by any factor which is completely and totally beyond the control of the CONTRACTOR, such as *force majeure*, catastrophic equipment failure or unavailability solely caused by the failure of GPA to provide sufficient manpower, fuel or water, GPA and the CONTRACTOR shall meet and discuss appropriate adjustments in accordance with the following procedures:

- EAF credit shall start from the determination of the root-cause of the outage and terminate when the unit is restored into service, except for *force majeure* events, where the EAF shall start upon the occurrence of such event; and

- Throughout the EAF credit period, the outage unit shall be assumed to be in the pre-failure unit condition as per the NERC guidelines.

The Equivalent Availability Performance Period shall commence from the CONTRACTOR's contract commencement date to the first anniversary of the commencement date. Subsequent performance periods shall fall between contract commencement anniversary dates except for the last contractual year where the performance period is the contract termination date.

The Minimum Equivalent Availability Performance Guarantees required by GPA are listed in Table H-1. These values will be used for evaluating CONTRACTOR incentives or penalties.

Minimum Equivalent Availability Performance Guarantees

Contract Year	Cabras 1	Cabras 2
1	**85%**	**85%**
2	**85%**	**85%**
3	**85%**	**85%**
4	**85%**	**85%**
5	**85%**	**85%**

The CONTRACTOR shall compute the EAF for each unit for each performance period. The EAF benefit or penalty shall be computed as follows:

For each unit, the incentive or penalty shall be applicable to the succeeding year's Fixed Management Fee, as follows:

Incentive Adjustment = (Actual %EAF – GPA Minimum %EAF) x Annual Management Fee
Penalty Adjustment = (Actual % EAF – GPA Minimum %EAF) x Annual Management Fee

***** EXAMPLE FOR ILLUSTRATION PURPOSES ONLY *****

GPA's Minimum Guarantees:

Contract Year	Cabras 1	Cabras 2
1	85%	85%

And Performance Management Fees as follows:

Contract Year	Annual Management Fee
1	$1,000,000.00
2	$1,100,000.00

BONUS
Cabras 2 EAF = 100% EAF
Bonus = (100% - 85%) x $1,000,000 = $150,000 **bonus to be added to succeeding year's Annual Management Fee; therefore Contract Year 2 AMF = $ 1,250,000.00**

PENALTY
Cabras 2 EAF = 80%
Penalty = (80% - 85%) x $1,000,000 = -$50,000 **penalty to be deducted to succeeding year's Annual Management Fee; therefore Contract Year 2 AMF = $ 1,050,000.00**

8.2 EFOR Performance Measure

In addition to achieving high EAFs, GPA is contracting a CONTRACTOR to assure that Cabras Units achieve low equivalent force outage rates (EFOR). The CONTRACTOR shall track and compute the EFOR for each unit as defined by the North American Electric Reliability Council (NERC) or its successors. The EFOR computation shall be computed to two decimal places. There will be no bonus or penalty associated with EFOR. The Authority reserves the right to extend this CONTRACTOR contract for a year-by-year extension up to five extensions if the EFOR performance measure is met.

8.3 Heat Rate and Efficiency Performance

GPA is contracting a CONTRACTOR to assure that the Cabras #1 and #2 Units meet or perform better than current requirements for Gross Heat Rate. Any consistent improvement in the Net Heat Rate Performance shall be evaluated by the CONTRACTOR, and reported to GPA. The report shall include illustration, analysis and justification of the improvements. If the improvements are consistent and sustained through at least two LEAC periods, or if the improvements involve significant cost savings or increase in efficiency or availability, then GPA may provide incentives to the CONTRACTOR. The incentives may be in the form of shared fuel cost savings, additional funding for O&M activities, or through other means as may be proposed by the CONTRACTOR and approved by GPA. However, if the requirement is not met, then GPA may impose penalties to the CONTRACTOR equivalent to the additional fuel cost incurred due to heat rate exceeding the 9,600 BTU/KWH required for each LEAC period. For heat rate efficiency sustained continuously for 12 months (12-months running heat rate of less than 9,600 BTU/KWH) will allow GPA to consider sharing the savings in fuel cost to the CONTRACTOR.

The CONTRACTOR is also required to track each unit's gross and net efficiency performance, and include in its regular reports, actual and 12-month rolling gross and net efficiencies. Any consistent improvement in the Net Heat Rate Performance shall be evaluated by the CONTRACTOR, and reported to GPA. The report shall include illustration, analysis and justification of the improvements. If the improvements are consistent and sustained through at least 12 consecutive months, or if the improvements involve significant cost savings or increase in efficiency or availability, then GPA may provide incentives to the CONTRACTOR. The incentives may be in the form of shared fuel cost savings, additional funding for O&M activities, or through other means as may be proposed by the CONTRACTOR and approved by GPA.

For Net Heat Rate, the penalty calculation shall be as follows:

- For each unit, for each contract year,

Theoretical Fuel Consumption = Σ [15 Min. Net Ouput (KWH) x HR Guarantee at Load (BTU/KWH)] / Avg. Heating Value (BTU/BBL)

- For each contract year, if Total Actual Fuel Consumption for each unit is greater than Theoretical Fuel Consumption for each unit, PENALTY will be calculated as follows:

Penalty = Difference of Actual and Theoretical Fuel Consumption
X (Total KWH produced by both units / Total KWH produced by the plant)
X Fuel Cost

Where fuel cost = (% HSFO use x Unit Cost of HSFO) + (% LSFO use x Unit Cost of LSFO)

As reported by GPA's Plant Accounting section.

Heat Rate Performance shall be evaluated at the end of each contract year and added to the CONTRACTOR invoice as an additional line item.

8.4 Maximum Bonus/Penalty Payment

The total of Bonus and Penalties each year shall not exceed the Annual Management Fee.
Fee

APPENDIX A MAJOR SHAREHOLDERS DISCLOSURE AFFIDAVIT

GUAM POWER AUTHORITY
ATURIDÅT ILEKTRESEDÅT GUAHAN
P.O.BOX 2977 • HAGÅTÑA, GUAM U.S.A. 96932-2977

SPECIAL PROVISON
FOR
MAJOR SHAREHOLDERS DISCLOSURE AFFIDAVIT

All Bidders/Offerors are required to submit a current affidavit as required below. Failure to do so will mean disqualification and rejection of the bid/rfp.

5 GCA §5233 (Title 5, Section 5233) states:

"Section 5233 Disclosure of Major Shareholders. As a condition of submitting a bid or offer, any partnership, sole proprietorship or corporation doing business with the government of Guam shall submit an affidavit executed under oath that lists the name and address of any person who has held more than ten percent (10%) of the outstanding interest or shares in said partnership, sole proprietorship or corporation at any time during the twelve (12) month period immediately preceding submission of a bid, or, that it is a not for profit organization that qualifies for tax exemption under the Internal Revenue Code of the United States or the Business Privilege Tax law of Guam, Title 12, Guam Code Annotated, Section 26203©. With the exception of not for profit organizations, the affidavit shall contain the number of shares or the percentage of all assets of such partnership, sole proprietorship or corporation which have held by each such person during the twelve (12) month period. In addition, the affidavit shall contain the name and address of any person who has received or is entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid or offer and shall also contain the amounts of any such commission, gratuity or other compensation. The affidavit shall be open and available to the public for inspection and copying."

1. If the affidavit is a copy, indicate the BID/RFP number and where it is filed.

2. Affidavits must be signed within 60 days of the date the bids or proposals are due.

MAJOR SHAREHOLDERS DISCLOSURE AFFIDAVIT

TERRITORY OF GUAM)
)ss.
HAGATNA, GUAM)

I, the undersigned, _____, being first
(partner or officer of the company of, etc.)
duly sworn, depose and say:

1. That the persons who have held more than ten percent (10%) of the company's shares during the past twelve months are as follows:

Name	Address	Percentage of Shares Held
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
	Total Number of Shares:	_____

2. Persons who have received or are entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid/rfp for which this Affidavit is submitted are as follows:

Name	Address	Amount of Commission Gratuity or Other Compensation
_____	_____	_____
_____	_____	_____

Further, affiant sayeth naught.

Date: _____ _____
Signature of individual if bidder/offeror is a sole proprietorship; Partner, if the bidder is a partnership; Officer, if the bidder is a corporation.

Subscribed and sworn to before me this _____ day of _____, 20_____.

Notary Public _____
In and for the Territory of Guam

My Commission expires: _____

APPENDIX B NON-COLLUSION AFFIDAVIT

NON-COLLUSION AFFIDAVIT

TERRITORY OF GUAM)
)ss.
HAGATNA, GUAM)

I, _____, first being duly sworn, depose and say:
(Name of Declarant)

1. That I am the _____ of the _____.
(Title) (Name of Bidding/RFP Company)
2. That in making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham, that said bidder/offeror has not colluded, conspired or agreed, directly or indirectly, with any bidder or person, to put in a sham or to refrain from bidding or submitting a proposal and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or any other bidder, or to secure any overhead, project or cost element of said bid price, or of that of any bidder, or to secure any advantage against the GUAM POWER AUTHORITY or any person interested in the proposed contract; and
3. That all statements in said proposal or bid are true.
4. This affidavit is made in compliance with 2 Guam Administrative Rules and Regulations §3126(b).

_____
(Declarant)

Subscribed and sworn to before me this _____ day of _____, 20_____.

Notary Public _____
In and for the Territory of Guam

My commission expires: _____

APPENDIX C NO GRATUITIES OR KICKBACKS AFFIDAVIT

NO GRATUITIES OR KICKBACKS AFFIDAVIT

AFFIDAVIT
(Offeror)

TERRITORY OF GUAM)
)ss:
HAGATNA, GUAM)

_____, being first duly sworn, deposes and says:

As the duly authorized representative of the Offeror, that neither I nor of the Offeror's officers, representatives, agents, subcontractors, or employees has or have offered, given or agreed to give any government of Guam employee or former employee, any payment, gift, kickback, gratuity or offer of employment in connection with Offeror's proposal.

_____

Signature of Individual if Offeror is a Sole Proprietorship;
Partner, if the Offeror is a Partnership;
Officer, if the Offeror is a Corporation

SUBCRIBED AND SWORN to before me this ____day of _____, 20_____.

Notary Public _____
In and for the Territory of Guam

My commission expires: _____

APPENDIX D ETHICAL STANDARDS AFFIDAVIT

ETHICAL STANDARDS AFFIDAVIT

AFFIDAVIT
(Offeror)

TERRITORY OF GUAM)
)ss:
HAGATNA, GUAM)

_____, being first duly sworn, deposes and says:

That I am (the Sole Proprietor, a Partner or Officer of the Offeror)

That Offeror making the foregoing Proposal, that neither he or nor of the Offeror's officers, representatives, agents, subcontractors, or employees of the Offeror have knowingly influenced any government of Guam employee to breach any of the ethical standards set forth in 5 GCA Chapter 5 Article 11, and promises that neither he nor any officer, representative, agent, subcontractor, or employee of Offeror will knowingly influence any government of Guam employee to breach any ethical standard set for in 5 GCA Chapter 5 Article 11.

_____

Signature of Individual if Offeror is a Sole Proprietorship;
Partner, if the Offeror is a Partnership;
Officer, if the Offeror is a Corporation

SUBCRIBED AND SWORN to before me this ____day of _____, 20_____.

Notary Public _____
In and for the Territory of Guam

My commission expires: _____

APPENDIX E	DECLARATION RE-COMPLIANCE WITH U.S. DOL WAGE DETERMINATION

DECLARATION RE-COMPLIANCE WITH U.S. DOL WAGE DETERMINATION

Procurement No.: _____

Name of Offeror Company: __ _____ hereby certifies under penalty of

perjury:

(1) That I am _____ (the offeror, a partner of the offeror, an officer of the offeror) making the bid or proposal in the foregoing identified procurement;

(2) That I have read and understand the provisions of 5 GCA § 5801 and § 5802 which read:

§ 5801. Wage Determination Established.

In such cases where the government of Guam enters into contractual arrangements with a sole proprietorship, a partnership or a corporation ('CONSULTANT') for the provision of a service to the government of Guam, and in such cases where the CONSULTANT employs a person(s) whose purpose, in whole or in part, is the direct delivery of service contracted by the government of Guam, then the CONSULTANT shall pay such employee(s) in accordance with the Wage Determination for Guam and the Northern Mariana Islands issued and promulgated by the U.S. Department of Labor for such labor as is employed in the direct delivery of contract deliverables to the government of Guam.

The Wage Determination most recently issued by the U.S. Department of Labor at the time a contract is awarded to a CONSULTANT by the government of Guam shall be used to determine wages, which shall be paid to employees pursuant to this Article. Should any contract contain a renewal clause, then at the time of renewal adjustments, there shall be made stipulations contained in that contract for applying the Wage Determination, as required by this Article, so that the Wage Determination promulgated by the U.S. Department of Labor on a date most recent to the renewal date shall apply.

§ 5802. Benefits.

In addition to the Wage Determination detailed in this Article, any contract to which this Article applies shall also contain provisions mandating health and similar benefits for employees covered by this Article, such benefits having a minimum value as detailed in the Wage Determination issued and promulgated by the U.S. Department of Labor, and shall contain provisions guaranteeing a minimum of ten (10) paid holidays per annum per employee.

(3) That the offeror is in full compliance with 5 GCA § 5801 and § 5802, as may be applicable to the procurement referenced herein;

(4) That I have attached the most recent wage determination applicable to Guam issued by the U.S. Department of Labor.

_____

Signature of Individual if Proposer is a Sole Proprietorship;
Partner, if the Proposer is a Partnership;
Officer, if the Proposer is a Corporation

SUBCRIBED AND SWORN to before me this ____day of _____, 2020.

_____

Notary Public
In and for the Territory of Guam
My Commission Expires:

APPENDIX F RESTRICTION AGAINST CONVICTED SEX OFFENDERS

SPECIAL PROVISIONS

Restriction Against Sex Offenders Employed by Service Providers to Government of Guam from Working on Government of Guam Property

GCA 5 §5253 Restriction Against CONSULTANTs Employing Convicted Sex Offenders from Working at Government of Guam Venues:

(a) No person convicted of a sex offense under the provisions of Chapter 25 of Title 9 Guam Code Annotated, or an offense as defined in Article 2 of Chapter 28, Title 9 GCA in Guam, or an offense in any jurisdiction which includes, at a minimum, all of the elements of said offenses, or who is listed on the Sex Offender Registry, and who is employed by a business contracted to perform services for an agency or instrumentality of the government of Guam, shall work for his employer on the property of the Government of Guam other than public highway.

(b) All contracts for services to agencies listed herein shall include the following provisions: (1) warranties that no person providing services on behalf of the CONSULTANT has been convicted of a sex offense under the provisions of Chapter 25 of Title 9 GCA or an offense as defined in Article 2 of Chapter 28, Title 9 GCA, or an offense in another jurisdiction with, at a minimum, the same elements as such offenses, or who is listed on the Sex Offender Registry; and (2) that if any person providing services on behalf of the CONSULTANT is convicted of a sex offense under the provisions of Chapter 25 of Title 9 GCA or an offense as defined in Article 2 of Chapter 28, Title 9 GCA or an offense in another jurisdiction with, at a minimum, the same elements as such offenses, or who is listed on the Sex Offender Registry, that such person will be immediately removed from working at said agency and that the administrator of said agency be informed of such within twenty-four (24) hours of such conviction.

(c) Duties of the General Services Agency or Procurement Administrators. All contracts, bids, or Requests for Proposals shall state all the conditions in § 5253(b).

(d) Any CONSULTANT found in violation of § 5253(b), after notice from the contracting authority of such violation, shall, within twenty-four (24) hours, take corrective action and shall report such action to the contracting authority. Failure to take corrective action within the stipulated period may result in the temporary suspension of the contract at the discretion of the contracting authority.

SOURCE: *Added by P.L. 28-024:2 ((Apr. 21, 2005). Amended by P.L. 28-098:2 (Feb. 7, 2XXX).*

_____

Signature of Bidder Date

Proposer, if an individual;
Partner, if a partnership;
Officer, if a corporation.

Subscribed and sworn before me this _____ day of _____, 2020.

_____

Notary Public

APPENDIX G LOCAL PROCUREMENT PREFERENCE APPLICATION

GUAM POWER AUTHORITY
ATURIDÅT ILEKTRESEDÅT GUAHAN
P.O. BOX 2977 · AGANA, GUAM U.S.A. 96932-2977

Lourdes A. Leon Guerrero
I Maga´håga

Telephone Nos. (671) 648-3054/55 Fax: 648-3165

Joshua F. Tenorio
I Sigundo Maga´låhi

LOCAL PROCUREMENT PREFERENCE APPLICATION

Based on the law stipulated below, please place a checkmark or an "X" on the block indicating the item that applies to your business:

5GCA, Chapter 5, Section 5008, "Policy in Favor of Local Procurement" of the Guam Procurement Law states:

> All procurement of supplies and services shall be made from among businesses licensed to do business on Guam and that maintains an office or other facility on Guam, whenever a business that is willing to be a contractor is:

( ) (a) A licensed bonafide manufacturing business that adds at least twenty-five percent (25%) of the value of an item, not to include administrative overhead, suing workers who are U.S. Citizens or lawfully admitted permanent residents or nationals of the United States, or persons who are lawfully admitted to the United States to work, based on their former citizenship in the Trust Territory for the Pacific Islands; or

( ) (b) A business that regularly carries an inventory for regular immediate sale of at least fifty percent (50%) of the items of supplies to be procured; or

( ) (c) A business that has a bonafide retail or wholesale business location that regularly carries an inventory on Guam of a value of at least one half of the value of the bid or One Hundred Fifty Thousand Dollars ($150,000.0) whichever is less, of supplies and items of a similar nature to those being sought; or

( ) *(d) A service actually in business, doing a substantial business on Guam, and hiring at least 95% U.S. Citizens, lawfully admitted permanent residents or national of the Unites States, or persons who lawfully admitted to the United States to work, based on their citizenship in any of the nations previously comprising the Trust Territory of the Pacific Islands.

- Bidders indicating qualification under (d) may be considered QUALIFIED for the Local Procurement Preference <u>only if</u> the Government's requirement is for service. Service is defined Pursuant to 5 GCA Government Operations Subparagraph 5030 entitled DEFINITIONS under Chapter 5 of the Guam Procurement Law.

1. I _____, representative for _____, have read the requirements of the law cited above and do hereby qualify and elect to be given the LOCAL PROCUREMENT PREFERENCE for Bid No.: GPA _____. By filling in this information and placing my signature below, I understand that the Guam Power Authority will review this application and provide me with a determination whether or not the 15% preference will be applied to this bid.

2. I _____, representative for _____, have read the requirements of the law cited above, and do not wish to apply for the Local Procurement Preference for Bid No.: GPA _____.

_____
Bidder Representative Signature

_____
Date

NOTE:
Prospective Bidders not completing this form will automatically be not considered for Local Procurement Preference. Non-completion of this form is not a basis for rejection of the bid or proposal.

SCHEDULE A

Cabras Steam Plant (Units #1 and #2) Technical Description

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1. Introduction

1.1. Purpose and Scope

This document provides technical information about the Cabras Units #1 and #2, Steam Power Plant to prospective proponents of the Performance Management Contract (PMC), such as the plant's design, historical performance, operation, maintenance activities, future maintenance, capital requirements and condition assessment.

The technical assessment of the Cabras 1&2 Plant relies upon the input from experienced and knowledgeable plant, corporate and support personnel. The information contained in this Technical Review is the Guam Power Authority's best effort at organizing, documenting and describing in their best words the overall condition of the plant equipment. All efforts have been taken to represent the status of the plant as accurately as possible to the prospective proponents. However, although every effort has been taken to represent the plant's condition in a fair manner, not every item or actual condition of some equipment can be represented in this document.

The review of the description, history and condition of the station and its major equipment and systems was accomplished by performing physical inspections, reviewing documentation and conducting interviews with key plant and support personnel. The review included but was not limited to an assessment of the plant's design and layout, capacity, system redundancy and equipment operations and maintenance (O&M) history. GPA's current PMC, TEMES, has contributed significantly to the development of this volume.

Historical performance indicators regarding capacity, reliability, availability and heat rate can be referenced in this section. Key station description, historical and condition assessment documents, drawings and procedures were reviewed to gain insight to the plant's overall condition.

The historical documentation of equipment and systems reviews was not intended to be all inclusive, but rather to provide a reasonable perspective of the operating and maintenance history of the plant. The technical review is intended to be a factual description of the facility and refrains from offering conjecture or opinion, except where clearly identified. It is assumed that prospective proponents of this PMC will conduct their own verifying due diligence effort.

1.2. Station Description

The Cabras generating station is wholly owned and operated by the Guam Power Authority. GPA completed construction and commissioned Cabras Unit 1 in 1975. Cabras Unit 2 is an identical unit of Cabras Unit 1. It was commissioned in 1976. Both units are rated at a 66,000 kW gross output capacity.

The plant's boilers are Babcock & Wilcox, natural circulation, radiant reheat, El Paso style. Each boiler is rated at 450,048 lbs/hour of steam at 1005degree F, Superheater outlet pressure at 1850 psi and Reheater inlet 451 psi. The boilers primarily burn #6 low and high sulfur fuel oil and light off on #2 diesel.

The turbine generators are General Electric type TCDF, with reheat and dual flow, single low-pressure section. The turbine generator sets were manufactured in Lynn, Massachusetts and are serial numbers 197622 and 197623.

1.3. General History

The plant was supplied with equipment from reputable manufactures located in the United States (boiler, turbine, and switchgear) and Asia (feedwater heaters, pumps and transformers). The vast major of the equipment is still serviceable by the respective OEM's and non-OEM vendors.

The plant is fired on heavy oil, and lights of with #2 diesel. Both high and low sulfur oils are burned. The low sulfur oil has been used as high as two quarter of the year based on environmental conditions, which dictate the switching of fuels to mitigate environmental issues.

The plant also handles and burns used oil accepted by GPA from the community. The used oil is collected from throughout the island from oil change centers, consumers, maintenance organizations and service stations as well as the waste oil byproducts from the oil cleaning systems at MEC 8 & 9 and other GPA power plants and substations. The used oil quality accepted from the community is tested and required approval from GPA's Planning and Regulatory Division before it is accepted in GPA's Waste Oil Facility. Currently, the Cabras 1 & 2 Steam Power Plant is the only plant on the island capable of burning this processed oil product.

LATE 1990s UP TO 3RD QUARTER OF 2015

The Cabras 1&2 facility was designed and built to support the base load needs of the island along with Tanguisson 1&2 Power Plant. GPA then added low speed diesels, Cabras 3 & 4 as well as the MEC units 8 & 9. From late 1990s up to 3rd Quarter of 2015, the Cabras Steam units were the fifth and sixth order in the economic dispatch order. Cabras 1 & 2 units were expected to swing load on a daily basis to best fit the needs of the GPA system dispatch. During this time, the following major activities were completed for the units:

Non-Destructive Examination

In 1999 and 2000 major non-destructive examination efforts were performed to ensure solid base line data was established. Additionally, thin tubes, which were targeted by the eddy current inspection process, were preventively removed from service to prevent near term failure. Both condensers were 100% tested and all low and high-pressure feedwater heaters were tested 100%. Engineering and Inspection (E&I) of Boca Raton, Florida performed both condensers along with feedwater heater inspections. Details of these test results are available for review by the prospective proponents.

Condition Assessment of Furnace Sections

Both units' boilers have undergone needed condition assessment of the furnace sections. A considerable amount of furnace wall tubing was replaced to improve the boilers reliability. Unit 2 was last overhauled in 2012 and Unit 1 in 2013.

Extensive Repairs

The turbine generators have also undergone extensive. The following were highlights of the repairs:

Cabras Unit 1

- In 2006, generator collector ring & ground brushes inspected;
- Turbine explosion diaphragm replaced;
- Turbine low pressure (LP) hood inspected;
- In 2010, main turbine overhaul;
- In 2013, main turbine valves overhaul;
- In 2014, main turbine electro hydraulic control (EHC) oil filter, servo valve, and actuator replacements;

Cabras 1&2 maintenance crew performed repairs and inspections with technical representative provided by TEMES.

- In 2004, 21st stage (L-1) & 10th stage (IP-1) blades replacement;
- Seals rings completely replaced;
  Diaphragms repaired;

Diversified Energy Services (DES) performed the repairs, inspection, and rotor balancing. DES also performed the generator NDE inspection.

- In 2003, #3 bearing replaced;
- New stem installed in main stop valve ;
- New stem, disc and pin installed in the #1 control valve;

GPA Central Maintenance performed the repairs with technical representative provided by DES.
DES performed the rotor balancing.

- In 2000, 1st stage nozzle replaced;
- 10th stage (New Design upgrade) diaphragm replacement;
- LP to generator coupling was resurfaced;
- 7th stage blading machined to remove hardened material from rub;
- 10th and 11th stage bucket covers repaired;
- Reheat stop valve seat repaired;
- Main steam stop valve repaired (resurfaced);
- New LP hood water sprays installed;
- Many diaphragms were repaired;
- All new packing and seals were installed;

General Electric opened and closed the turbine and both Diversified Energy services, of Oahu Hawaii and General Electric completed repairs; however, a third party was contracted to correct the mechanical deficiencies by GE and DES.

Cabras Unit 2

- In 2006, governor control valve (#5) major repair;
- Turbine motorized drain valves repair;
- In 2006, generator rotor rewinding;
- In 2011, servo valve replacement on EHC system;
- In 2012, turbine control inspection and calibration;
- Installation of on-line monitoring system for main generator;
- In 2013, main turbine EHC control filter, servo valve, and actuator replacements;

GPA Central Maintenance performed the repairs with technical representative provided by TEMES.

- In 2005, L-1, L-2 and 10^{th} stage buckets replacement;
- 11^{th} sage bucket and diaphragm repairs;
- 10^{th} stage diaphragm replacement;
- Seal strip replacement;
- Main Stop, reheat stop, reheat intercept and control valves inspection;

TEMES performed the inspection, repairs and HP-IP and LP rotor balancing with technical representative provided by General Electric.

- In 2004, #3 bearing replacement;
- New main stop valve installed;

GPA Central Maintenance performed the repairs with technical representative provided by DES. DES performed the rotor balancing also.

- In 2000, new retaining rings by General Electric;
- New first stage nozzle;
- Main steam stop valve seat;
- Diaphragm repairs;
- New packing and seals;

Diversified Energy Services performed the inspection and repairs with technical representation provided by General Electric.

Major design modifications and upgrades that have occurred in the past 20 years are:

- Unit 1 and 2, condenser lines replacement in 2003;
- Unit 1, make-up water line replacement in 2003;
- Unit 1, air-preheater cold end basket replacement in 2003;
- Unit 1, steam drum, hot & cold reheat and superheater safety valves repair in 2003;
- Unit 1, force draft fan inlet vane replacement in 2003;
- Unit 1, condenser retubing in 2003;
- Unit 2, installation of new GE Mark V, digital turbine generator control system in 2002;
- Unit 2, economizer replacement in 2002;

- Unit 1, installation of new GE Mark V, digital turbine control system and EX2000, generator excitation system in 2000-2001;
- Unit1, economizer replacement in 2001;
- Number 6 oil handling equipment to facilitate automatic switching from high to low sulfur oil when the environmental conditions require the use of low sulfur fuel;
- Units 1 & 2 step-up transformer radiators and fins replacement;
- Waste oil facilities upgrades.
- Boiler water wall tube replacement (Unit 2 1999 and Unit 1 2000);
- Units 1 & 2 steam drum replacement of new cyclone separators;
- New Unit 1 air pre-heater cold end baskets and seals in 2000;
- New air pre-heater rotor assemblies and baskets and seals, Unit 1 in 1990 and Unit 2 in 1996;
- Main turbine condenser re-tubing with new tubes in 1994 for Unit 1 and 1996 for Unit 2;
- Unit 1 generator was rewound in 1994; and
- Unit 2 economizer replacement in 1994.

Major equipment repairs that have occurred on the past 10 years are:

- Unit 1, Distributed Control System and Boiler Management System installation in 2013;
- Unit 1, auxiliary transformer replacement in 2013
- Unit 1, cooling water pump intake structure replacement in 2013;
- Unit 1, boiler re-heater, secondary superheater, and archway tube replacement in 2013;
- Unit 1, Forced Draft Fan and inlet vane assembly replacement in 2012;
- Unit 2, boiler re-heater and archway tube replacement in 2012;
- Unit 2, boiler feed pump repairs in 2012;
- Unit 2, Deaerator and steam drum inspection and repairs in 2012;
- Unit 2, reconditioning of burner assembly in 2012;
- Unit 2, boiler casing and refractory renewal in 2012;
- Unit 1, boiler feed pump refurbishment in 2011;
- Unit 1, fuel oil pump replacement in 2011;
- Unit 1, air heater replacement in 2010;
- Unit 1 smokestack refurbishment in 2010;
- Unit 2, water wall and archway tube renewal in 2009;
- Unit 1, reheater tube replacement in 2008;
- Unit 2, condenser retubing in 2008;
- Unit 1 and 2, air pre-heater assembly refurbishment in 2008;
- Unit 1, safety valve refurbishment in 2008;
- Unit 1 economizer header replacement in 2008;
- Unit 1 and 2, archway tube replacement in 2008;
- Unit 1 and 2, cooing water pump discharge piping replacement in 2008;
- Unit 2, furnace tube replacement in 2008;
- Unit 2, smoke stack refurbishment in 2008;
- Unit 1 and 2, force draft fan rotor replacement;
- Plant's fuel oil piping replacement in 2006;
- Plant's fuel oil daytank API inspection in 2006;
- Unit 1 and 2, attemperator system replacement in 2006;

- Unit 1, condenser retubing in 2006;
- Unit 1 and 2, service water system renovation in 2006;
- Unit 1 and 2, cooling water pump butterfly valves and power cable replacement in 2006;
- Unit 1 and 2, battery charger and uninterrupted power supply (UPS) replacement in 2006;
- Unit 1 and 2, boiler flue duct expansion joint replacement in 2006;
- Unit 1 and 2, air pre-heater assembly refurbishment in 2006;
- Unit 1, safety valve refurbishment in 2006;
- Unit 2, cooling water pump butterfly valves with actuator replacement in 2006;
- Unit 2, boiler feed pumps overhauled in 2006;
- Unit 1 and 2, archway tube replacement in 2006;
- Unit 2, reheater tube replacement in 2005;
- Unit 2, feedwater heater safety valve replacement in 2005;
- Unit 2, steam drum level gauge replacement in 2005;
- No. 5 high pressure feedwater heater re-tubed with stainless ones (unit 2 2005 and unit 1 2006);
- Circulating water and service water pumps replacement in 2004 (Unit 1) and in 2005 (Unit 2);
- Unit 2, start-up transformer replacement in 2005;
- Deaerator replacement (unit 1 2004 and unit 2 2005);
- Force draft fan rotors replacement (unit 1 2004 and unit 2 2005);
- Unit 1, 1A cooling water pump and service water pump replacement in 2004;
- Air pre-heater baskets, #1 hot end bearing, and seals replacement (unit 1 2004 and unit 2 2005);
- Unit 1, auxiliary transformer refurbishment in 2004;
- New plant service air compressor in 2004;
- New ERV safety valve installation (unit 1 2004 and unit 2 2005);
- Major steam pipe hangers repairs (unit 1 2004 and unit 2 2005); and
- Sootblowers repairs (unit 1 2004 and unit 2 2005).

September 2015 To Date

On August 31, 2015, GPA lost units Cabras 3&4 due to a catastrophic failure. To ensure adequate capacity to meet the demand, GPA adjusted its dispatch priority, with Cabras 1&2 and MEC 8&9 on top of the dispatch order. GPA also commenced Renewable Energy Resource Contracts and expanded it net metering programs, accepting energy from renewable resources during the daytime. During this time, the following major activities were completed for the units:

FY2016 (October 2015 through September 2016):

- Replacement of One Set of 125 VDC Battery Bank for Unit 2
- Unit 2 Turbine and Generator Overhaul
- Unit 2 Traveling Screen 2A & 2B Replacement
- Refurbishment of unit 2 Air Preheater Assembly
- Installation Two New Flue Gas Analyzer (O2/CO) Downstream of #2 APH

- Unit 2 Archway Tubes Replacement
- Miscellaneous Major Overhaul Works on Plant Euqipment
- Unit 2 Secondary Super Heater (SSH) Tubes Replacement
- Replacement of Cabras #2-4 Feedwater Heater
- APH Expansion Joints Replacement
- Unit 2 Boiler Casing and Refractory Renewal
- Material Attenuation Ultrasonic Thickness Testing for Unit 2 Boiler Tubes
- Replacement of Unit 2 Soot Blower Power/Control Cables and Limit Switch
- Steam Coil Heater Drain Feul Oil Heater Outlet Pipe Refurbishment
- Replace Auxiliary Steam System Piping and Fitting
- DCS/BMS System for Cabras 1&2 Power Plant
- Replacement of Unit 1 Hydrogen Purity Monitoring Gage
- Soot Blower Power / Control Cable and Limit Switch
- Turbine Blades Replacement
- Split Inlet Vane
- Turbine Overhaul Manpower
- Fuel Oil Heater Replacement 1A & 2A
- USEPA Compliance 316(b)

FY2017 (October 2016 through September 2017)

- Inlet Vane Control Assembly and Ventuir Cone Replacement Unit 1A & Unit 1B-material
- Air Preheater Hot and Cold End Basket Replacement-material
- Archway Tubew Replacement-material
- Archway Tubew Replacement
- Urgent Repair of Cabras #2 Boiler Tubes
- RO+EDI Resin Tank
- 2016 Over Expenditures of O&M / Water Treatment / Hydrogen and Inventory
- 2017 Over Expenditures of O&M
- Turbine Exhaust Hood Expansion Joint Replacement
- Waste Oil Sludge Cleaning and Upgrade
- Main Turbine Generator Overhaul for U1
- Upgrade the Unit 1 Burner Front System
- Boiler Casing and Refractory Renewal
- Boiler Water Wall Tube Replacement
- Boiler Water Wall Tube Replacement-2
- AH Duct Expansion Joint Replacement
- Upgrade the Heavy Oil Heater Temperature Control System
- DCS/BMS system Critical Control Component
- Air Preheater Basket Replacement-Partial
- Archway Tube Replacement
- Stack Refurbishment and Support Structure Painting
- Plant Safety Valve Replacement
- Air Preheater Basket-material
- Fire Protection System

- API Standard Open Inspection and Repairs for Light Diesel Oil Tank
- Unit 1 Miscellaneous Materials / Parts / Service

FY2018 (October 2017 through September 2018)

- Urgent Repair of Cabras #2 Boiler Tubes
- Removal and Disposal of Asbestos Insulation
- Boiler Chemical Cleaning for Cabras 1 & 2

FY2019 (October 2018 through September 2019)

- Archway Tubes Replacement for Cabras 1 & 2-material
- Unit 2 Air Preheater Expansion Joint - material
- 2A & 2B Traveling Screen Sacrificial Anodes Replacement
- Unit 2 Condenser Expansion Joint Replacement-material
- Cabras 1&2 Power House Building Exhaust Fans Removal and Replacement

REDUNDANCY

The plant was designed with its remote geographic location in mind. Sufficient redundancy in its major auxiliary and support systems to meet the operating requirements of the stations are indicated below in Table 1.

In conclusion, the Cabras generating station offers challenging opportunities in relation to the required operation and maintenance activities inherent in a non-interconnected, island electric generating environment. In general, the plant has a good mix of quality equipment and solid OEM relationships.

Table 1. Major Auxiliary and Support System Redundancy

Equipment Description	# Of Normal Operating	# Of Spares
Boiler Feed Pumps	1	1
Ignition Oil Pumps	1	1
Service Air Compressors	1	1
Instrument Air Compressors	2	2
Condensate Pumps	1	1
Heater Drain Pump/Unit	1	1
EHC Pumps/Unit	1	1
A.C. Turbine Lube Oil Pumps/Unit	1	1
Service Water Pumps	1	1
Service Water Heat Exchangers	1	1
Fuel Oil Pumps	1	1

Circulating Water Pumps, 2 per Unit, each Rated at 60% Capacity	2	0
500 kW Diesel Generator	1	1

2. Site Description and Characteristics

2.1. General Location

The Cabras Units 1 & 2 power plant is located on the island of Guam. Guam is the largest and southernmost island of the Marianas archipelago. The westernmost possession of the United States since 1898, the island is at 13.48° north latitude and 144.45° east longitude. Guam is approximately 1,500 nm southeast of Tokyo; 2,100 nm southeast of Hong Kong; 1,500 nm east of Manila; and 3,100 nm northwest of Sydney; 6,000 nautical miles (nm) west of San Francisco; 3,700 nm west-southwest of Honolulu.

The island is composed of both volcanic material and limestone base seabed material from coral deposits.

Guam's climate is tropical marine; generally warm and humid, moderated by northeast trade winds. Guam's temperature ranges between 73 and 90 degrees Fahrenheit (23 and 32 degrees Celsius). It has a mean annual temperature of 81 degrees (27 degrees C). May and June are the hottest months of the year. However, there is little seasonal temperature variation.

The coolest and least humid months, December through February, are marked by prevailing westerly trade winds. The average humidity varies from an early morning high of 86% to an afternoon low of 72%. The high moisture content of the atmosphere during the rainy season, combined with the warm temperatures, contributes to the rapid deterioration of manufactured materials through rust, rot and mildew.

The average yearly rainfall ranges between 90 and 110 inches (229 and 279 cm). There are two seasons, the dry and the rainy. The dry season (fanumnangan) lasts from December through June. The rainy season (fanuchanan) prevails within the remaining months. Guam's subterranean water lens supplies fresh water far in excess of the island's present needs.

2.2. Site Location and Description

The Cabras generating station is located on the west central side of the island of Guam in Piti; Guam on a landfill over what was Cabras Lagoon and Cabras Island. The plant is accessible from highway 1 and is located on the main road to and from the island's only commercial shipping seaport. The units' basement level is located approximately 6 feet above the mean sea level of the Pacific Ocean.

The remainder of the Cabras site has the Units 3 & 4 and their associated common structures such as oil storage tanks. Oil storage tanks for Cabras 1 & 2, Central Maintenance facilities, Generation Engineering support, Central planning support, Waste Oil processing facility, Central Laboratory

Building, Units 1 – 4 Switchyards, Central Parts Inventory and System Dispatch Center are also located on the same property.

2.3. Transmission Line Interface

The power plant is interconnected to the GPA transmission network via four 115kV transmission lines:

- Cabras-Agana 115 kV Line #1;
- Cabras-Agana 115 kV Line #2;
- Cabras-Piti 115 kV Line;
- Cabras T-300 115/34.5 kV Interchange Transformer

The vast majority of the power produced on the island is at the Cabras-Piti Complex. Out of a total installed gross capacity of 552.8 MW, 340 MW is sited at the Cabras-Piti Complex. Other peaking combustion turbines and black start diesels are strategically located throughout the island and interconnected via various high voltage transmission lines.
Each of the plants' units is protected by an existing generator unit-tripping scheme. This scheme will trip each unit as required to prevent instability of the system as well as overload conditions.

2.4. Community

The island has a population of approximately 170,000 people excluding tourists. Tourism, the number one business of Guam, adds approximately 15,000 at any time to the island's total at any given time.
The United Stated military has a big presence on the island. The Andersen Air Force base is located at the island north end. The US Navy has its operation only two miles from the Cabras site. The United Stated military has proposed to relocate 8,000 marines plus families to Guam increasing the military presence on the island.

The US Navy recently turned over the operation of the shipyard to a private contractor. The private contractor has a multi-year contract to operate the shipyard, primarily in support of the Navy ship repair. This facility has tremendous maintenance equipment and capabilities as would be expected of a remote ship repair facility. This facility if utilized properly could be a strategic asset to the PMC contractor in that, maintenance alliances and services may be developed to support various aspects of the facilities maintenance needs.

The station personnel are government employees. The employees earn vacation based on time worked and seniority.

Employees are encouraged to support various community activities such as government-sponsored programs, parades and events such as the South Pacific Games held on Guam in 1999.
A variety of local vendors supply important services to the site as follows:

- Rental Equipment;
- Electrical and Mechanical Parts;
- Various Tools and Consumable Materials;
- Janitorial Services;

- Welding and Machining Supplies;
- Hardware Supplies;
- Construction Equipment;
- The Former US Navy Shipyard Maintenance Facilities with Tremendous Machining and Repair Capacity.

Employees are active with the following community affairs: Liberation Day (GPA sponsored float in parade), Labor Day Government of Guam Picnic, Military Reserves, GPA Public Power Week and associated island wide clean-up activities, GPA sponsors Fitness & Wellness program where an employee can use three hours of the normal base 40 hours each week to exercise and receive normal pay.

2.5. Site Map

Site maps will be provided upon request.

2.6. Site Infrastructure and Utilities

The station's utilities include potable water, electric power, communications and sewage discharge lines.

2.6.1. Domestic Water

Domestic potable water is provided to the plant by the US Navy reservoir located nearby. This source of water is used for the water treatment facility and all other potable needs. The same water supply charges the fire hydrants on the plant property and no plant booster pumps are required. Domestic potable water is also used in areas of the plant where the closed cooling water system cannot meet the flow requirements.

2.6.2. Station Electrical

The auxiliary power system for the Cabras 1 & 2 plant consists of the following equipment:

- Two 13.2 kV/115 kV step-up main transformers (East and West);
- Two 4160 V auxiliary transformers;
- One 34.5 kV start-up transformer;
- Three 480 V power center transformers.

Table 2 contains a description of the aforementioned transformers.

Two 13.2 kV/115 kV step-up transformers, one for each unit, serve to export power out of the Cabras 1&2 power plant to GPA's substations and then distributed from there to the customers. Part of each Cabras steam power generator's electrical power production at 13.8 kV is diverted to the each unit's auxiliary transformers to provide station power to the plant. The auxiliary transformer is connected to the generator before the main transformer.

At the auxiliary transformer, the voltage is stepped-down to 4160 V. This energizes the 4160

common, 4160 Unit 1 or 2 MC, and the power center transformers. Each unit's potential transformer energizes the plant's instrumentation such as the var, watt, and watt-hour meters. These potential Transformers are located in the basement area and step down the 13.8 kV voltage to 120 V.

As an alternate source for emergency power, the station start-up transformer is tapped off the 34.5 kV line leading from the 115-kV/34.5 kV power interchange transformer to the Piti 34.5 kV substation. The start-up transformer provides an alternate black start capability via the 34.5 kV transmission systems down to 4.160 kV.

2.6.3. Station Lighting

Station Lighting consists of all interior lighting and outside lighting 180 degrees on the left side of the Cabras 1 & 2 plant. The main panel breaker for most of all the lights is located on the operating floor, next to the stairway in front of the control room area. This is a newly installed breaker panel replacing and relocating the original plant panel. From the main and the individual breakers, the circuits branch out to various smaller breaker panels scattered throughout the plant.

Table 2. Cabras 1 & 2 Plant Transformers

Name	Location	Quantity	Input Source	Input Voltage	Output Voltage	Equipment	Historical Maintenance Record
54 Main Transformer	Outside Building Perimeter	One transformer per unit	Generator	13.8 kV	Stepped up to 115 kV	Provides power to IWPS on 115 kV East and West Buses	Maintenance performed by T&D substation.
56 Auxiliary Transformer	Outside Building Perimeter	One transformer per unit	Generator	13.8 kV	Stepped down to 4160 V	Provides Station Power to plant and to Power Center Transformer	Maintenance performed by T&D substation.
55 Power Interchange Transfer	Cabras Switch Yard		115 kV Buses	115 kV	Stepped Down to 34.5 kV	Goes to Piti Power plant	Maintenance performed by T&D substation.
57 Startup Transformer	Outside Building perimeter	One transformer	Piti substation	34.5 kV	Stepped down to 4160 V	Alternate power source for start up. Common bus 1&2 tie in for station	Maintenance performed by T&D substation.

						power	
58 Potential Transformer for Generator	Basement Area (Below generator)	One per unit	Generator	13.8 kV	Stepped down to 120 V	Generator controls: Wattmeter, Variance, and Watt-hour meter.	
69 Power Center Transfer	Operation Floor	Three (Cabras unit #1, #2, and Common)	Auxiliary Transforme r	4160 V	Stepped down to 480/277V	480 Power Centers	Performed Cleaning of internals in 1997 and 1998

2.6.4. Emergency Generators

Cabras 1 & 2 presently has one emergency generator located in the plant's basement area. The generator is a 500 kW diesel unit installed in 1997. It is connected to the 480 V common 3-phase panels providing plant lighting and power to the various plants' equipment.

2.6.5. DC Batteries

Cabras 1 & 2 DC Battery systems consist of two 60 cells battery banks, one per unit, located on the mezzanine floor. They were replaced in 2007. The DC batteries provide 125 VDC (100 Amps) ower via the 125 VDC distribution bus panel located on the mezzanine floor. The batteries are re-charged by a GUTAR battery charger located next to the 125 VDC distribution bus panels.

2.6.6. Communications System

The plant is equipped with both telephones and a plant Gia-Tronics paging system.

2.7. Incident Mitigation Capabilities

The plant has a series of Standard Operating Procedures (SOP) which are employed GPA wide. The following SOP's pertain to these issues:

- SP-049 Tropical Cyclone Emergency System Restoration (ESR);
- SP-050 Oil Spill Containment, Clean-up and Reporting;
- SP-057 Supplements I through VII to the Hazard Communication Program;
- SP-063 Hazard Communication Program;
- SP-067 Employees Hazard Reporting;

- SP-088 Emergency Condition (Support Services Section).

2.8. Fire Hazard Mitigation

Station Fire Protection System Descriptions

The fire alarm and protection system has been upgraded at the plant. Plant fire alarm and detection system components have been refurbished and replaced in 2014.

2.8.1. Fire Pumps

The system includes an electric driven "Jockey pump" to maintain system pressure to the plant header system. In the event that the system pressure drops, indicating high demand such as in fighting a fire, the diesel driven main pump will automatically start-up. Plant fire water pump discharge piping was replaced in 2014.

2.8.2. Hydrants and Piping

The Cabras facility is equipped with a variety of permanently installed fire hydrants. Most fire hydrants are located around the perimeter of the facility by the access roads. The fire hydrants are tied to the Guam Water Authority water lines and are always under pressure through their system series of towers and storage tanks. Replacement of the fire hydrant system was completed in 2012.

2.8.3. Automatic Sprinkler Systems

A fire protection and suppression system for fuel oil day tanks was installed in 2011. Fire suppression systems for main and auxiliary transformers were installed in 2012. Fire protection deluge spray systems for the fuel oil pump and motor area was refurbished in 2014.

2.8.4. Locally Mounted Fire Extinguishers

Fire extinguishers are located in the battery room, relay room and in various locations throughout the plant.

2.8.5. Spray Nozzles

Spray nozzles and hose reels are located throughout the plant.

2.9. Security Operations

The GPA safety division protects the plant and other locations are responsible for:

- Station access and control (Provided through a local security company);
- Emergency incident and alarm response;
- Incident investigation;

The GPA transportation and plant are responsible for station vehicle and locker control.

2.10. Support Structures and Facilities

This section provides a description of the following support facilities:

- Central Maintenance;
- Peripheral facilities;
- Power System Control Center;
- Fuel Management Facility;
- Cabras 3 & 4 Slow Speed Diesel Plant;
- Warehouse operations;
- Generation Administration, Engineering and support offices; and,
- Parts inventory storage.

Approximately 22 personnel are assigned to the Central maintenance group, two are assigned to the fuel management and approximately 12 are assigned to the Central dispatch center. One person is assigned to the warehouse operation, two assigned to the waste oil facility and 35 are assigned to the Cabras 3 & 4 facility. At any given time contract and support personnel can be located on site in support of unit overhauls, construction, upgrade or maintenance related projects.

2.10.1. Intake and Discharge Channels

GPA constructed the approximately 30 feet wide and 10 feet deep intake channel. The intake inlet runs from the west side of the Cabras Island, under the port and plant access road to the inlet of the traveling screens. Dredging was last performed in 2003. This activity will continue to be the responsibility of the GPA in that Cabras 3 & 4 requires inlet water to support their operation.

2.10.2. Emission Monitoring and Reporting

Presently, Cabras 1 & 2 monitors opacity. The plant uses cameras mounted on the roof to monitor the smoke opacity. The exiting opacity monitor is inoperable.

In anticipation of the U.S. Environmental Protection Agency's Title V regulations, sampling of the flue gases produced by the generating units will have to be taken to support proposed boiler efficiency changes.

2.10.3. Water Discharge Monitoring and Reporting

Guam Power Authority is mandated to comply with the Clean Water Act (33 U.S.C. 1251 et seq., the "Act"). This requires GPA to apply for environmental permits for water discharge from the Cabras 1 – 4 power plants into the Piti Channel, Apra Harbor. This involves considerable work with effluent limitations, monitoring requirements, other general conditions and conditions under EPA Region IX Standard Federal National Pollutant Discharge Elimination System (NPDES) Permit Conditions. GPA presently holds permit number GU0020001. This permit became effective on December 19, 2012 and expires January 31, 2018.

Effluent limitations are applied to cooling water and storm water discharge. GPA Cabras 1 & 2 lab personnel conduct monthly monitoring and sampling for flow, temperature at receiving water and influent/effluent areas, fluoride and pH. A third party contractor provides sample testing.

The current limits subject to USEPA approval for cooling water discharge required the temperature change of the received water, to not exceed 1.0 degree C. on a daily and average monthly basis. Fluoride must not exceed 1,350 kg/day or 1.5 mg/l per day. The pH of the effluent shall not be less than 7.0 standard units or greater than 9.0 standard units and shall be within 0.5 standard units of natural conditions at al time. Other than pH, which is monitored weekly, all other characteristics must be monitored on a monthly basis, sampled by the plant and taken to a contracted testing company.
Storm water discharge is monitored and sampled for flow, suspended solids, oil and grease, fluoride and pH by GPA Cabras 1 & 2 plant personnel. Like cooling water discharge, samples for storm water are also tested by a contracted testing company, presently Environmental Monitors Inc. Limitations include suspended solids not to exceed 50 mg/l per day; oil and grease shall not exceed 20 mg/l per day and 15 mg/l on an average monthly basis. The pH levels shall have the same limits as the cooling water discharge. GPA is also required to continue the Water Quality Monitoring Plan for thermal discharge, which was a previous requirement to the additional discharge due to the operation of Cabras 3 & 4.

Other general conditions ensure other pollutants are not released through the plant discharge. These conditions restrict discharge from being unaesthetic, detrimental to or adversely affect aquatic life, and /or toxic or harmful to humans, animals, plants or aquatic life. As well, there is no allowance for discharge of polychlorinated biphenyl compounds or chlorine.

Under the permit conditions GPA must also monitor low-volume waste, monthly for oil and grease, conduct quarterly toxic testing of organisms exposed to the effluent and develop and implement storm water “Best Management Practices” (BMP), plan. The permit does include guidelines for testing, required BMP’s, non-compliance reporting procedures, as well as remediation requirements.

All sampling and testing contracts are handled by the Cabras power plant. All monitoring, sampling and testing reports from the Cabras 1 & 2 planning and Regulatory Section, for the submittal of the monthly and quarterly compliance reports both EPA and Guam EPA.

3. Process & Equipment Description

Initial operation of the Cabras generating station unit 1 & 2 began in 1975. Each unit is rated at 66 MW net. The plant is situated on a small track of land on the islands west central side. The following is a description of the plant’s major equipment, systems, the major historical events and the overall condition assessment of the equipment.

3.1. Boiler and Related Systems

Description of equipment and system: The Babcock & Wilcox, (B&W) boilers are natural circulation, radiant style, pressurized, oil fired, and indoor units. The design pressure is 2,225 psig (nominal) at both the economizer and furnace. The superheater design outlet pressure is 1,850 psig.

The reheater outlet pressure is 424 psig. The economizer inlet design temperature is 454 degree F. The superheater design steam flow is 450,048 lbs/hour. The reheater has a design steam flow of 376,013 lbs/hour. The air preheater design outlet temperature is 334 degree F. This section and subsections describe specific major equipment for the Cabras Unit 1 & 2 Steam Power Plant.

The last boiler condition assessment studies for both units were completed in 2003 (Unit 1) and 2005 (Unit 2). B&W performed the assessment for unit 1 and Taiwan Power Company for unit 2.

3.1.1. Steam Generator Arrangement

Description of equipment and system: Table 3 provides a summary of the heating surface in square feet, of the major boiler components.

Table 3. Major Boiler Component Heating Surface Area

Boiler Component	**Heating Surface Area (square feet)**
Boiler	5,995
Furnace	4,262
Saturated Superheater	260
Primary Superheater	16,300
Secondary Superheater	2,864
Reheat Superheater	6,265
Economizer	10,105

3.1.2. Fluid flow Path Description

Description of equipment and system: Preheated feedwater from the low and high-pressure feedwater heaters enters the boilers economizer section under pressure from the boiler feed pump. The feedwater from the economizer outlet enters the lower portion of the steam drum, below the water line. The pumping action that produces this flow is created in natural circulation boilers by the force of gravity acting on fluids of different densities. The downcomers contain a saturated or sub cooled water while the generating or riser tubes contain a lighter steam and water mixture. The mixture leaving the riser normally contains 5% to 20% steam by weight, depending on the pressure and load on the boiler.

Feedwater entering the steam drum mixes with the existing saturated water and flows down through the downcomers located outside the hot gas passes or, in some cases, in the coldest gas pass. Water from the downcomers is distributed to the generating tubes via lower headers and the drum. Heat applied by radiation and convection to the generating tubes causes boiling of the fluid in the tubes. Circulation will increase with heat input until the pumping pressure equals frictional and other losses.

The primary purpose of the furnace is to provide a gas-tight enclosure for the complete combustion of fuel. Since complete combustion is essential for efficient, smoke free, operation, the furnace and the fuel burning equipment must provide the three basic conditions for complete combustion:

- Temperature to support combustion;

- Turbulence to bring air into contact with unburned fuel;
- Time in the high temperature and turbulent zone for combustion to be complete.

These key variables are reviewed to remind the potential proponents of the importance of the boilers proper operation while burning both normal #6 fuel oil as well as the waste oil streams that are required of these units.

Completing the boiler water cycle is the steam drum where the steam-water mixture is separated by internal baffling and cyclone separators. This separated saturate steam is then processed to the primary superheater, then the secondary superheater prior to being processed to the turbine.
History: Unit 1 boiler suffered from a major explosion in 1990. Repairs were made in phases, phase 1 was immediate repairs to allow it to return to service and phase 2 was long term integrity repairs which were undertaken 3 years later. Both boilers have been the reason for the plants' high equivalent forced outage rate (EFOR). Both have suffered repeatedly from arch and furnace tube failures due to heavy internal deposits that resulted in overheat and often caused hydrogen damage. The root cause of this problem was condenser leakage allowing salt water into the boiler during operation.

Condition Assessment: Both boilers have undergone several inspections within the past 15 years. Cabras Unit 1 was inspected in 2000 and 2003 by Babcock & Wilcox, in 2001 by Edison O&M, in 2004 by USSI, in 2006 by Smithbridge, and in 2013 by Taiwan Power Company. Cabras Unit 2 was inspected in 2001 by Babcock & Wilcox, in 2002 by Edison O&M, in 2004 by Taiwan Power Company, in 2006 by Smithbridge, and in 2012 by Taiwan Power Company. Because of these inspections, major furnace and arch way tubings were replaced or repaired by GPA Central Maintenance section.

3.1.3. Boiler General Arrangement and Major Components

Economizer

Description of equipment and system: The single counterflow economizers are 71 elements wide. The total surface area is 10,105 square feet.

History: The unit 1 boiler economizer suffered chronic tube failures that were rectified by plugging off each affected tube at the inlet and outlet headers. The section was replaced in 1995 and the headers tube stubs were repaired in 2003. It was similarly replaced on unit 2 for the same reasons in 2001. The headers and more sections were replaced in 2002. The Unit 2 Economizer was last repaired in 2008.

Condition Assessment: Both units' economizers should have many years of acceptable performance available.

Furnace Walls

Description of equipment and system: The furnace wall tubes is generally where fuel combustion and cooling for the combustion products take place and also provides much of the steam generating

surface in the boiler.

History: Both units have suffered repeatedly from furnace and arch way tube failures due to overheating and hydrogen damage. In order to improve the reliability of both boilers, GPA had extensive repairs performed after every inspection of the furnace and arch way tube. Babcock & Wilcox, of Barberton, Ohio, repaired unit 2 in 1999 – 2000 and Unit 1 in 2000 – 2001. The determination of repair requirements first used the nondestructive examination techniques referred to as FST-GAGE and FHyNES. Both inspection techniques scanned 12,800 linear feet of water wall tubes on both units. To ensure complete coverage of the tubes, a triple scan (left-to-right) was performed on each tube resulting in approximately 38,400 linear feet of scanning. All of the welds and bends in the inspection area were inspected using the FHyNES test technique and T&R transducers.

Unit 1 was inspected from May 8 through May 14, 2000. Unit 2 was inspected from June 17 through 24, 1999. Each boiler had several hundred feet of tubing replaced. The Babcock & Wilcox reports of June 1999 and May of 2000 contain complete details of these repairs.

Condition Assessment: The Babcock & Wilcox reports provide considerable detail of every tube as tested. These reports form the basis of an excellent base line for future comparative analysis. The information can further provide condition assessment input to the suspected proponent of this facility. Both boilers underwent complete chemical cleanings shortly after the major repairs and with good water chemistry control, should be good for several years of reliable service once other boiler components are repaired or replaced.

Roof Tubes

Description of equipment and system & History: The roof tubes and penthouse sections of both boilers are all original. The refractory seals in the penthouse were replaced in recent years. B&W employees during the 1999 and 2000 inspection and repair activities inspected these components for each boiler. GPA Central Maintenance section performed refractory repairs on unit 1 in 2003 and on unit 2 in 2004.

Condition Assessment: No NDE testing or tube samples have been performed on this section of the boilers.

Superheater

Description of equipment and system: The boiler superheater section has two major components: the secondary and primary superheater. These sections of the boiler are horizontal in nature and designed to be self-draining. The superheater is the highest heat transfer component of the boiler.

History: The Unit 1 secondary superheater tubes were replaced to further increase the main steam temperature during the Unit Major Overhaul of 2013.

Condition Assessment: NDE inspections of superheater tubes were last conducted in 2013 for Cabras

Unit 1 and 2012 for Cabras Unit 2.

Reheater

Description of equipment and system: The reheater section of each boiler returns the steam temperature back to the designed 1,000 degree Fahrenheit. This helps to match the steam temperature of the main steam as both enter the high-pressure steam chest of the turbine.
History: Both units' reheaters suffered from plugged tubes due failures within the banks.
Condition Assessment: The Unit 2 boiler reheater tubes were last replaced in 2012. Reheater tubes for Unit 1 were last replaced in 2013.

3.1.4. Boiler Casing and Flue Gas Ducts

Description of equipment and system & History: In general the boiler flues and ducts are in serviceable condition. The two expansion joints in the flue area are packed with fly ash requiring basic repairs.
Condition Assessment: The Unit 2 Boiler Casing and refractory renewal was completed in 2012.

3.1.5. Burners

Description of equipment and system: The boiler is equipped with the original B&W, Racer 10Y-41-53-4-80 burners. The burners are equipped to be both steam and air atomization. Each burner has a capacity of 9,610 lbs/hour.
History: There are four burners per boiler. The burners were originally located in the lowest two rows, that being the "A" and "B" elevations below the NOx ports. However, due to low steam temperatures, the NOx ports were converted into burners by relocating original lower burners into the ports in approximately 1970. The boiler is started-up on the "B" row of burners. The boiler is initially ignited with #2 diesel oil. The Forney burner controls are currently in use with the boiler. The original windbox dampers before the burners were removed at B&W's recommendation many years ago.
Condition Assessment: General inspections of the burners are conducted in conjunction with the B&W boiler inspections. Heavy wear on the burner tips is being experienced due to the processing of waste oil in the boiler and improper fuel temperature treatment. Cleaning, inspection, and reconditioning of the Unit 2 burner assembly was completed in 2012.

3.1.6. Steam Drum and Internal Components

Description of equipment and system: The steam drum separates saturated steam from the boiler water, such that it may be processed to the boilers primary and secondary superheater. This steam quality is important to the safe and reliable operation of the turbine.
History: The operation of the boiler with poor water chemistry has impacted the steam drum like that of the furnace wall tubes.

Condition Assessment: The steam drum internal moisture separators, cyclones and moisture separators were replaced on unit 2 in 2006. The steam drum internal components for Cabras Unit 1

were also replaced in 2013. Internal and external surface cracked detection was conducted by B&W on unit 1 in 2003.

3.1.7. Boiler and Major Valves

Boiler Control and Stop Valves

Description of equipment and system: The boiler is not equipped with a main steam outlet stop valve. The turbine main stop valve serves this requirement in conjunction to protecting the turbine. The boiler's SH & RH single spray water attemperator valves help to trim the steam temperatures to the turbine from the boiler.
History: Both SH and RH spray water attemperator valves were replaced for both units in 2006. New boilers feed pump minimum flow recirculation valves were installed on Unit 1 in 2000.
Condition Assessment: Both main steam stop valves are in working order.

Boiler Safety Valves

Description of equipment and system: Each boiler steam drum is equipped with a pair of safety valves. These valves are critical to reliable and safe operation of the boilers. These safety valves are routinely inspected annually.

History: In 1998 Arakaki Mechanical of Hawaii replaced the steam drum safety valves for Unit 2 with new valves. In 2000, Babcock and Wilcox of Barberton, Ohio replaced the steam drum safety valves for Unit 1 with new valves. Additionally the superheater outlet safety valve was replaced on Unit 1 in 2000. Recently, the valves were dissembled, inspected, and repaired by Basin Valve Company in 2012 for Unit 2 and 2013 for Unit 1.

Condition Assessment: All safety relief valves are in good condition. Originally, both boilers were equipped with Electromatic relief valves. These valves were high maintenance and were blanked off and not available for service but new valves were installed in 2004 (Unit 1) and in 2005 (Unit 2) and placed back in service.

3.1.8. Boiler Controls and Instrumentation

Description of equipment and system: The original boiler control system is currently in service at Cabras Unit 2. The Bailey control company provided this original system. The series of equipment is the Mini-line unit, which is responsible for the air system steam temperature, feedwater control and the Forney burner controls. In addition to the Bailey Mini-line boiler control system, Cabras utilizes a flame detector cooling air blower, by the Buffalo Forge Company. The type 3 RE L-1008 blower has a capacity of 250 CPM and an outlet pressure of 31.8 inches. A 5 HP, 460-volt motor powers this blower. This blower turns at 3600 RPM.
History & Condition Assessment: The Mini-line system has been a good performer over the years, however replacement parts are becoming difficult to obtain since the manufacture no longer supports this vintage system. GPA has replaced the current control scheme with a new Distributed Control System (DCS) and Boiler Management System (BMS) for Cabras Unit 1 in 2013. GPA is considering installation of a DCS and BMS at Cabras Unit 2.

3.1.9. Air Preheaters

Description of equipment and system: The air preheaters along with the unit's steam inlet coils help to preheat the boiler air to precombustions levels. This equipment plays an important aspect on the units' heat rate and levels of performance.
History: Each boiler was originally equipped with two Ljungstrom, regenerative type 17 HS X 44 air preheaters. These air preheaters were replaced in their entirety in 1990 on unit one and 1996 on unit 2, with type 17HSX series equipment. Each air heater has a total heating surface area of 30,800 sq. ft. Each boiler also has a pair of ASNF copper fined steam preheaters manufactured by Aerofin Company.
Condition assessment: Due to heavy corrosion and excessive air leakage, the Unit 1 air preheater assembly was replaced during the Unit's Major Overhaul in 2013. Similarly, the Unit 2 air preheater assembly is scheduled for replacement in 2015.

3.1.10. Soot blowers

Description of equipment and system & History: The soot blowers keep the internal heat exchange surface areas of the boiler clean. This greatly facilitates the efficient exchange of heat from the fuel to steam. There are seven soot blowers for each boiler and two for the air preheaters. The boiler utilizes five type IK-525 and two IK-525-EL soot blowers. The soot blowers use steam from the boilers drum at a maximum of 600 psig for the boiler and 200 psig for the air preheaters. Diamond Power/B&W manufactured the soot blowers. Each boiler is equipped with a thermo probe, which is used only during start-up and is located at the secondary superheater inlet.

History: The soot blowers have undergone repairs and replacements during 2013 (Unit 1) and in 2012(Unit 2) overhaul periods.

Condition Assessment: All soot b lowers are included in the routine preventive maintenance (PM) program.

3.1.11. Forced Draft Fans and Drives

Description of equipment and system: Each boiler is equipped with a pair of Westinghouse supplied forced draft fans. The units are positive pressure and are not equipped with induced draft fans. The fans are type #4054C-D Airfoil with a capacity of 299 x 1000 lbs/hour. The fan outlet pressure is designed at 34 inches of water at 105 degree Fahrenheit, at a speed of 1780 RPM. Westinghouse, frame # 5808S type LAC motors drive the fans. Each motor is rated at 600 HP, 4,000 volts, 60 HZ and 1,800 RPM.

History & Condition Assessment: The rotors on Unit 1 were corroded significantly and were repaired along with the inlet control vane assembly in 2012. The forced draft fan and motor supporting beam was retrofit during the Unit Major Overhaul in 2013.

3.1.12. Feedwater Heaters and Deaerator

Description of equipment and system: Each unit is equipped with two low pressure, two high-pressure feedwater heaters (FWH) and one Deaerating (DA) heater and storage tank. Both low and high pressure FWH's were manufactured by Toshiba. All heaters are horizontal, U-tube type heaters. The surface area in square feet of each heater is as follows: 1-1,345, 2-1,290, 4-1,830 and 5-2,480.

The deaerating heater and storage tank has a maximum capacity of 502,767 lbs/hour. The storage tank is rated at 9,570 gallons. The outlet temperature of the feedwater is designed at 296.6 degree F.

History: Feedwater heater No. 1, 2, 4, and 5 underwent inspection and repair during the Unit 2 overhaul of 2012. The No. 2 Feedwater Heater was replaced during the Unit 1 overhaul in 2013. Restoration and painting of the Unit 1 Deaerator support structure and stairway to ensure structural integrity was completed in 2014. The Unit 2 Deaerator inspection and repair was conducted during the Unit overhaul in 2012.

3.1.13. Miscellaneous Equipment

Stacks

The smoke stacks were visually inspected by Sealand Construction Company in 2003 (Unit 1) and in 2004 (Unit 2). The insulating lining has badly deteriorated and it is planned to be replaced in phases starting 2010 for Unit 1. The insulating lining for Unit 2 was replaced in 2008.

Building, General

The turbine room roof was replaced after typhoon PAKA in 1997 and 1998. Work was completed to repair exposed reinforcement bars, concrete and repaint the outer walls of the building's structure, both inside and out. The stairs located by the #2 main transformer and maintenance shop was also replaced or repaired. Lastly, miscellaneous drain downspouts are scheduled for replacement in conjunction with the above items.

Circulating Water Vacuum Pumps

Each unit was originally equipped with water box vacuum pumps. These pumps pulled a vacuum on the water boxes to ensure the removal of air. By removing the entrapped air in the water boxes good performance was ensured by having all tubes properly exposed to circulating water. All the vacuum pumps have failed and were not replaced. Instead water powered air pumps were installed to vent the air from the water boxes as best possible. In December 2005 a new air priming system for water box was installed.

Hydrogen Manifold

The common hydrogen manifold and several of the piping were repaired in 2004. The Unit 2 hydrogen piping was replaced in 2012 during the Unit overhaul.

Turbine Lubricating Oil Tank Berm

Both units' lubricating oil tanks are not protected with a containment berm. In the event of an oil leak, the oil would end up in the floor drain system. Plant personnel would have to remedy this situation.

Acid Tank

The acid storage tank is in poor condition. Should this tank continue to be used, replacement should be considered. With the advent of the newly proposed reverse osmosis water treatment system, reliance on this tank could be greatly reduced.

CO & Opacity Monitors

New CO_2 monitors were installed in 2006. The opacity monitors are original equipment, irreparable, and require replacement.

Plant Paging System

The existing plant paging system requires repairs and possible upgrading. This system is a Gia-Tronics system commonly used at power plants.

Asbestos Insulation Removal

The plant has asbestos insulation, requiring monitoring and removal as required. The plant has made a significant stride in removing the asbestos in the plant within the past 5 years. They have removed considerable amount of asbestos insulation from inside the plant during the overhauls. In 2006 they removed almost in its entirety the asbestos insulation covering the fuel oil piping outside the plant.

Condensate Storage Tanks

Both condensate storage tanks are corroded and require wall thickness testing and new FRP liner.

Battery Chargers

Both battery chargers were replaced in 2006.

Waste Oil and By-products

Currently GPA disposes the drums of waste oil, waste absorbent, oily rags used in operation and maintenance and protective suits used in support of maintenance on a monthly basis.

Elevator

The plant elevator is irreparable and requires replacement.

Air Compressors

The old No. 1 Service Air Compressor was replaced with a new Ingersoll Rand Rotary Screw type unit in September 2004. The new unit is a IR Model H 150W rotary screw air compressor with a TS 1000 Air Dryer, 1 micron prefilter and 0.01 micron discharge filter. It can also be used to augment dry instrument air if required.
History & Condition Assessment: All four-instrument air compressors require basic repairs.

3.2. Main Turbines/Generators

The turbine is a General Electric, 22 stages, reheat machine, operating at 1,850 psig. The operating temperatures are 1,000 degree Fahrenheit for both the main steam and reheat. The turbines were manufactured in Lynn, Massachusetts and are serial numbers 197622 and 197623.
The generator is a three-phase, synchronous, hydrogen cooled, direct coupled to the turbine unit rated at 77,647 KVA. The power factor is rated at 0.85 lagging while the frequency is 60 Hz, at 3,600 rpm.

Rated terminal voltage is 13,800, and the rated current is 3,249 Amperes with a Wye connection. Hydrogen pressure is designed for 30 pounds and the excitation has a maximum rating of 192 kW. The total temperatures of the stator coils are 91-degree C, collector 125 degrees C, and the field coil 125-degrees C, by resistance. Required cooling water is 600-gpm and a maximum temperature of 95 degree F. The original exciter is a static unit with a rated capacity of 200 kW, 800 amperes. The static exciters have been upgraded from the original units.

3.2.1. Main Turbine Auxiliary Equipment

Description of equipment and system:
Additional turbine support equipment is as follows:
Main Steam Jet Air Ejectors – Type twin element two- stage steam, with a rated capacity of 10 scfm. The single ejector per unit has a suction pressure of 1.0 inches of Hg absolute. The required working steam pressure is 200 psig and can consume 600 lb. while cooling 120 gallons per minute.

Starting Ejector – Each unit is equipped with a single stage steam jet type ejector with a rated capacity of 642 SCFM and working suction pressure of 17 inches Hg absolute. The working steam pressure is rated at 200 psig and has a steam consumption of 3,200 pounds. The manufacturer of both ejectors is Toshiba.

Condenser – The condenser is a single shell, double flow of steam with divided water box type surface condenser. The condenser has 53,800 sq. feet of surface area, and is designed to condense 316,888 # of water per hour. The design heat load is 3.147×10^{8} BTU, with seawater at 85 degrees F. The tubes are 1.0-inch outer diameter. The circulating water quantity is rated at 57,220 GPM. The manufacture is Toshiba.

History and Condition Assessment: The condensers had suffered from chronic tube failures due to old tubes, ammonia attack, and over rolled tubes from previous replacement work. In 1998, 1999 and 2000 extensive NDE inspections were performed. Engineering and Inspection of Boca Raton, Florida and Oahu, Hawaii inspected all tubes. Complete detailed inspection reports were created. Several tubes were identified and preventatively plugged to minimize the possibility of leaks. The Engineering and Inspection, Inc. reports along with the Information 2 ENERGY, Inc., of Stuart, Florida reports should be reviewed for details. Edison O&M performed NDE inspection and replaced several tubes on unit 2 in 2002. Similar work was performed by E&I on the condenser on unit 1 in 2003. TEMES replaced majority of tubes on unit 1 with stainless tubes in 2006 and unit 2 in 2008 to improve the performance and minimize downtime.

Condenser Vacuum Pumps – Each unit is equipped with Ebara, water ring type vacuum pumps (model 50-NV6M). There is an installed spare pump to service both units. Each pump has a design capacity of 24.7 scfm and a negative pressure of 15 inches of Hg. The Ebara liquid ring vacuum pumps rotate at 1,750 rpm, and are drive by a five horsepower motor rated at 460 volts. The make-up water requirements are 3.96 GPM per pump. Toshiba (Ebara) manufactured all these pumps.

Make-up Water Pump – The horizontal volute turbine pumps are rated at 250 gpm with a total head of 130 feet. The pumps rotate at 3,500 rpm and are driven by a 15 HP, 460-volt motor. Each unit's pump was manufactured by Toshiba pump (Yoshikura).

Turbine Lube Oil Transfer Pump – These pumps are horizontal gear type pumps rated at 43.3 gpm, at 132 feet of head. The pumps rotate at 1,150 rpm and are driven by a 3 HP, 460-volt motor.

Turbine Lube Oil Storage Tank – Each unit is equipped with a 3,200-gallon storage tank manufactured by Jashiba.

Dirty Oil Storage Tank – Each unit is equipped with a 3,200-gallon storage tank manufactured by Jashiba.

Turbine Main Oil Tank - Each unit is equipped with a 2,233-gallon storage tank (including 485 gallons of flow back) manufactured by General Electric.

Turbine Oil Cooler – Each unit is equipped with a pair of turbine oil coolers, which use 315 gpm of cooling water at a maximum design temperature of 95 degrees F. The manufacture is General Electric.

Bearing & Seal Oil Pump – Each unit is equipped with a pair of vertical bearing & seal oil pumps. One pump is a spare unit, which is driven by a 20 HP, 460-volt, 3600-rpm motor. General Electric manufactured the pumps.

Emergency Bearing & Seal Oil Pumps – Each unit is equipped with one vertical pump, which is driven by a 20 HP, 125-volt, 3500-rpm motor. General Electric manufactured the pumps.

Turbine Oil Tank Vapor Extractor – each turbine oil tank is equipped with one vapor extractor driven by a ¾ HP, 460-volt motor. General Electric manufactured the vapor extractors.

Gland Steam Condenser – Each unit is equipped with one General Electric gland steam condenser, each rated at 220 square feet. The design condensate minimum and maximum flow ratings are 300 gal/min and 686 gal/min, respectively. The maximum steam flow is rated at 1,130 lbs/hr. and the air is rated at 655 lbs/hour. General Electric manufactured this equipment.

Gland Steam Exhauster – Each unit is equipped with one Lamson model 3066-0-AD gland steam exhauster with a maximum capacity of 700 lbs/hour. The exhausters are powered by five HP, 460 volt, 3,600-rpm motors and were manufactured by General Electric.

History: The Cabras Unit 1 turbine was overhauled by Taiwan Power Company Taiwan in 2010. The Unit 2 turbine is scheduled for overhaul in 2015.
Condition Assessment: Both generators are in good/serviceable condition. The vendor reports should be reviewed by prospective PMC for further details or clarification.

3.2.2. Turbine Controls and Instrumentation (Mark V)

Description of equipment and system & History: Both units are fitted with a General Electric Mark V, digital turbine control system. The system was installed on Unit 1 in 2000 and Unit 2 in 2002.
As part of the Mark V, the system incorporated a excitation system referred to as the EX2000. Additionally a vibration monitoring system from Bently Nevada was installed on both units.

Condition Assessment: The Mark V system is operating well. It has improved the operation of the

turbine greatly. The Unit 1 Mark V control system calibration was completed in 2013. The Unit 2 Mark V calibration was completed during the Unit overhaul in 2012.

3.3. Fuel Supply

3.3.1. Heavy Oil Storage and Transfer System

Description of equipment and system: Both Cabras 1 & 2 are operated using light oil (diesel) and heavy fuel oil (#6 – Bunker C). The light oil is used during start-up only.

The diesel oil is delivered by tankers operated by either Shell or Mobil oil companies and is loaded in the 50,000-gallon ignition storage tank approximately two to three times annually. From these large tanks, the oil is then transferred to the plant and is metered using the Varec level gauge. In the plant, the oil is filtered before the pumps and burners.

The high sulfur heavy fuel oil is transferred from the 430,000-barrel tank (#1902) at the Shell yards to the 250,000 – barrel storage tank (#1935) once a month and the low sulfur heavy fuel oil is pumped directly from the ship (F1 dock) to the 250,000-barrel storage tank (#1934) about every two months. These two storage tanks are located at the GPA tank farm, approximately one mile east of the plant, and are maintained and operated by a contractor (Peterra Corp.). From there, the fuel oil is pumped to the two (2) 10,000-barrel Cabras 1 and 2 day tanks on a daily basis. This is where the oil is metered locally using the Brooks BiRotor meter and by the Varec level gauges.

The #6 oil is circulated and mixed with approximately 5,000 gallons of waste oil daily in the high sulfur tank but not in the low sulfur tank. Steam-supplied heaters located in the suction of the storage tanks heat the oil. In the plant, fuel oil is filtered through duplex strainers, reheated again by steam driven heaters and filtered again thru duplex strainers before it goes to the four (4) burners.

The actual fuel oil consumption of the burners is measured or metered by the existing Bailey meter and newly installed Micro Motion meter located before the burners. Both the flow rate and totalizer (only Bailey) readings from these meters are monitored in the control room. GPA intends to phase out the Bailey meter.

During start-up, operating the heavy fuel oil is circulated, thus by passing the burners for about 15 minutes. A new Micro Motion meter on the return line meters this. The recirculation stops when one burner is in operation. The fuel oil flow is regulated to the burners. To protect the pumps the rest of the fuel oil is returned to the day tanks through the return line.

3.3.2. Oil Storage and Transfer Equipment Description

Description of equipment:

Fuel Oil Storage Tank – The plant has 2 outdoor C.R.T. type, 10,000-BBL tanks. The tanks are approximately 43 feet in diameter and 40 feet high. Kovo Iron, of Japan, provided the tanks.

Ignition Oil Tank - The plant has two outdoor C.R.T. type, 50,000-gallon tanks. The tanks are approximately 25 feet in diameter and 23 feet high. Sharpareille Steel Fabricators, provided the tanks.

Fuel Oil Pumps – Two DeLaval model A3DH-275 pumps are on each unit. The pumps have a capacity of 37,000 lbs/hr. (500SSU at 120 degree F). 30 HP, 460 volt, 1,200-rpm motors, drives the pumps. Diamond Power provided the fuel oil pumps.

History: The Unit 1 fuel oil pump was replaced in 2011.

Ignition Oil Pumps – Each unit is equipped with two ignitions oil pumps, type 1 ½" GRH, manufactured by Diamond Power. The capacity and pressure is 25 GPM and 250 psig, while 10 HP,

460 volt, 1,800-rpm motors, drive the pumps.
Fuel Oil Heaters – Each unit is equipped with two horizontal OBD-28156 #6 oil in-shell tube heaters. The heaters are powered by steam at 37,000 lbs/hr and have an oil output temperature of 260 degree F. Diamond Power provided the fuel oil heaters.

3.3.3. Oil Transfer System and Pumps Condition

Condition Assessment: In 2006, the high (Tank #1) and low (Tank #2) sulfur tanks were cleaned and painted. Repairs included replacement of fuel lines. All equipment is in good working order.

3.3.4. Oil Quality Sampling and Testing

Description of equipment and system: Oil quality is sampled, tested and reported back to GPA by SGS Guam, Inc. of Redwood Petroleum and Petrochemical Services. Sample report headings include the product type, source, type of sample, and date. Results of the sample are summarized and include the oils API Gravity @ 60 degree f., Viscosity @ 100 degree F, Flash Point, Fire point, Water, Sediment, sulfur, ash content, carbon residue, metals such as Vanadium and aluminum + silicon, and lastly the gross heating value.

3.4. Steam System

3.4.1. Main & Hot/Cold Reheat Steam

Description of equipment and system: All lines of this type contain some asbestos insulation. Prior to insulation being removed, it is tested and if found to contain asbestos, is handled in accordance with specific asbestos approved handling procedures. Non-asbestos insulation replaces the old asbestos insulation and is clearly marked and labeled as “asbestos free”.

History: The Unit 1 hot reheat and main steam lines were inspected for degradation and potential damage. The lines were tested for seams and unit one has been confirmed to be seamless pipe. Engineering & Inspection, Inc. of Boca Raton, Florida performed the inspections and provided detailed inspection reports. Currently there are no plans to inspect the cold reheat line. They were further inspected and confirmed by B&W in 2003. The Unit 2 main steam and hot and cold reheat lines were inspected similarly in 2004. Several pipe hangers were repaired and adjusted during the 2004 and 2005 overhauled.

Condition Assessment: Currently there is excessive movement of the Unit 1 main steam line, while hangers and supports require adjustment or repair. The main steam line has been impacting with solid structures and the insulation is destroyed.

3.5. Station Water Systems

3.5.1. Circulating Water

Inlet Canal

Description of equipment and system: The inlet canal begins at the ocean’s edge away from the plant property. The canal is approximately 30 feet wide and less than 10 feet deep.
Condition Assessment: The canal requires cleaning and divers are utilized annually to clear debris

from in front of the traveling screens. Should dredging be required of the intake structure, GPA will maintain this area since Cabras 3 & 4 is also dependent on this system.

Traveling Screens

Description of equipment and system: The plant is equipped with two traveling screens per unit. The screens are an inclined type bar screen and are equipped with front spray type traveling screens. Each screen has a screen wash pump for cleaning the screens. The screen openings are 3/8" of 304 SS wire. UBE Industries were the original manufactures of the traveling screen.
History: The cathodic protection system was reinstalled about thirteen years ago, to help protect the equipment from excessive damage from the seawater and electrolysis. The Unit 1 intake traveling screen (1A & 1B) was replaced in 2013. The Unit 2 traveling screen structure is planned for replacement in 2015.
Condition Assessment: Motors undergo annual oil changes as part of the CMMS program.

Circulating Water Pumps

Description of equipment and system: Each unit is equipped with two 60% capacity circulating water pumps. The pumps are vertical, open type impeller mixed flow pumps. Each pump is capable of 30,000 USGPM at a total head of 28 feet. The 340 HP, 505RPM motors drive the pumps. Ebara is the manufactures of the pumps.
History: The Unit 1 circulating water pump and motor was replaced during the Unit Major Overhaul in 2013. The Unit 2 circulating water pump and motor is planned for replacement in 2015.
Condition Assessment: Motors undergo annual oil changes as part of the CMMS program.

Circulating Water Pipes

Description of equipment and system: The 42" diameter circulating water pipes are original equipment. Each circulating water pump discharge enters into its own CWP pipe and travels underground to each half of the main condenser. The pipe is fabricated from carbon steel and processes salty seawater.
History: The circulating water pipes have very thin walls where they turn and enter the building. This was replaced in 2008.

3.5.2. Closed Cooling Water System

Closed Cooling Water (CCW) Heat Exchangers and Pumps

Description of equipment and system: Each unit is equipped with Closed Cooling Water (CCW) systems, also referred to locally as the service water system. Each units system consists of 2 100% pumps and 2 100% heat exchangers. Each cooler or heat exchanger can process 1,500 gpm of clean equipment cooling water at an inlet of 110-degree F. and outlet of 95-degree F. The seawater volume is 3,000 gpm and designed to have a seawater inlet temperature of 90-degree F., and outlet of 97.7-degree F. The total surface area of each cooler is 3,929 sq. ft. Toshiba manufactured the coolers.
Each unit's CCW system has a pair of 100% circulating pumps. The pumps are horizontal volute turbine type, with a capacity of 1,500 gpm at a 120-foot head. The pumps rotate at 1,800 rpm and are driven by 67 HP, 460 V motors. Toshiba manufactured the pumps.

History: The CCW heat exchangers are routinely opened and cleaned using a "pick and clean" method. The tube inner diameters are not cleaned often but appear to still perform well. Both pump and heat exchangers are original equipment.
Condition Assessment: The heat exchangers have little to no tubes plugged and appear to have considerable life remaining.

Chemical Feed System

Description of equipment and system: Injecting chemicals into the closed cooling water system protects the CCW system. Currently a Nalco 8328, sodium nitrate (rust inhibitor) is used. This chemical is delivered in 55-gallon drums approximately two times each week. One drum is used each month.
History and Condition Assessment: The chemical feed system was upgraded in 2005.

Condensate Production/Demineralizer

Existing System

Description of equipment and system: The existing system consists of the following equipment:
Raw Water Tank – The two units share one raw water tank. The tank holds 50,000 gallons and is 22' wide by 18' high. Koyo Iron manufactured the tank. PM in 2005
Condensate Storage Tank – The plant has two condensate storage tanks each with a capacity of 50,000 gallons. The tanks are 22' in diameter and 20' high. Like that of the raw water Koyo Iron Works manufactured the condensate storage tanks. PM in 2005
Water Treatment – The units share the output from a dual train water production facility. Each train has one cation, one anion and one mixed bed polishers. Each train is rated at a maximum of 75 gpm. Water quality was originally specified to be less than 1MV/CM at 77 degree F. The manufacturer was the Japan Organo Co. Ltd.
History: The water production facility has under gone major repairs in recent years and more repairs are needed. It has been determined that replacement of the system is more cost effective than further repair. Southern California Edition Services (SCE) of Los Angeles, California performed a study, which will help direct the GPA personnel in replacing the system.
Currently the plant boilers are using coordinated phosphate such as: tri-sodium phosphate, Di-sodium phosphate and for emergency use only, caustic. The sampling system is in poor condition due to the service water lines being possibly plugged. The new sampling system is on order but the actual delivery date is uncertain at the time of this review. Additionally the neutralizing sump system does not have chemicals available and the plant personnel are diluting with plain water. The water from this system is then pumped to the ponding basin, which is located behind Units 3 & 4 near the outfall.
Condition Assessment: The water production system is in poor condition and requires replacement.

New RO Water System

Description of equipment and system: Currently the new RO-EDI system is undergoing installation, anticipated to be completed May 2009. The net output of the water treatment system is the amount of demineralized water actually available for make-up use excluding water discharged or backwashing.
The RO-EDI System will consist of the following:

- Two 100% activated carbon/multimedia filters (capable of flowing 100% when the second unit is in backwash mode);
- Two 100% sodium zeolite softeners;
- Two 100% 5µ cartridges filters;
- One 100% ultraviolet sterilizer;
- Two booster pumps;
- One ultraviolet sterilizer;
- Two booster pumps;
- Two 100% reverse osmosis trains with a net delivery output of 86,400 gpd;
- Piping to and from a 100% membrane degasifier and to and from two 100% electrodemineralizer modules each with a recycle pump;
- Connections and piping to and into GPA's demineralized water storage tanks;
- Two pumps for backwashing softeners and filters using reclaim water tank;
- Regeneration equipment for softeners;
- Local and CRT based controls and instrumentation as required for the automatic and/or manual operation of water treatment system
- One control panel with a CRT screen with all associated controls and instruments mounted, tubes, piped, wired and tested housed in a concrete building(s)
- Brine saturator tank and brine pumps
- Fiberglass recovery water tank for reclaiming RO reject and rinse water
- Space for a small Chemical Lab

3.6. Waste Fuel Oil Handling System

3.6.1. Generation Sources

Description of system and history: Generating plants, local garages and commercial operations generate large volumes of waste oil and their by-products throughout the island. Currently the island does not have any good method to dispose of this waste oil other than shipping it off-island and having it either processed or burned.

In order to resolve this situation, GPA and the government devised a plan to have Cabras 1 & 2 burn this oil as fuel in the boilers. Various sources of this oil are from the following:

- Commercial deliveries from service stations, oil change locations and recycling centers;
- Enron 8 & 9, waste oil from engine fuel oil separators;
- Cabras 3 & 4, waste oil from engine fuel oil separators;
- TEMES, combustion turbine, lube oils;
- Tanguisson 1 & 2, lube oils;
- The GPA combustion turbines and diesel generating units;
- Waste oil from the shipping, trucks and airline.

It is estimated that Cabras 1 & 2 is requested to process and burn up to 5,000 gallons of this waste oil and byproducts daily.

3.6.2. Waste Handling Process

Description of equipment and system: The Guam Power Authority has developed several procedures for the receiving, storing, handling and disposal of waste oil and waste oil by-products at the Cabras 1

& 2 plant. The first procedure, is titled, "Waste oil Storage Tank (55,000 gals- Capacity and Main Oil/Water Separator"). Within this very short document, the basic process is identified and the valve operation sequence required for handling the waste oil is identified.
The second procedure is titled, "Appendix H, Oil/Water separator Procedures". This short document also highlights key assumptions of this process. In addition to this Appendix H, there is an Appendix D, which is an inspection record for oil removal from Secondary Containments. This Appendix D document is a blank page to help capture hand-written notations for oil deliveries at the plant.
The last of the waste oil handling procedures is titled, "Waste Oil Transfer System." This procedure is four pages in length and covers more of the actual details the waste oil-handling operators must perform on a daily basis.
Condition Assessment: Many portions of the waste oil handling process are manually operated.

3.6.3. Waste Oil Handling Manpower

Description of Manpower Requirements: Currently operation of the waste oil storage and handling system uses two full time personnel. This operation is restricted to day light hours and is running seven days per week. Opportunities exist to upgrade the equipment and possibly restrict deliveries of oil to the normal work week (Monday – Friday) and gain efficiencies. GPA will continue to provide the required labor to support this important operation.

3.6.4. Waste Oil Burning

Description of equipment and system: Currently only Cabras 1 & 2 is capable of processing, handling, storing and burning the waste oil of the other generating units and commercial operations on the island. The waste oil is mixed with good high sulfur oil and pumped through the existing plant equipment such as heaters and booster pumps. The oil is then processed through the existing burners and into the boiler.

3.7. Electrical System

3.7.1. Main Transformers

Description of equipment and system: Each unit has a main transformer manufactured by Toshiba. The transformers are outdoor, three-phase, core type, two winding, mineral oil immersed, forced oil and forced cooled. Each transformer has a rated capacity of 80 MVA. The low voltage side is 13.2 kV and the high side provides 115 kV (+5, +2.5, +0%). The connections on the low side are Delta while the high side is Wye (neutral). Insulation levels are BIL, and the low voltage is rated at 110 kV with the high side rated at 550 kV. The insulation of the low side bushings is 150 kV and the high side is 750 kV. The frequency of the transformer is 60 cycles while the impedance is 10% (at 80 MVA base). The ambient temperature is designed at 40 degrees C. The oil temperature rise is 55 degrees C, (by thermometer) and the winding temperature rise is 55 degrees C, (max 65 degrees C) measured by resistance.
History: The GPA Transmission and Distribution (T&D) division maintains transformers. Currently it is proposed, that the PMC will support all transformers with maintenance services and troubleshooting activities through the life of the PMC contract.
Condition Assessment: Both main transformers were recently inspected. They are operating within designed limits at full load.

3.7.2. Power Interchange Transformer

Description of equipment and system: The power interchange transformer is located in the Cabras switchyard, and is maintained by the T&D section of GPA. The transformer receives 115 kV, island power and steps it down to 34.5 kV. This power is then feed to the old Piti plant and substation area.
The power interchange transformer is an outdoor design, three phase, core type, with three windings that are mineral oil immersed, forced oil and forced air cooled. The rated capacity is 50 MVA, and the low voltage is 34.5 kV with a high voltage side rated at 115 kV (+5, +2.5, +0%; 251 amps). The transformer has buried connections and a Wye neutral high and low voltage, delta design. The insulation level is 550 kV on the high side and 200 kV on the low side. The bushing insulation level was designed at 750 kV and 350 kV for the high and low respectively. The frequency is 60 cycles and the impedance is 10% at 50 MVA base. The design ambient air temperatures are 40 degrees C, while the oil temperature and winding temperature rise is 55 degrees C. Toshiba manufactured this transformer.
History & Condition Assessment: Currently there are no known problems with this transformer and it is operating within all design limits.

3.7.3. Unit Auxiliary Transformer

Description of equipment and system: There are two unit auxiliary transformers, one per unit. These transformers are located on the backside of the Cabras 1 & 2 plant. The auxiliary transformers are connected to the generator before the main transformers. These transformers step down the generator voltage from 13.8 kV to 4,160 Volts. At the 4,160volt switchgear panels located on the main turbine operating floor, the power to the plant is provided at 480 volts.
The unit auxiliary transformers are three-phase, core type two windings, cooling with mineral oil and both air and forced cooled. The capacity is 5,000 KVA and the high voltage is rated at 13.8 kV (with +5, +2.5, and 0%). The low voltage is 4.16 kV. The high voltage winding is a Delta and the low voltage winding is a Wye (neutral). The high voltage insulation is designed at 110 kV while the low is rated at 75 kV, as well as the neutral. The bushing insulation for the high side is 150 kV and the low is 90 kV. The design ambient air temperatures are 40 degrees C, while the oil temperature and winding temperature rise is 55 degree C. Toshiba manufactured these transformers.

History & Condition Assessment: The Unit 1 Auxiliary Transformer was replaced in 2013.

3.7.4. Start-up Transformer

Description of equipment and system: The Cabras plant has one start-up transformer serving both units. The start-up transformer steps the voltage form 34.5 kV to 4,160 volts. The Cabras 1 & 2, via the 4,160-volt common, feeding the 4,160-volt Unit 1 & 2 motor control center (MCC). The start-up transformer also serves as an emergency means of station power for the Cabras plant.
The start-up transformer is three phase, core type, two windings, cooling with mineral oil and both air and forced cooled. The capacity is 5 MVA and the high voltage is rated at 34.5 kV (with +5, +2.5, and 0%). The low voltage is 4.16 kV. The high and low voltage windings are Wye (neutral). The high voltage insulation is designed at 200 kV while the low is rated at 75 kV, as well as the neutral. The bushing insulation for the high side is 350 kV and the low is 150 kV. The design ambient air temperatures are 40 degrees C; while the oil temperature and winding temperature rise is 55 degree C. Toshiba manufactured this transformer.
History & Condition Assessment: The start-up transformer was replaced in 2011.

3.7.5. High Voltage Switchgear (4,160V)

Description of equipment and system: There are three 4160 volt switchgear panels: 1) The 4160 common, 2) 4160 volt unit one motor control center, 3) 4160 volt unit two motor control center. These switchgears feed the major motors such as the forced draft fans, boiler feed pump motors, and the 480-volt power centers. These switchgears are located on the third operating floor near the turbine generators. The individual switchgears are tied together via the 4,160 V common. This allows one unit to support the both units' power requirement for various plant equipment.
The Table 4 highlights specific equipment tied to these components.

Table 4. 4160-Volt Switchgear Power Distribution Schedule

Switchgear Panel Identification	Power Distribution Schedule
4,160 V Common Location: Operating Floor Input Source: Auxiliary Transformer	Bus PT Incoming and PT PC TR Feeder Bus Tie #1
4,160 V Unit 1 MC Location: Operating Floor Input Source: Auxiliary Transformer	Bus Tie & Bus P.T. CWP 1B CWP 1A Incoming PT BFP-1B BFP-1A FDF-1B FDF-1A PC TR Feeder
4,160 V Unit 2 MC Location: Operating Floor Input Source: Auxiliary Transformer	Bus Tie & Bus P.T. CWP 2B CWP 2A Incoming PT BFP-2B BFP-2A FDF-2B FDF-2A PC TR Feeder

History & Condition Assessment: Much of this equipment's maintenance needs are covered by the computerized maintenance management system (CMMS). All of the above listed components are in good working order and available for service.

3.7.6. 480 Volt Switchgear

Description of equipment and system: The 480 Volt Switchgear Panels are known as the 480 V Power Centers. The Power Centers are located on the Operating floor areas. There are three 480 V Power Centers that receive a 4,160 V signal from the 4,160 V Switchgears, also on the Operating Floor, and step down the voltage to 480 V. The 480 V Power Centers feed the various 480 V Motor Control Centers located throughout the Cabras 1 & 2 plant. Table 5 summarizes this information.

Table 5. 480-Volt Power Center Distribution Schedule

Power Center Identification	Power Distribution Schedule
480 V 1&2 Common Power Center Location: Operating Floor Input: 4160 V Common	PT Incoming (52 PC 1C) 480 Bus Tie No. 1 Power Center (52 BT, 480V) 480 Bus Tie No. 2 Power Center (52 BT, 480V) 480 V No 1.2 Common – 1 Control Center 480 V No 1.2 Common – 2 Control Center 480 V No 1.2 Common – 3 Control Center 480 V Screen Control Center
480 V No 1 Power Center Location: Operating Floor Input: 4160 V Unit 1 MC	PT Incoming (52 PC 1) 480 V No 1-1 Control Center 480 V No 1-2 Control Center 480 V No 1-3 Control Center
480 V No 2 Power Center Location: Operating Floor Input: 4160 V Unit 1 MC	PT Incoming (52 PC 2) 480 V No 2-1 Control Center 480 V No 2-2 Control Center 480 V No 2-3 Control Center

History & Condition Assessment: Much of this equipment's maintenance needs are covered by the computerized maintenance management system (CMMS). All of the above listed components are in good working order and available for service.

3.7.7. 480 Volt Motor Control Centers

Description of equipment and system: There are approximately ten, 480 V Motor Control Centers (MCC) located throughout the plant, mainly on the mezzanine and basement areas. These centers house the various field breakers for various plant equipments for Cabras 1 & 2. Tables 6 through 8 summarize the information for 480 V Motor Control Centers.

Table 6. 480 V Motor Control Center Summary (Operating Floor)

Motor Control Center Identification	Summary Information
480 V 1&2 Common Power Center Location: Operating Floor Input: 4,160 V Common	PT Incoming (52 PC 1C) 480 Bus Tie No. 1 Power Center (52 BT, 480V) 480 Bus Tie No. 2 Power Center (52 BT, 480V) 480 V No 1.2 Common – 1 Control Center 480 V No 1.2 Common – 2 Control Center 480 V No 1.2 Common – 3 Control Center 480 V Screen Control Center

480 V No 1 Power Center Location: Operating Floor Input: 4,160 V Unit 1 MC	PT Incoming (52 PC 1) 480 V No 1-1 Control Center 480 V No 1-2 Control Center 480 V No 1-3 Control Center
480 V No 2 Power Center Location: Operating Floor Input: 4,160 V Unit 1 MC	PT Incoming (52 PC 2) 480 V No 2-1 Control Center 480 V No 2-2 Control Center 480 V No 2-3 Control Center

Table 7. 480 V Motor Control Center Summary (Mezzanine)

Motor Control Center Identification	**Summary Information**	
480 V No 1-3 Control Center Location: Mezzanine Floor Input: 480 V No 1 Power Center	Gland Exhaust Blower Heater Drain Pump 1B CWP Lube Water Pump 1B Condenser Outlet Valve 1B (V7-003B) Condenser Inlet Valve 1B (V7-02B) CWP Discharge Valve 1B (V7-01B) Instrument Air Compressor 1B Condensate Pump 1B	EHC Pump 1B Condenser Inlet Valve 1B (V7-002B) Instrument Air Dryer Fuel Oil Pump 1B Service Water Pump 1B Test Power Source Main TR Unit Cooler

Table 8. 480 Motor Control Center Summary (Basement)

Motor Control Center Identification	**Summary Information**	
480 V No 1-1 Control Center Location: Basement Floor Input: 480 V No 1 Power Center	Condenser Sump Pump 1A Condenser Sump Pump 1B Turbine Sump Pump Unit 1 Condensate Pump 1A CWP Lube Water Pump 1A Heater Drain Pump 1A Condenser Outlet Valve 1A (V7-003A) Condenser Inlet Valve 1A (V7-002A) Make Up Water Pump Turbine Oil Transfer Pump Turbine Oil Pump	Condenser Backwash V-7009 BRG Seal Oil Pump 1A BRG DRN ENL Blower Vapor Extractor EHC Pump motor 1A COND Backwash V7008 Condenser Backwash Valve V7-007 Test Power Source COND Return V5-18 CWP Discharge Valve 1A V701A Service Water Pump 1A

480 V No 1-2 Control Center Location: Basement Floor Input: 480 V No 1 Power Center	BFD Auxiliary Oil Pump 1A BFD Auxiliary Oil Pump 1B Flame Detector Seal Air Blower Seal Air Booster Blower Thermo Probe Fuel Oil Pump 1A Chemical Feed Soot Blower Boiler Oil Sump Pump Steam Seal System Drain Valve (V4-85) Instrument Air Compressor 1A Air Preheater 1A BFP Discharge Valve 1A (V2-03A)	BFP Discharge Valve 1B (V2-03B) MSV Before Seat Drain Valve (V01-2) MSV After Seat Drain Valve (V01-4) Air Preheater 1B CRV Before Seat Drain Valve (V01-6) CRV After Seat Drain Valve (V01-8) Third Stage Shell Drain Valve (V01-10) Reheat Bowl Drain Valve (V01-16) Test Power Source Cold Reheat Drain Valve (V01-12) Hot Reheat Drain Valve (V01-14) Steam Seal Regulator Bypass Valve (V4-83) Steam Seal Regulator Shut Off Valve (V4-82)

History & Condition Assessment: Much of this equipment's maintenance needs are covered by the computerized maintenance management system (CMMS). All of the above listed components are in good working order and available for service.

3.8. Emergency Power

Description of equipment and system: Emergency Power is provided by the Startup Transformer or the 500 kW generator. Power from the Startup transformer would feed through the 4,160 V Switchgear panels.
The 500 kW generator however, feeds the 480 V Common-3 panel.

History & Condition Assessment: Much of this equipment's maintenance needs are covered by the computerized maintenance management system (CMMS). All of the above listed components are in good working order and available for service.

3.9. Station Lighting System

(NOTE: See 2.5.1.3 Station Lighting also for further details)

3.9.1. Battery Room, Batteries, Chargers

Description of equipment and system: The Battery room is located on the mezzanine floor adjacent to the Relay room. The battery room houses two-battery racks, and each rack holds 60 cells (batteries). The chargers are located just outside the battery room on the mezzanine floor. These are manufactured by Gutor.

Table 9. Battery Charger Specification Summary

Gutor Charger – Unit #1	Gutor Charger – Unit #2
MFG No. 1051102	MFG No. 1051102
AC input: 480 Volts, 28.5 Amps	AC input: 480 Volts, 28.5 Amps
DC output: 144 Volts, 100 Amps	DC output: 144 Volts, 100 Amps

For information on the DC batteries please see 2.5.1.5 DC Batteries
History & Condition Assessment: The plant battery room caught fire in 2000. The root cause of the fire was a failure of a battery due to low water levels. The batteries and chargers were replaced in 2007.

3.9.2. Low Volt System (125 & 208 Volt)

Description of equipment and system: The 125 Volt DC system consists of three panels located on the mezzanine floor near the battery room. The DC systems supply energy to various DC equipment located throughout the Cabras 1 & 2 plant. Tables 10 and 11 summarize the information for these Low Voltage Distribution System Panels.

Table 10. 125 VDC Power Distribution Panel

125 VDC Power Distribution Panel Identification	Summary Information
125 VDC Common Distribution Panel Location: Mezzanine Floor Input:	Paging System No 1.2 Start-up TR. Emergency Lighting (Tamundong Office) SER Recorder No 1.2. Common MC Elevating (MTR. Control) P1 TR. Cooler Cub. No 1.2. Common MC Control (Closing) No 1.2. Common PC Control (Opening) Line Control PNL No.1 Unit (modified: 10/15/99) No.2 Unit (modified: 10/15/99)
125 VDC Cabras #1 Distribution Panel Location: Mezzanine Floor	Burner Control Panel EHC Turbine Trip and Reset Hydrogen Control Non return valve Condenser Backwash Valve No 1 Unit MC Elevating Main TR. Control No. 1 Unit Auxiliary TR. Excitation Control Circuit (EX2000) MC Breaker Test Source No 1 Unit MC Control No 1 Unit PC Control No 1 BTG Board

	Emergency Bearing and Seal Oil Pump
125 VDC Cabras #2 Distribution Panel Location: Mezzanine Floor	Burner Control Panel EHC Turbine Trip and Reset Hydrogen Control Non return valve Condenser Backwash Valve No 2 Unit MC Elevating Main TR.Control No. 2 Unit Auxiliary TR. Excitation Control Circuit (EX2000) MC Breaker Test Source No 2 Unit MC Control No 2 Unit PC Control No 2 BTG Board Emergency Bearing and Seal Oil Pump Fire Instrument Shop Control Room DC-2

Table 11. 208 Volt Power Distribution Panel

208 V Power Distribution Panel	**Summary Information**

208 V Common Distribution Panel Location: Mezzanine Floor	Sampling Rack Analyzer Rack Fire System Panel Chemical Feed System Smoke Detector Space Heater No. ½ Com. CC Office Pwr Supply New Elev, Rm. Panel SER Recorder 75 A Outlet Breaker (modified 7/10/93 w/ trip button) No 1.2. Common PC Ventilation Fan	Plant Plugs No 1.2. Start-up TR. No 1 BTG Board Instrument Testing Source Power Receptacle (SW & Trans Yard) Power Receptacle (indoor Yard)/Pwr Supply for Elec. Shop Power Receptacle (Tank Yard) Line Control Panel Aux. Control Panel No 1.2. Common MC Paging System (APH Temp 1&2/FO Controllutron 1&2/ACV ACA Recorder 1&2/Smoke Detectors 1&2)
208 V Cabras #1 Distribution Panel Location: Mezzanine Floor	Burner Control Panel Drum Level Lighting Auto Burner Control Device Relay Rack Transmission FDF Dumper Control Air Heater Aux Air Motor Air Heater Inside Lighting Flue Gas O2 Analyzer Blow Down Tank Level EHC Turning Gear Control Hydrogen Control SCT Enclosure Fan	Excitation Control Circuit No. 1 MC Generator Collector Lighting Space Heater No 1-1 CC Space Heater No 1-2 CC Space Heater No 1-3 CC No 1 Main TR No 1 BTG Board Cathodic Protection No 1 Unit Aux TR. No 1 PC TR. Ventilation Fan Roll up door
208 V Cabras #2 Distribution Panel Location: Mezzanine Floor	Burner Control Panel Drum Level Lighting Auto Burner Control Device Relay Rack Transmission FDF Dumper Control Air Heater Aux Air Motor Air Heater Inside Lighting Flue Gas O2 Analyzer Blow Down Tank Level EHC Turning Gear Control Hydrogen Control SCT Enclosure Fan	Excitation Control Circuit No. 2 MC Generator Collector Lighting Space Heater No 2-1 CC Space Heater No 2-2 CC Space Heater No 2-3 CC No 2 Main TR No 2 BTG Board Obstruction Light No 2 Unit Aux TR. No 2 PC TR. Ventilation Fan Waste Oil Pump

History & Condition Assessment: Much of this equipment's maintenance needs are covered by the computerized maintenance management system (CMMS). All of the above listed components are in good working order and available for service.

3.10. Boiler Feed Pumps and Drives

Description of equipment and system: Each unit is equipped with two, 100% capacity, motor driven boiler feed pumps. The pumps are a horizontal barrel type design with an extraction structure at the middle stage. The pumps are four stages and have a capacity of 1,140 gpm. The designed suction pressure is 60 psig and the discharge pressure is 2,470 psig. The suction water temperature is 300 degree F. The pumps operate at 3,580 rpm and are driven by a 1,640 kW, 4,000-volt, 2,200 horsepower motor. Toshiba Ebara manufactured the pumps.

History: The Unit 1 Boiler feed pump 1B motor was replaced during the Unit major overhaul in 2013. The Unit 2 boiler feed pump (2A & 2B) were repaired during the Unit major overhaul in 2012.
Spare Parts: The boiler feed pumps have 137 individual items in the warehouse. These include items such as a complete rotating assemble, impellers, couplings, bearings, seals, motor rotor assemblies, check valves, gaskets, etc.

3.11. Condensate Pumps and Drives

Description of equipment and system: Each unit is equipped with two, 100% condensate pumps. The pumps are of a vertical turbine design and rated at 750 gpm. The total head of each pump is 420 feet at 1,800 rpm. The 120 HP, 460-volt motors, drive the pumps. Kosyo Toshiba manufactured the motors. Yoshikura manufactured and the pumps.

History: The pump motors historically have been pulled for maintenance every five years. Since 1998 only one motor has been pulled for maintenance, thus three of the four motors are now due for maintenance.
Condition Assessment: The Electrical Maintenance Department collects readings and performs vibration analysis. All pumps and motors are currently in serviceable condition, but require inspection as aforementioned.
Pump Performance is conducted by comparing the mass flow from each pump and the pressure at full load. This method is used to monitor the degradation of the pump.

3.12. Air Systems

3.12.1. Service Air

The old No. 1 Service Air Compressor was replaced with a new Ingersoll Rand Rotary Screw type unit in September 2004. The new unit is an IR Model H 150W rotary screw air compressor with a TS 1000 Air Dryer, 1 micron prefilter and 0.01 micron discharge filter. It can also be used to augment dry instrument air if required.
History: No. 2 Service Air Compressor high pressure end cylinder and piston was replaced by Cabras maintenance personnel in September 2003.
Condition Assessment: The electrical maintenance employees perform vibration readings on this equipment. Motor filter changes and inspections, lubrication changes (PM's) are now due.

3.12.2. Instrument Air

Description of equipment and system: The plant is equipped with four 50% instrument air compressors. The type is 11 X 7ESV-NL and has a rated capacity of 250 scfm at 100 lbs discharge pressure. The compressors operate at 514 rpm and are belt driven by 60HP, 460V, 1,800-rpm motors. Ingersoll-Rand manufactured the compressors.

The instrument air system is equipped with instrument air dryers, model 9-1661A. These dryers have a capacity of 250scfm. The inlet air design temperature is 95 degrees F, with a dew point at outlet of –12 degree F. Ingersoll-Rand manufactured the instrument air dryers.

History: Instrument air compressor 2B was last replaced in 2013.
Condition Assessment: The electrical maintenance employees perform vibration readings on these equipment.

3.13. Balance of Plant Systems

3.13.1. Station Hoist and Cranes

Description of equipment and system: The plant is equipped with a turbine room crane, rated at 35 tons. The crane was originally tested to 96,450 lbs. The crane is equipped with an auxiliary hoist rated at 10 tons and was originally load tested to 27,560 lbs. The crane spans 51 feet and has a lift capacity of 52 feet. Eitac Machinery Inc., manufactured the crane.
History: This piece of critical equipment is not operated many hours each year.
Condition Assessment: The crane undergoes annual re-certification, which was last performed in December, 2014. Island Certs re-certified the crane last.

4. Station Performance

4.1. Heat Rate

Description of equipment heat rate results: The GPA operates on an October to September financial reporting year. Since this is the financial reporting standard, the GPA chose to structure the plant budgets and performance reporting along this same time frame. The following history is a monthly/annual summary of each unit's performance:

Table 12. Gross Heat Rate Performance

FY 2017	Cabras 1	Cabras 2	FY 2018	Cabras 1	Cabras 2	FY 2019	Cabras 1	Cabras 2
Oct-16	10,477	10,497	***Oct-17***	10,565	10,697	***Oct-18***	10,719	11,363
Nov-16	10,538	10,613	***Nov-17***	10,814	10,857	***Nov-18***	10,611	11,363
Dec-16	10,355	10,572	***Dec-17***	10,493	11,044	***Dec-18***	10,782	10,853
Jan-17	10,566	10,121	***Jan-18***	10,561	11,225	***Jan-19***	10,585	10,603
Feb-17	10,609	10,298	***Feb-18***	10,134	10,821	***Feb-19***	10,470	10,644
Mar-17	10,895	10,521	***Mar-18***	10,288	10,837	***Mar-19***	10,438	10,512
Apr-17	10,263	10,545	***Apr-18***	10,731	10,878	***Apr-19***	10,572	10,516
May-17	11,390	10,712	***May-18***	10,987	10,820	***May-19***	10,707	10,694
Jun-17	11,807	11,382	***Jun-18***	11,398	10,942	***Jun-19***	10,749	10,819
Jul-17	11,853	10,773	***Jul-18***	11,249	11,093	***Jul-19***	10,605	10,907
Aug-17	12,583	11,000	***Aug-18***	10,892	10,954	***Aug-19***	10,695	10,614
Sep-17	10,964	11,093	***Sep-18***	10,836	10,815	***Sep-19***	10,913	10,520

Table 13. Net Heat Rate Performance

FY 2017	Cabras 1	Cabras 2	FY 2018	Cabras 1	Cabras 2	FY 2019	Cabras 1	Cabras 2
Oct-16	11,155	11,159	***Oct-17***	11,331	11,479	***Oct-18***	11,469	12,150
Nov-16	11,255	11,300	***Nov-17***	11,526	11,660	***Nov-18***	11,315	12,167
Dec-16	11,189	11,328	***Dec-17***	11,168	11,803	***Dec-18***	11,604	11,658
Jan-17	11,372	10,802	***Jan-18***	11,253	11,928	***Jan-19***	11,306	11,356
Feb-17	11,340	11,043	***Feb-18***	10,797	11,537	***Feb-19***	11,261	11,382
Mar-17	11,618	11,247	***Mar-18***	11,234	11,806	***Mar-19***	11,149	11,222
Apr-17	10,914	11,310	***Apr-18***	11,520	11,656	***Apr-19***	11,314	11,200
May-17	12,171	11,411	***May-18***	11,724	11,539	***May-19***	11,449	11,409
Jun-17	12,665	12,186	***Jun-18***	12,190	11,753	***Jun-19***	11,520	11,534
Jul-17	12,878	11,553	***Jul-18***	12,042	11,964	***Jul-19***	11,446	11,625
Aug-17	14,068	11,988	***Aug-18***	11,662	11,695	***Aug-19***	11,525	11,303
Sep-17	11,834	12,047	***Sep-18***	11,807	11,665	***Sep-19***	11,687	11,191

Expectations Assessment: Heat Rate (Performance) improvement targets will be established in the Performance Incentive Scoring Mechanism document. The GPA is looking for improvements in plant heat rate well above the aforementioned items. For specific details as to the new desired performance, levels please refer to the Incentive mechanism-scoring document.

4.1.1. Historical Operational Performance

Description of Reliability Reporting System: The GPA operates on an October to September financial reporting year. Since this is the financial reporting standard, the GPA chose to structure the plant budgets and performance reporting along this same time frame. The following history is a monthly/annual summary of each unit's performance:

Table 16. EAF HISTORY

FY 2017	Cabras 1	Cabras 2	FY 2018	Cabras 1	Cabras 2	FY 2019	Cabras 1	Cabras 2
Oct-16	91%	100%	***Oct-17***	71%	73%	***Oct-18***	64%	67%
Nov-16	88%	98%	***Nov-17***	58%	77%	***Nov-18***	76%	64%
Dec-16	76%	86%	***Dec-17***	78%	69%	***Dec-18***	60%	41%
Jan-17	64%	98%	***Jan-18***	91%	72%	***Jan-19***	59%	74%
Feb-17	89%	89%	***Feb-18***	68%	86%	***Feb-19***	78%	54%
Mar-17	85%	89%	***Mar-18***	61%	9%	***Mar-19***	83%	71%
Apr-17	69%	76%	***Apr-18***	68%	44%	***Apr-19***	83%	83%
May-17	89%	58%	***May-18***	37%	91%	***May-19***	73%	83%
Jun-17	78%	64%	***Jun-18***	24%	81%	***Jun-19***	53%	82%
Jul-17	89%	66%	***Jul-18***	64%	45%	***Jul-19***	82%	71%
Aug-17	4%	78%	***Aug-18***	69%	79%	***Aug-19***	83%	38%
Sep-17	53%	43%	***Sep-18***	23%	80%	***Sep-19***	77%	83%
FY 2017	73%	79%	***FY 2018***	59%	67%	***FY 2019***	73%	68%

Table 17. EFOR HISTORY

FY 2017	Cabras 1	Cabras 2	FY 2018	Cabras 1	Cabras 2	FY 2019	Cabras 1	Cabras 2
Oct-16	9%	0%	***Oct-17***	29%	11%	***Oct-18***	22%	33%
Nov-16	0%	0%	***Nov-17***	24%	23%	***Nov-18***	24%	36%
Dec-16	0%	0%	***Dec-17***	22%	31%	***Dec-18***	17%	31%
Jan-17	36%	2%	***Jan-18***	9%	28%	***Jan-19***	36%	26%
Feb-17	8%	7%	***Feb-18***	32%	14%	***Feb-19***	21.77%	19.49%
Mar-17	15%	11%	***Mar-18***	39%	2%	***Mar-19***	16.67%	28.80%
Apr-17	23%	13%	***Apr-18***	32%	56%	***Apr-19***	16.67%	16.67%
May-17	11%	42%	***May-18***	17%	9%	***May-19***	27.29%	16.67%
Jun-17	22%	36%	***Jun-18***	4%	19%	***Jun-19***	47.18%	16.50%
Jul-17	11%	34%	***Jul-18***	36%	55%	***Jul-19***	16.68%	15.92%
Aug-17	0%	22%	***Aug-18***	31%	21%	***Aug-19***	16.67%	61.97%
Sep-17	47%	57%	***Sep-18***	77%	20%	***Sep-19***	23.48%	16.89%
FY 2017	15%	19%	***FY 2018***	29%	24%	***FY 2019***	24%	27%

4.1.2. Performance Testing Results

Description of test results: McHale and Associates, Inc. conducted performance testing of Unit 1 in July 1998, March 2004, April 2005 and Unit 2 on December 1997, March 2004, and April 2005. Unit net & gross heat rate testing in addition to individual component testing was performed. The following tables are the summary results of the latest tests:

History:

Table 20. 2005 Performance Test Summary Table – Unit 1

Description	Units	40 MW 3 Burners	40 MW 4 Burners	45 MW 4 Burners	55 MW 4 Burners	60 MW Average of 2 Tests	Peak Load Test
Measured Steam Turbine Gross Output	kW	40,208	39,621	45,029	55,062	60,095	65,885
Unit Net Output	kW	37,380	36,824	42,098	51,861	56,723	62,295
Steam Turbine Gross Heat Rate	Btu/kWh	8,281	8,299	8,190	8,201	8,216	8,365
Boiler Efficiency	%	86.78%	87.12%	87.12%	87.18%	85.90%	85.83%
Unit Net Heat Rate (Boiler Losses Method)	Btu/kWh	10,538	10,518	10,380	10,271	10,416	10,596

Table 21. 2005 Performance Test Summary Table – Unit 2

Description	Units	40 MW 3 Burners	40 MW 4 Burners	45 MW 4 Burners	55 MW 4 Burners	60 MW Average of 2 Tests	Peak Load Test
Measured Steam Turbine Gross Output	kW	40,970	40,711	45,840	55,720	60,855	64,551
Unit Net Output	kW	37,988	37,782	42,793	52,504	57,366	60,983
Steam Turbine Gross Heat Rate	Btu/ kWh	8,597	8,507	8,441	8,601	8,406	8,379
Boiler Efficiency	%	86.47%	87.10%	86.89%	N/A(+)	N/A(+)	N/A(+)
Unit Net Heat Rate (Boiler Losses Method)	Btu/ kWh	10,985	10,826	10,763	10,373	10,387	10,352

+The Air Heater O2 analyzer system developed leaks during the 55 MW Test. This affected the boiler efficiency calculations at the 55 MW, 60 MW, and Peak Load Tests. In order to determine the Unit Net Heat Rate at the 55 MW, 60 MW, and Peak Load tests the 45 MW boiler efficiency of 86.89% was used.

4.2. Operating Limitations

Description of current operating limits: Both units are dispatched between 50-55 MW maximum unless otherwise de-rated to avoid damage to equipment.

4.3. Minimum Load and Ramp Rates

History: Currently both units can change load at 7 MW per minute from the 20 MW to 66 MW load range. With all four burners in service and the unit at 40 MW the units can ramp up to 66 MW at a rate of 5 MW per minute.

Expectations Assessment: Both units can operate at a current low load of 20 MW gross, however this low limit may not be low enough for cost effective system wide operation if economic conditions force loads to decrease significantly. If this should occur, the PMC may be required to operate each Cabras units at 16 MW gross or lower if possible at extremely light loads.

5. Operations and Maintenance

5.1. Cabras Operations/Maintenance Practices

5.1.1. Operations Procedures Index

Description of system: Cabras has a Table of Standard Operating Procedures, to guide employees through various issues associated with daily production. Many of these procedures are general to the company but a few assist in the day-to-day operation of the plant. A complete listing of these procedures will be made available for review through a CD-ROM provided as part of the RFP documents and the Virtual Website that GPA has developed.

Cabras employees continue to utilize the original Operation Manual, dated July 1974, as provided by Mitsui and Co. Inc., New York, U.S.A. & Tokyo Electric Power Services CO., LTD., of Tokyo, Japan. The manual covers issues such as:

- Starting of unit when Cold, Warm or Hot, with curves and limits
- Continuous operation
- Increasing and decreasing load
- Shutdown of unit
- Plant auxiliaries
- Operator equipment check points and inspections
- Normal operating ranges of temperatures, pressures and flows
- Lead and Lag operations
- Power transformer operation

History: The Cabras operations department has relied on the original Operation Manual for operating procedures.

5.1.2. Maintenance Procedures

Description of system & History: The Cabras maintenance departments rely on the OEM manuals and employee's historical knowledge and learned skills to perform required maintenance activities.

Needs Assessment: Certain maintenance procedures need to be developed to support future maintenance activities.

5.1.3. Water Production Procedures

Description of system & History: The Cabras operation department does not have specifically developed water production procedures. They rely on the OEM manuals and employee's historical skills to perform required maintenance activities.

Needs Assessment: Certain water production procedures need to be developed to support future operations activities. All water production procedures will be the property of GPA and transferred to GPA for use, and are to be developed in electronic format such as Microsoft Word.

5.1.4. Boiler Water Treatment Procedures

Description of system & History: The Cabras operation department has specifically developed boiler water treatment procedures, but requires revision.

Needs Assessment: Certain boiler water treatment procedures need to be developed/revised to support future operations activities. The PMC will be required to better organize this function during the life of the contract. All boiler water treatment procedures will be the property of GPA and transferred to GPA for use, and are to be developed in electronic format such as Microsoft Word. The Microsoft Word documents shall be archived as development copies. Most documents will be delivered to users as Adobe PDF files or in hardcopy.

5.2. Central Support Services

5.2.1. Central Maintenance Capabilities

Description of department & capabilities of personnel: The Central Maintenance department (CM) supports Cabras 1, 2, 3 & 4 in addition to the fleet of combustion turbines and medium speed diesels across the entire island. Central Maintenance has good in-house maintenance capabilities for a plant this size with the following equipment and shop support:

- Three engine lathes capable of turning 40+ inches, 15 feet in length;
- Milling machine;
- Surface grinder;
- A pair of band saws;
- Two drill presses (one large radial and one small);
- Four electric welding machines rated at 300 amps;
- Two portable (diesel powered) welding machines with AD/DC power and compressed air capabilities;
- Plasma cutter;
- Tool storage locks up with various portable hand tools, estimated value approximately $100,000.

The CM department personnel receive their training through on-the-job efforts. There is no formal training or apprenticeship program. The majority of the CM personnel are currently Journeymen mechanics. Currently there is only one Utility Worker position employee in the CM department.
History: the CM department personnel typically have supported the major outages and large equipment repair activities at Cabras such as:

- Air heater basket and seal repairs;
- Boiler welding and repairs;
- Turbine / Generator outages;
- Pump, motors, fans;
- Piping, valves, condenser, feedwater heaters.

The CM department has a staff of 22 employees, with a Superintendent, support staff, 2 foremen and 18 hourly employees.

5.2.2. Central Planning Capabilities

Description of department & capabilities of personnel: In 1997 GPA initiated the implementation of the Computerized Maintenance Management System (CMMS) under the J.D. Edwards (JDE) Financial Management Software for all operations division sections, but primarily for generation, T&D and transportation. Prior to this program, GPA tracked maintenance with a simple database or spreadsheet program, with no standardized maintenance management program in place. History files were not easily accessible and most history resources were retiring. In addition, labor and other project costs tracking became difficult tasks when projects were not setup with appropriate tracking accounts.
Currently, there are two full time dedicated maintenance planners at the Cabras 1 & 2 plant that handle the processing, coordinating, scheduling and closing of maintenance work orders. The planner's areas of responsibilities are generally split to handle either mechanical or electrical/instrument work orders. Planning meetings for each discipline occurs two to three times a

week to review work order backlog, scheduling and work order progress. These meetings typically involve the planners, assistant plant superintendent of maintenance and maintenance supervisors.

5.2.3. Central Warehousing Capabilities

Description of department & capabilities of personnel: The warehouse stores spare and replacement parts and components required for reliable operation of the Cabras facility. One full time employee staffs the warehouse. GPA will continue to provide this person since the warehouse stores parts for Cabras 3 & 4 and other operating units within the GPA system.

5.2.4. Station Engineering Capabilities

Description of department & capabilities of personnel: The station-engineering department is located next to the planning department on the Cabras plant property. The group is comprised of six mechanical engineers:
History: This department's employees handle projects to improve the long term reliability and operation /maintenance of the plant. Department personnel also coordinate with contractors, determine budget inputs, support major outages, monitor heat rate and determine what needs to be accomplished to help the long-term viability of the plant.

5.2.5. General Engineering Capabilities

Description of department: The Engineering Division is responsible for the overall implementation of new capital improvements projects for the Guam Power Authority. These projects range from multi-million dollar construction projects such as the installation of Cabras 3 & 4 Slow-speed Diesel Plant to the line extensions for individual customer services. Additionally, the Division is responsible for managing the Authority's, Demand Side Management (DSM) program in addition to performing various system planning studies such as the Long Range Transmission Study and the Integrated Resource Plan. Lastly, General Engineering is also responsible for the overall system protection needs.
The General Engineering Division is comprised of eight sections:

- Engineering Administration;
- Customer Service;
- Distribution;
- Project Management;
- Real Estate;
- Substation / Transmission;

The Division has personnel with varying skill levels from the licensed professional engineers to engineering technicians and the field survey crews.

5.3. Computerized Maintenance Management System (CMMS)

Description of department & capabilities of personnel: In 1997 GPA initiated the implementation of the Computerized Maintenance Management System (CMMS) under the J.D. Edwards (JDE) Financial Management Software for all operations division sections, but primarily for generation, T&D and transportation. Prior to this program, GPA tracked maintenance with a simple database or spreadsheet program, with no standardized maintenance management program in place. History files were not easily accessible and most history resources were retiring. In addition, labor and other project costs tracking became difficult tasks when projects were not setup with appropriate tracking

accounts.

The CMMS provided an on-line access to equipment for completed, ongoing and upcoming maintenance work orders with an up to date status. Backlog, project costs and labor tracking were easily available through system reporting. The integrated inventory program allowed parts to be viewed on-line and staged before they were to be picked up from the warehouse. The CMMS also provided the capability of downloading system data onto a spreadsheet to graph equipment readings or test results for trending analysis.
Formal and onsite CMMS training has been conducted to all positions at Cabras for work order entry and backlog review. For other positions a more detailed training was provided for adding labor routing and parts, plus the closing of work orders.
A computer network was developed to provide access to the CMMS as well as the financial management system. This allows for system access in almost all plant office areas. In the Cabras plant, there are 15 computers and one network printer, which all access the JDE system. Nine computers and one network printer are located in the Administrative Offices on the first floor. One computer is located in the control room on the second floor. Three computers and one printer are located in the Electrical/Instrument shop on the third floor. Two computers and one printer are located in the plant maintenance shop, on the northeast side of the plant.
The CMMS still has a number of pending installations for the JDE system as well as equipment nameplate data to be input. This includes the integration of the spare parts component listing and inventory identification. In order to complete this, a component parts list must be developed for all major/critical equipment and matched with inventory part numbers. Additionally, the inventory items should be reviewed and obsolete items cleared out of the warehouse inventory system. This will be a large undertaking but is required for proper material management and control.
The payroll module has not been integrated with the CMMS module either. This requires all actual labor hours to be manually inputted into each work order as opposed to an automatic CMMS update from the payroll module. Presently, actual hours are being entered against work orders in the payroll time entry and this information can be reported through a custom made report.

5.4. Plant Organization

5.4.1. Existing Organization Chart

The organization chart for Cabras 1 & 2 can be seen in Schedule D.

5.4.2. Operations Department

Control Board Operators

Description of Department Structure & Capabilities: Two Control Board Operators (CBO) staff the plants per shift. The CBO's are responsible for bringing the units up and down, or, on and off-line as requested by the system dispatch operators and ensuring the safe and reliable operation of the major and auxiliary equipment of the plant. Specific operational duties are described in the Operation Manual for Cabras Steam Power Plant, dated July 1974. Specific job duties are described in the GPA position descriptions. These descriptions will be made available at the plant indicative proposal and plant tour meetings.
Skill Levels: CBO's are the highest trained operating personnel, excluding the shift leaders. The CBO will understand all operational functions for the plant and that of the power plant operators. Skill

levels were determined through testing by the IMC in 2001. These results will be made available for summary review.
Formal Training summary: There is no formal documented training program for the CBO's. CBO's receive on the job training from other GPA employees who have established the required skills to perform the work requirements.

Power Plant Operators

Description of Department Structure & Capabilities: Current staffing has two Power Plant Operators (PPO) per shift. The PPO's are responsible for operating all the equipment outside the control center area. These operators inspect, operate and turn on and off the auxiliary equipment as requested by the CBO and ensure the safe and reliable operation of the major and auxiliary equipment of the plant. Specific operational duties are described in the Operation Manual for Cabras Steam Power Plant, dated July 1974.

Specific job duties are described in the GPA position descriptions. These descriptions will be made available at the plant indicative proposal and plant tour meetings.

Skill Levels: PPO's are the second highest trained operating personnel, excluding the shift leaders. The PPO will understand all operational functions of the auxiliary equipment and report to and receive direction and skills training from the CBO and Shift Leaders. Skill levels were determined through testing by the IMC in 2001. These results will be made available for summary review.

Formal Training summary: There is no formal documented training program for the PPO's. AO's receive on-the job training from other GPA employees who have established the required skills to perform the work requirements.

5.4.3. Maintenance Department

Plant Maintenance Mechanic

Description of Department Structure & Capabilities: The plant maintenance mechanic employees (PMM) work a normal eight-hour day shift, Monday through Friday. No second or third shift exists, and any work beyond the basic shift requires over time or the possibility of changing shift schedules within the pre-established work rules. Plant maintenance mechanic employees provide repair services of the mechanical nature to all the plant equipment as required. They also help to ensure the safe and reliable operation of the major and auxiliary equipment of the plant. Specific maintenance duties are described in the GPA established position descriptions for Cabras Steam Power Plant. GPA will provide these descriptions.

Skill Levels: Skill levels were determined through testing by the IMC in 2001. These results will be made available for summary review.
Formal Training summary: There is no formally documented, on-going training program for the PMM. PMM receive on-the job training from other GPA employees who have established the required skills to perform the work requirements.

Electrical Maintenance Employees

Description of Department Structure & Capabilities: The electrical maintenance employees (EME) work a normal eight-hour day shift, Monday through Friday. No second or third shift exists, and any work beyond the basic shift requires over time or the possibility of changing shift schedules within the pre-established work rules. Electrical maintenance employees provide repair services of the electrical nature of all the plant equipment as required. They also help to ensure the safe and reliable operation of the major and auxiliary equipment of the plant. Specific maintenance duties are described in the GPA established position descriptions for Cabras Steam Power Plant. These descriptions will be made available.
Skill Levels: Skill levels were determined through testing by the IMC in 2001. These results will be made available for summary review.
Formal Training summary: There is no formal documented training program for the EME's. EME's receive on-the job training from other GPA employees who have established the required skills to perform the work requirements.

Instrument & Control Maintenance Employees

Description of Department Structure & Capabilities: The Instrument and Control (I&C) maintenance employees work a normal eight-hour day shift, Monday through Friday. No second or third shift exists, and any work beyond the basic shift requires over time or the possibility of changing shift schedules within the pre-established work rules. I&C maintenance employees provide repair services to the instrument and control nature of all the plant equipment as required. They also help to ensure the safe and reliable operation of the major and auxiliary equipment of the plant. Specific maintenance duties are described in the GPA established position descriptions for the Cabras Steam Power Plant. These descriptions will be made available at the plant indicative proposal and plant tour meetings.

Skill Levels: Skill levels were determined through testing by the IMC in 2001. These results will be made available for summary review.
Formal Training summary: There is no formally documented, on-going training program for the I&C's. I&C's receive on-the job training from other GPA employees who have established the required skills to perform the work requirements.

SCHEDULE B

Cabras Steam Plant (Units #1 and #2) Historic Spending

1. Historic O&M Spending

OBJECT CODE	DESCRIPTION	FY 2016 *Jan2016-Sept2016 only	FY 2017	FY 2018	FY 2019
15	Heavy Equipment Rental	$1,506.72	$0.00	$0.00	$0.00
17	Other Rentals	$5,907.50	$0.00	$2,293.75	$0.00
25	Technical Services	$105,417.13	$47,550.88	$101,686.70	$104,014.78
26	EPA Services	$23,037.00	$27,680.00	$28,965.00	$23,085.00
27	Other Professional Services	$6,553.30	$35,340.32	$38,470.19	$17,281.82
29	Grounds Maintenance	$32,946.00	$34,787.50	$29,583.29	$22,794.61
33	Power Plant Accessory Equip. Maint.	$14,449.85	$52,056.19	$61,534.51	$22,226.16
35	Other Maintenance	$0.00	$0.00	$0.00	$0.00
40	Telephone (Overseas)	$6,335.08	$8,872.49	$3,357.93	$3,716.57
43	Other Contractual Services	$284,862.45	$53,605.68	$93,815.42	$124,221.62
44	Boiler & Assoc. Equip. Parts	$65,756.91	$120,258.66	$253,172.85	$397,990.35
45	Turbine & Associated Eqpt Part	$8,802.89	$133,595.88	$78,180.71	$25,670.00
46	Accessory Equipment	$20,957.27	$80,244.57	$75,662.21	$91,316.92
48	EPA & Others	$3,659.10	$32,152.20	$35,840.98	$23,189.50
49	Wires, etc.	$10,098.00	$22,441.44	$17,990.58	$2,926.92
55	Other Parts	$25,861.79	$53,385.55	$78,378.72	$25,721.84
56	Chemicals	$17,345.25	$115,924.26	$98,056.95	$50,683.43
57	Gases	$78,237.45	$211,618.75	$174,791.52	$194,824.41
58	Lubrication	$42,622.93	$76,927.67	$8,614.59	$73,518.50
62	Other Materials	$44,439.93	$132,708.48	$84,379.85	$98,456.77
65	Office Supplies	$2,573.39	$13,456.77	$721.88	$1,994.38
66	Safety Supplies	$16,940.89	$18,901.61	$18,159.79	$13,744.65
67	Printed Forms	$602.00	$831.40	$6,749.93	$715.00
68	Xerox Supplies	$243.70	$917.55	$2,533.03	$368.00
69	Uniform/Coveralls	$2,649.28	$627.00	$0.00	$0.00
70	Tools	$7,524.20	$15,216.61	$7,759.46	$20,829.41
72	Other Administrative/General Supplies	$31,708.89	$47,035.27	$12,612.08	$10,780.71
77	Training & Materials	$0.00	$0.00	$0.00	$0.00
81	Off-Island Travel	$0.00	$0.00	$0.00	$0.00
TOTAL		**$861,038.90**	**$1,336,136.73**	**$1,313,311.92**	**$1,350,071.35**

2. CIPs and Major Maintenance Activities

FY2016	EXPENSES
Replacement of One Set of 125 VDC Battery Bank for Unit 2	$ 7,364.58
Unit 2 Turbine and Generator Overhaul	$ 1,544,320.00
Unit 2 Traveling Screen 2A & 2B Replacement	$ 157,144.00
Refurbishment of unit 2 Air Preheater Assembly	$ 463,764.00
Installation Two New Flue Gas Analyzer (O2/CO) Downstream of #2 APH	$ 27,122.00
Unit 2 Archway Tubes Replacement	$ 379,212.00
Miscellaneous Major Overhaul Works on Plant Euqipment	$ 11,848.73
Unit 2 Secondary Super Heater (SSH) Tubes Replacement	$ 449,912.17
Replacement of Cabras #2-4 Feedwater Heater	$ 115,600.00
APH Expansion Joints Replacement	$ 58,334.00
Unit 2 Boiler Casing and Refractory Renewal	$ 39,339.00
Material Attenuation Ultrasonic Thickness Testing for Unit 2 Boiler Tubes	$ 111,081.00
Replacement of Unit 2 Soot Blower Power/Control Cables and Limit Switch	$ 39,628.00
Steam Coil Heater Drain Feul Oil Heater Outlet Pipe Refurbishment	$ 76,553.00
Replace Auxiliary Steam System Piping and Fitting	$ 80,000.00
DCS/BMS System for Cabras 1&2 Power Plant	$ 1,085,227.05
Replacement of Unit 1 Hydrogen Purity Monitoring Gage	$ 5,460.31
Soot Blower Power / Control Cable and Limit Switch	$ 15,487.00
Turbine Blades Replacement	$ 384,919.84
Split Inlet Vane	$ 21,734.04
Turbine Overhaul Manpower	$ 75,000.00
Fuel Oil Heater Replacement 1A & 2A	$ 30,625.00
USEPA Compliance 316(b)	$ 43,800.00
TOTAL	**$ 5,223,475.73**

FY2017	EXPENSES
Inlet Vane Control Assembly and Ventuir Cone Replacement Unit 1A & Unit 1B-material	$ 128,827.62
Air Preheater Hot and Cold End Basket Replacement-material	$ 233,390.00
Archway Tubew Replacement-material	$ 296,808.54
Archway Tubew Replacement	$ 197,342.71
Urgent Repair of Cabras #2 Boiler Tubes	$ 117,098.00
RO+EDI Resin Tank	$ 94,102.63
2016 Over Expenditures of O&M / Water Treatment / Hydrogen and Inventory	$ 215,580.67
2017 Over Expenditures of O&M	$ 153,757.79
Turbine Exhaust Hood Expansion Joint Replacement	$ 163,072.94
Waste Oil Sludge Cleaning and Upgrade	$ 209,402.49
Main Turbine Generator Overhaul for U1	$ 1,557,609.62
Upgrade the Unit 1 Burner Front System	$ 510,991.70
Boiler Casing and Refractory Renewal	$ 51,909.80
Boiler Water Wall Tube Replacement	$ 97,384.80
Boiler Water Wall Tube Replacement-2	$ 218,374.66
AH Duct Expansion Joint Replacement	$ 127,137.98
Upgrade the Heavy Oil Heater Temperature Control System	$ 38,646.18
DCS/BMS system Critical Control Component	$ 19,076.38
Air Preheater Basket Replacement-Partial	$ 227,922.32
Archway Tube Replacement	$ 456,444.32
Stack Refurbishment and Support Structure Painting	$ 325,609.32
Plant Safety Valve Replacement	$ 96,224.31
Air Preheater Basket-material	$ 237,420.00
Fire Protection System	$ 35,060.68
API Standard Open Inspection and Repairs for Light Diesel Oil Tank	$ 205,789.88
Unit 1 Miscellaneous Materials / Parts / Service	$ 375,097.24
TOTAL	**$ 6,390,082.58**

FY2018	EXPENSES
Urgent Repair of Cabras #2 Boiler Tubes	$ 27,195.00
Removal and Disposal of Asbestos Insulation	$ 11,208.18
Boiler Chemical Cleaning for Cabras 1 & 2	$ 882,922.00
TOTAL	**$ 921,325.18**

FY2019	EXPENSES
Archway Tubes Replacement for Cabras 1 & 2-material	$ 116,630.79
Unit 2 Air Preheater Expansion Joint - material	$ 102,371.31
2A & 2B Traveling Screen Sacrificial Anodes Replacement	$ 1,113,132.28
Unit 2 Condenser Expansion Joint Replacement-material	$ 80,263.15
Cabras 1&2 Power House Building Exhaust Fans Removal and Replacement	$ 70,090.00
TOTAL	**$ 1,482,487.53**

SCHEDULE C

Fuel Supply Specifications and Arrangements

FUEL SUPPLY SPECIFICATIONS

The specifications for the Fuel Supply for Cabras Units will be as follows:

Residual Fuel Oil No. 6

API Gravity	-	Min. 14.0, Max. 23.0
Viscosity @ 100°F	-	Maximum 1500 SSU
Flash Point	-	Minimum 66°C
Pour Point	-	Maximum 21°C
Carbon Residue – Micro Carbon	-	Maximum 10% weight
Ash	-	Maximum 0.10% weight
Water & Sediments	-	Maximum 1.0% weight
Sulfur High	-	2.00% weight
Sulfur Low	-	1.19% weight
Vanadium	-	90 ppm (Max)
Aluminum + Silicon Content	-	Not to exceed 70 ppm
Gross Heating Value, HSFO (Average)	-	6.1 MBTU/BBL
Gross Heating Value, LSFO (Average)	-	6.1 MBTU/BBL

Light Fuel Oil (Distillate No. 2)

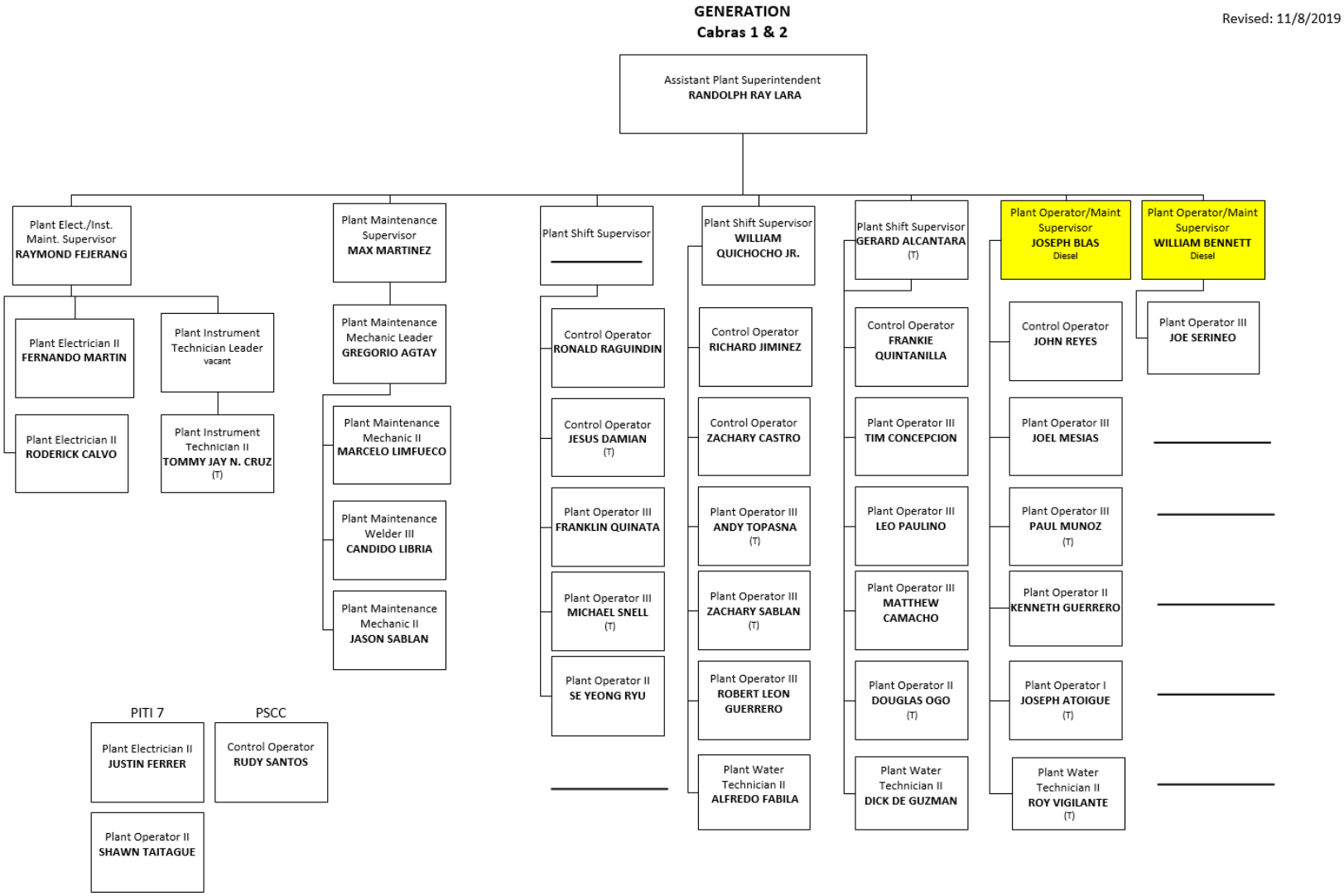
Specific Gravity @ 60°F	-	0.8602 Minimum
Viscosity SSU @100°F	-	35 Minimum
Cloud Point, °F	-	68 Maximum
Sulfur	-	0.5% Maximum
Bottom Sediment & Water	-	0.05% Maximum
Ash	-	0.005% weight, Maximum
Flash Point, PM, °F	-	140 Minimum
Carbon Residue (10% Bottom)	-	0.20
Pour Point, °F	-	50 Maximum
High Heating Value (Minimum)	-	5.7 MBTU/BBL

FUEL SUPPLY ARRANGEMENTS

Delivery	GPA and PMC will liaise to prepare weekly fuel schedules showing anticipated times and quantities of fuel to be utilized by the Power Plant. GPA shall be responsible for ensuring the availability of fuel supplies, for the payment therefore, and for all arrangements with the suppliers.
Fuel Oil Storage	The existing fuel oil storage tanks at the Cabras Units shall be utilized by PMC. The water shall be drained off weekly.
Testing	PMC shall calibrate the fuel tanks in an approved manner. Upon each delivery of fuel to and, from time to time thereafter, a suitable sample will be taken and analyzed jointly by the PMC and GPA to ensure that it meets the specifications as shown above. Oil quality is sampled, tested and reported back to GPA by SGS Guam, Inc. of Redwood Petroleum Services.
Metering	Meters shall be calibrated by PMC and tested every six months under the PMC Routine O&M Spending Budget by a third party agreed between PMC and GPA.
Variation in rate Of delivery	PMC and GPA will liaise in estimating the fuel required to comply with GPA's annual, monthly and weekly systems operating plans.
Security	PMC shall be responsible for all security and safety arrangements in respect of the fuel in the Site tanks.
Spill Prevention Control and Countermeasure Plan (SPCC Plan)	1. PMC shall be responsible for the preparation of SPCC plan for the facility for EPA and GPA's approval. 2. PMC shall be responsible for the full compliance of the Facility SPCC plan.
Best Management Plan (BMP)	PMC shall be responsible for the preparation of the Facility BMP plan for EPA and GPA's approval, including full compliance with the plan

SCHEDULE D

Plant Staff


GENERATION
Cabras 1 & 2
Revised: 11/8/2019
Assistant Plant Superintendent
RANDOLPH RAY LARA
Plant Elect./Inst. Maint. Supervisor
RAYMOND FEJERANG
Plant Electrician II
FERNANDO MARTIN
Plant Electrician II
RODERICK CALVO
Plant Instrument Technician Leader
vacant
Plant Instrument Technician II
TOMMY JAY N. CRUZ
(T)
Plant Maintenance Supervisor
MAX MARTINEZ
Plant Maintenance Mechanic Leader
GREGORIO AGTAY
Plant Maintenance Mechanic II
MARCELO LIMFUECO
Plant Maintenance Welder III
CANDIDO LIBRIA
Plant Maintenance Mechanic II
JASON SABLAN
PITI 7
Plant Electrician II
JUSTIN FERRER
Plant Operator II
SHAWN TAITAGUE
PSCC
Control Operator
RUDY SANTOS
Plant Shift Supervisor
Control Operator
RONALD RAGUINDIN
Control Operator
JESUS DAMIAN
(T)
Plant Operator III
FRANKLIN QUINATA
Plant Operator III
MICHAEL SNELL
(T)
Plant Operator II
SE YEONG RYU
Plant Shift Supervisor
WILLIAM QUICHOCHO JR.
Control Operator
RICHARD JIMINEZ
Control Operator
ZACHARY CASTRO
Plant Operator III
ANDY TOPASNA
(T)
Plant Operator III
ZACHARY SABLAN
(T)
Plant Operator III
ROBERT LEON GUERRERO
Plant Water Technician II
ALFREDO FABILA
Plant Shift Supervisor
GERARD ALCANTARA
(T)
Control Operator
FRANKIE QUINTANILLA
Plant Operator III
TIM CONCEPCION
Plant Operator III
LEO PAULINO
Plant Operator III
MATTHEW CAMACHO
Plant Operator II
DOUGLAS OGO
(T)
Plant Water Technician II
DICK DE GUZMAN
Plant Operator/Maint Supervisor
JOSEPH BLAS
Diesel
Control Operator
JOHN REYES
Plant Operator III
JOEL MESIAS
Plant Operator III
PAUL MUNOZ
(T)
Plant Operator II
KENNETH GUERRERO
Plant Operator I
JOSEPH ATOIGUE
(T)
Plant Water Technician II
ROY VIGILANTE
(T)
Plant Operator/Maint Supervisor
WILLIAM BENNETT
Diesel
Plant Operator III
JOE SERINEO

SCHEDULE E

Plant Inventory

Pending, and will be provided as an Amendment to the Bid.

SCHEDULE F

Planned Projects & Major Maintenance Activities

The projects listed below were recommended by the current contractor and is provided by GPA in this solicitation to illustrate the items needed to ensure the plant's availability and reliability. However, these should not be construed as the only CIPs or Major Maintenance needed at the plant. The CONTRACTOR should by their own efforts investigate the most appropriate CIPs or Major Maintenance for the power plant, subject to GPA's review and approval.

CRITICAL REPAIRS BROUGHT TO GPA ATTENTION:

Items	Description	PURPOSE:
1	Repair Unit#2 Insulated Phase Bus Insulation Bushing	Reliability
2	Repair of Beams on the North Wall in Turbine Hall	Safety Availability

RECOMMENDED CIPs FOR FISCAL YEAR 2020:

Items	Description	PURPOSE:
1	125VDC Battery Bank Replacement	Reliability
2	Fire Pump Replacement	Safety
3	Spare Motor for Cabras #1&#2 Circulating Water Pump	Reliability
4	Spare Motor for Cabras #1&#2 Forced Draft Fan	Reliability

RECOMMENDED MAJOR MAINTENANCE FOR FISCAL YEAR 2020:

Items	Description	PURPOSE:
1	Unit 2 safety valve replacement after verification by Basin Valve Inc. during minor boiler overhaul site pressure setting adjustment and testing inspection, repairs, and replacement if required	Safety
2	Unit 2 boiler casing and refractory renewal during overhaul, including soot waste disposal ($60,000.00)	Efficiency
3	Unit 2 Replace Arch way tubes, all of the rear water wall tube(EL.43'∽ EL.49'), and boiler water wall tube replacement based on NDE (UT) Inspection results (include material and installation)	Efficiency
4	Unit 2 Gas and Air duct expansion joint replacement	Efficiency
5	Unit 2 2A & 2B APH Maintenance	Availability
6	Unit 2 Stack refurbishment and support structure painting	Safety
7	Unit 2 Burner front components renovation	Reliability
8	Unit 2 turbine generator minor overhaul	Reliability
9	Unit 2 Condenser A&B banks and Service water cooler inspection &jet cleaning	Reliability
10	Unit 2 condenser expansion joint replacement	Availability
11	Install Cabras #2 PT、PPT NGR panel's space heaters, CWP-side control cables replacement & Inverter #2 maintenance and consumptive parts replacement	Availability
12	BFPM minor overhaul	Reliability
13	Unit 2B heater drain pump, motor and piping replacement	Efficiency
14	Unit 2 Replace the anodes of traveling screen 2A&2B	Reliability
15	Unit 2 Service Water Cooler Cooling Water Pipes and Drain Lines Replacement	Reliability

SCHEDULE G

Environmental Compliance

The list below are the continuing obligations at Cabras 1&2 Power Plant to ensure compliance with environmental regulations.

Table 1: CONTINUING OBLIGATIONS

REGULATORY REQUIREMENT / PERMIT	CURRENT STATUS	ACTION REQUIRED FROM PMC
Title V Requirements: (Request for P&R to list down specific requirements)	The 2009 permit shall remain in effect past the March 2014 expiration date until Guam EPA issues new permits	- Provide data/info to P&R - see attached permit with highlights on relevant requirements for the PMC
Consent Decree/Fuel Switching	In compliance	- Provide data/info to P&R - provide support for Fuel switching system when needed
NPDES Permit	US EPA sent GPA Final Draft on Nov. 7, 2019. Issuance still on hold pending CZMA consistency determiniation from Guam BSP	Maintain contract with qualified Environmental Contractor to sample, test, and report results as required by NPDES Permit
SPCC	In compliance	Comply with Inspection Report recommendations from P&R
BMP	In compliance	Comply with Inspection Report recommendations from P&R
Facility Response Plan (referenced in SPCC inspection)	In compliance	Comply with Inspection Report recommendations from P&R
GHG Reporting	In compliance	Provide data/info to P&R
EGU MACT	Not complying. A Consent Decree is under negotiatiion with US EPA.	
Tier II	In compliance	Provide data/info to P&R
TRI	In compliance	Provide data/info to P&R

Table 2: UPCOMING REQUIREMENTS

REGULATORY REQUIREMENT / PERMIT	ACTION REQUIRED FROM PMC
Title V Requirements:	Provide data/info to P&R
Consent Decree	Provide data/info to P&R
State Implementation Plan	Provide data/info to P&R

MSB GPA-035-20 Performance Management Contract for the
Cabras Units #1 and #2 Steam Power Plant

PROPOSAL REFERENCE CHECKLIST: Supporting Information referenced in Proposal

Item	Bidder Checklist Items	Checklist Weight	Please indicate where supporting information for this checklist item is located within the proposal. Example: Page 85; or Section A Part 2; or see attachment labeled "Power Plant Operation Experience", etc.
1	**Business Structure and Business Approach**	**8**	
	Company Information for Bidder and its affiliates	2	
	Supporting information showing Business Structure (Company Literature, etc.)	2	
	Supporting information showing Nature of Services Provided (for BIDDER and its affiliates)	2	
	A copy of Articles of Incorporation and By-Laws, or similar document	1	
	Other relevant references concerning business organization (for BIDDER and affiliates)	1	
2	**Power Plant Management, Operation and Maintenance**	**30**	
	Description and supporting information showing successful experience with the management and operation of Steam Turbine Plants	10	
	Description and supporting information showing successful experience with routine and major maintenance of Steam Turbine Power Plants	10	
	Illustration of past experience with meeting performance and/or operation & maintenance guarantees with contracts similar to GPA's.	10	
3	**Root-Cause Failure Analysis**	**21**	
	Experience and expertise on failure modes and effects analysis with Steam Turbine Plants	7	
	Experience and experties on failure modes and effects analysis of supporting systems such as RO-EDI System, Waste Oil Facility	7	
	Brief description of successful implementation of remedies.	7	
4	**Generation Outage Planning**	**21**	
	List methods considered as "best practice" in industry, for outage planning or management of major capital improvement projects for Steam Turbine Plants	7	
	List actual types of plant overhaul experience, from planning, execution up to completion.	7	
	Supporting information related to critical repairs, major maintenance work completed for steam turbine power plants.	7	
5	**Plant Engineering & Technical Services**	**24**	
	Supporting information showing successful previous experience providing Plant Engineering & Technical Services to Steam Turbine Power Plants	8	
	Supporting information showing successful completion of critical projects for Steam Turbine Power Plants	8	
	Supporting information showing successful experience with Project Management, Field Installation & Acceptance Testing.	8	
6	**Power Plant De-activation, Decommissioning and Clean-up of Facility**	**20**	
	List methods considered as "best practice" in industry, for steam power plant de-activation, decommissioning and facility clean-up.	8	
	Supporting information showing successful experience with steam power plant de-activation or decommissioning.	6	
	Supporting information showing successful experience with steam power plant clean-up.	6	
7	**Procurement, Inventory Planning and Management**	**20**	
	Describe experience with procurement for materials and services for steam turbine plants	5	
	Describe experience with inventory control and management for steam turbine power plants	5	
	Describe experience with procurement of OEM and non-OEM Support.	5	
	Describe experience with emergency procurement for expedited repairs.	5	
8	**Performance Management & Reporting**	**10**	
	Describe experience reporting key performance indicators such as EAF and EFOR, following GADS definitions.	5	
	Describe experience tracking and reporting key performance indicators for steam turbine power plants.	5	
9	**Environmental Compliance Review, Monitoring and Requirements**	**15**	
	Experience in reviewing and evaluating test data using CEMS	3	
	Experience in evaluating plant water discharge	3	
	Hazardous waste handling and disposal program review; monitoring and evaluation	3	
	Experience and expertise on performance tests for emissions	3	
	Supporting documents showing knowledge and experience in complying with environmental regulations applicable to steam turbine plants on Guam	3	

MSB GPA-035-20 Performance Management Contract for the
Cabras Units #1 and #2 Steam Power Plant

PROPOSAL REFERENCE CHECKLIST: Supporting Information referenced in Proposal

Item	Bidder Checklist Items	Checklist Weight	Please indicate where supporting information for this checklist item is located within the proposal. Example: Page 85; or Section A Part 2; or see attachment labeled "Power Plant Operation Experience", etc.
10	**Federal and Regulatory Compliance**	**18**	
	Supporting documents showing knowledge and experience in complying with federal regulations and other applicable laws on Guam, such as OPA 90, Guam Fire Code, and others.	6	
	Supporting documents showing experience and certifications necessary for regulatory reporting applicable on Guam, such as those required by USEPA, Guam EPA, etc.	6	
	Supporting documents showing compliance with all federal regulations and applicable laws.	6	
11	**Financial Information Checklist**	**10**	
	Brief description of company's financial position and capability.	1	
	Documentation (such as balance sheet, income statement, financial statement, financial ratio) for the last five years showing company's financial position and capability, audited or reviewed by Certified Public Accountant(s) or other qualified auditing/reviewing firm.		
	Did BIDDER provide complete and detailed financial records?	3	
	Were the financial records submitted audited by qualified auditing body or reviewed by qualified reviewing/auditing firm?	3	
	What is the quality of company's financial position?	3	
12	**Insurance Policy**	**5**	
	Provide proof of compliance with GPA's Insurance Requirements, such as a copy of insurance policy similar to those required by GPA in this bid.	3	
	Other documentation providing details on your insurance policy, for GPA's review.	2	
13	**Client References**	**10**	
	At least three (3) client references for similar or larger contracts (Client Name, Position, Company, contract with Bidder or affiliates).	5	
	At least three (3) letters from current and/or previous clientsdescribing relationship with Bidder, and Bidder's contract performance, for contracts similar to GPA's.	5	
14	**Mobilization Capability Checklist**	**10**	
	Proof Of Capability To Mobilize Full Support Services No Later Than **30** days after contract signing.	10	
15	**BIDDER Detailed Questions**	**78**	
	Describe your operational model for supporting O&M activities for GPA's Steam Power Plant.	10	
	Describe your company's position on O&M procedure utilization and outage planning activities.	8	
	Describe your company's views on the best method of utilizing and balancing internal and external resources (GPA employees vs. contracting out).	5	
	Describe your proposed staffing model including staffing optimization plan, for both your employees and GPA employees. For bidder's proposed staffing, please include experience and qualifications of each staff to be assigned to this contract.	8	
	Please present a proposed organization chart of the PMC organization and the areas of responsibilities for each position. Include the minimum skill level of each position provided by the PMC.	10	
	Please present a plan to minimize unplanned outages for Cabras 1&2 Steam Power Plant.	8	
	Please present a plan to maintain or improve reliability of Cabras 1&2 Steam Power Plant.	8	
	Describe additional resources the can be provided to assist GPA in critical repairs or major maintenance work.	8	
	Please present a plan for deactivation/decommissioning and clean-up of the Cabras 1&2 Steam Power Plant. The CONTRACTOR's role will mainly be to manage and coordinate all de-activation activities.	8	
	Please present your willingness, capability and desire to offer optional financing of GPA's Critical Repairs/Major Maintenance Activities, should GPA require such. Please specify limits and terms of financing available.	5	

MSB GPA-035-20 Performance Management Contract for the
Cabras Units #1 and #2 Steam Power Plant

Qualitative Proposal Scoring Information

Item	Bidder Checklist Items	Checklist Weight	Maximum Raw Rating Score	Maximum Weighted Score
1	**Business Structure and Business Approach**	**8**		**40**
	Company Information for Bidder and its affiliates	2	5	10
	Supporting information showing Business Structure (Company Literature, etc.)	2	5	10
	Supporting information showing Nature of Services Provided (for BIDDER and its affiliates)	2	5	10
	A copy of Articles of Incorporation and By-Laws, or similar document	1	5	5
	Other relevant references concerning business organization (for BIDDER and affiliates)	1	5	5
2	**Power Plant Management, Operation and Maintenance**	**30**		**150**
	Description and supporting information showing successful experience with the management and operation of Steam Turbine Plants	10	5	50
	Description and supporting information showing successful experience with routine and major maintenance of Steam Turbine Power Plants	10	5	50
	Illustration of past experience with meeting performance and/or operation & maintenance guarantees with contracts similar to GPA's.	10	5	50
3	**Root-Cause Failure Analysis**	**21**		**105**
	Experience and expertise on failure modes and effects analysis with Steam Turbine Plants	7	5	35
	Experience and experties on failure modes and effects analysis of supporting systems such as RO-EDI System, Waste Oil Facility	7	5	35
	Brief description of successful implementation of remedies.	7	5	35
4	**Generation Outage Planning**	**21**		**105**
	List methods considered as "best practice" in industry, for outage planning or management of major capital improvement projects for Steam Turbine Plants	7	5	35
	List actual types of plant overhaul experience, from planning, execution up to completion.	7	5	35
	Supporting information related to critical repairs, major maintenance work completed for steam turbine power plants.	7	5	35
5	**Plant Engineering & Technical Services**	**24**		**120**
	Supporting information showing successful previous experience providing Plant Engineering & Technical Services to Steam Turbine Power Plants	8	5	40
	Supporting information showing successful completion of critical projects for Steam Turbine Power Plants	8	5	40
	Supporting information showing successful experience with Project Management, Field Installation & Acceptance Testing.	8	5	40
6	**Power Plant De-activation, Decommissioning and Clean-up of Facility**	**20**		**100**
	List methods considered as "best practice" in industry, for steam power plant de-activation, decommissioning and facility clean-up.	8	5	40
	Supporting information showing successful experience with steam power plant de-activation or decommissioning.	6	5	30
	Supporting information showing successful experience with steam power plant clean-up.	6	5	30
7	**Procurement, Inventory Planning and Management**	**20**		**100**
	Describe experience with procurement for materials and services for steam turbine plants	5	5	25
	Describe experience with inventory control and management for steam turbine power plants	5	5	25
	Describe experience with procurement of OEM and non-OEM Support.	5	5	25
	Describe experience with emergency procurement for expedited repairs.	5	5	25

MSB GPA-035-20 Performance Management Contract for the
Cabras Units #1 and #2 Steam Power Plant

Qualitative Proposal Scoring Information

Item	Bidder Checklist Items	Checklist Weight	Maximum Raw Rating Score	Maximum Weighted Score
8	**Performance Management & Reporting**	**10**		**50**
	Describe experience reporting key performance indicators such as EAF and EFOR, following GADS definitions.	5	5	25
	Describe experience tracking and reporting key performance indicators for steam turbine power plants.	5	5	25
9	**Environmental Compliance Review, Monitoring and Requirements**	**15**		**75**
	Experience in reviewing and evaluating test data using CEMS	3	5	15
	Experience in evaluating plant water discharge	3	5	15
	Hazardous waste handling and disposal program review; monitoring and evaluation	3	5	15
	Experience and expertise on performance tests for emissions	3	5	15
	Supporting documents showing knowledge and experience in complying with environmental regulations applicable to steam turbine plants on Guam	3	5	15
10	**Federal and Regulatory Compliance**	**18**		**90**
	Supporting documents showing knowledge and experience in complying with federal regulations and other applicable laws on Guam, such as OPA 90, Guam Fire Code, and others.	6	5	30
	Supporting documents showing experience and certifications necessary for regulatory reporting applicable on Guam, such as those required by USEPA, Guam EPA, etc.	6	5	30
	Supporting documents showing compliance with all federal regulations and applicable laws.	6	5	30
11	**Financial Information Checklist**	**10**		**50**
	Brief description of company's financial position and capability.	1	5	5
	Documentation (such as balance sheet, income statement, financial statement, financial ratio) for the last five years showing company's financial position and capability, audited or reviewed by Certified Public Accountant(s) or other qualified auditing/reviewing firm.			
	Did BIDDER provide complete and detailed financial records?	3	5	15
	Were the financial records submitted audited by qualified auditing body or reviewed by qualified reviewing/auditing firm?	3	5	15
	What is the quality of company's financial position?	3	5	15
12	**Insurance Policy**	**5**		**25**
	Provide proof of compliance with GPA's Insurance Requirements, such as a copy of insurance policy similar to those required by GPA in this bid.	3	5	15
	Other documentation providing details on your insurance policy, for GPA's review.	2	5	10
13	**Client References**	**10**		**50**
	At least three (3) client references for similar or larger contracts (Client Name, Position, Company, contract with Bidder or affiliates).	5	5	25
	At least three (3) letters from current and/or previous clientsdescribing relationship with Bidder, and Bidder's contract performance, for contracts similar to GPA's.	5	5	25
14	**Mobilization Capability Checklist**	**10**		**50**
	Proof Of Capability To Mobilize Full Support Services No Later Than 30 days after contract signing.	10	5	50

MSB GPA-035-20 Performance Management Contract for the
Cabras Units #1 and #2 Steam Power Plant

Qualitative Proposal Scoring Information

Item	Bidder Checklist Items	Checklist Weight	Maximum Raw Rating Score	Maximum Weighted Score
15	**BIDDER Detailed Questions**	**78**		**390**
	Describe your operational model for supporting O&M activities for GPA's Steam Power Plant.	10	5	50
	Describe your company's position on O&M procedure utilization and outage planning activities.	8	5	40
	Describe your company's views on the best method of utilizing and balancing internal and external resources (GPA employees vs. contracting out).	5	5	25
	Describe your proposed staffing model including staffing optimization plan, for both your employees and GPA employees. For bidder's proposed staffing, please include experience and qualifications of each staff to be assigned to this contract.	8	5	40
	Please present a proposed organization chart of the PMC organization and the areas of responsibilities for each position. Include the minimum skill level of each position provided by the PMC.	10	5	50
	Please present a plan to minimize unplanned outages for Cabras 1&2 Steam Power Plant.	8	5	40
	Please present a plan to maintain or improve reliability of Cabras 1&2 Steam Power Plant.	8	5	40
	Describe additional resources the can be provided to assist GPA in critical repairs or major maintenance work.	8	5	40
	Please present a plan for deactivation/decommissioning and clean-up of the Cabras 1&2 Steam Power Plant. The CONTRACTOR's role will mainly be to manage and coordinate all de-activation activities.	8	5	40
	Please present your willingness, capability and desire to offer optional financing of GPA's Critical Repairs/Major Maintenance Activities, should GPA require such. Please specify limits and terms of financing available.	5	5	25
	PROPONENT Qualifications Score	**300**		**1500**

THRESHOLDS:	
Minimum Score - Acceptable Proposal	1,050.00
Maximum Compliance Score	1,500.00
Minimum Percent Score - Acceptable Proposal	70.0%

RATINGS GUIDE:
5 - Excellent and plentiful relevant qualifications and project experience. Very highest client references.
3 - Average relevant qualifications and project experience. Average client references.
1 - Poor relevant qualifications and few relevant projects. Fair Client references.
0 - No substantial relevant experience.

MSB GPA-035-20 Performance Management Contract for the
Cabras Units #1 and #2 Steam Power Plant
BIDDER QUALITATIVE PROPOSAL
PROPOSAL SCORING SHEET
**** For GPA Evaluation Committee's Use****

BIDDER:	

EVALUATOR :	

INSTRUCTIONS:

- Refer to Proposal Scoring Information for the Checklist Weight and Maximum Score details.
- For each Checklist Item / Sub-item, enter score (lowest = 1, highest = 5) on yellow box, under "Raw Rating Score"
- Scoring Guide is attached below
- Weighted Score automatically calculated, DO NOT ENTER NUMBER.

RATINGS GUIDE:

5 - Excellent and plentiful relevant qualifications and project experience. Very highest client references.
3 - Average relevant qualifications and project experience. Average client references.
1 - Poor relevant qualifications and few relevant projects. Fair Client references.
0 - No substantial relevant experience.

SCORING:

MAXIMUM COMPLIANCE SCORE	**1,500.00**	
% of Maximum Compliance Score	**75.0%**	**Acceptable Proposal**
No. of Points	**1,050.00**	

Item	Checklist Items	Checklist Weight	RAW RATING SCORE (highest = 5, lowest =1)	WEIGHTED SCORE (Weight x Raw Rating)
1	**Business Structure and Business Approach**	**8**		**0**
	Company Information for Bidder and its affiliates	2		**0**
	Supporting information showing Business Structure (Company Literature, etc.)	2		**0**
	Supporting information showing Nature of Services Provided (for BIDDER and its affiliates)	2		**0**
	A copy of Articles of Incorporation and By-Laws, or other applicable forms concerning business organization (for BIDDER and affiliates)	1		**0**
2	**Power Plant Operation and Management Experience**	**30**		**0**
	Description and supporting information showing successful experience with the management and operation of Steam Turbine Plants	10		**0**
	Description and supporting information showing successful experience with the management and operation of Slow Speed Diesel Plants	10		**0**
3	**Root-Cause Failure Analysis Experience**	**21**		**0**
	Experience and expertise on failure modes and effects analysis with Steam Turbine Plants	7		**0**
	Experience and expertise on failure modes and effects analysis with Slow Speed Diesel Plants	7		**0**
	Brief description of successful implementation of remedies	7		**0**
4	**Plant Maintenance, Engineering and Operations Planning Experience**	**24**		**0**
	Supporting information showing successful plant maintenance, engineering and operations planning experience for steam turbine plants	8		**0**
	Supporting information showing successful plant maintenance, engineering and operations planning experience for slow speed diesel plants	8		**0**
5	**Extensive Generation Outage Planning Experience**	**20**		**0**
	List methods considered as "best practice" in industry, for outage planning or management of major capital improvement projects for Steam Turbine Plants, and for Slow Speed Diesel Plants	8		**0**
	List actual types of plant overhaul experience	6		**0**
	Supporting information related to power plant capital improvements, life extension projects, reliability/efficiency projects completed	6		**0**
6	**Procurement, Inventory Planning and Management**	**20**		**0**
	Describe experience with procurement for materials and services for steam turbine plants	5		**0**
	Describe experience with procurement for materials and services for slow speed diesel plants	5		**0**
	Describe experience with inventory planning and management for steam turbine plants	5		**0**
	Describe experience with inventory planning and management for slow speed diesel plants	5		**0**

Item	Checklist Items	Checklist Weight	RAW RATING SCORE (highest = 5, lowest =1)	WEIGHTED SCORE (Weight x Raw Rating)
7	**Environmental Compliance Review, Monitoring and Requirements**	**15**		**0**
	Experience in reviewing and evaluating test data using CEMS	3		**0**
	Experience in evaluating plant water discharge	3		**0**
	Hazardous waste handling and disposal program review; monitoring and evaluation	3		**0**
	Experience and expertise on performance tests for emissions; input-output tests, efficiency measurements, including list of experience with specific performance test types	3		**0**
	Supporting documents showing knowledge and experience in complying with environmental regulations applicable to steam turbine plants and slow speed diesel plants	3		**0**
8	**Federal and Regulatory Compliance**	**18**		**0**
	Supporting documents showing knowledge and experience in complying with federal regulations and other applicable laws on Guam, such as OPA 90, and others.	6		**0**
	Supporting documents showing experience and certifications necessary for regulatory reporting.	6		**0**
	Supporting documents showing compliance with all federal regulations and applicable laws.	6		**0**
9	**Financial Information Checklist**	**10**		**0**
	Brief description of company's financial position and capability.	1		**0**
	Documentation (such as balance sheet, income statement, financial statement, financial ratio) for the last five years showing company's financial position and capability, audited or reviewed by Certified Public Accountant(s) or other qualified auditing/reviewing firm.			
	Did BIDDER provide complete and detailed financial records?	3		**0**
	Were the financial records submitted audited by qualified auditing body or reviewed by qualified reviewing/auditing firm?	3		**0**
	What is the quality of company's financial position?	3		**0**
10	**Insurance Policy**	**5**		**0**
	Provide proof of compliance with GPA's Insurance Requirements, such as a copy of your insurance policy or other documentation providing details on your insurance policy, for GPA's review.	3		**0**
11	**Client References**	**10**		**0**
	At least three (3) client references for similar or larger contracts (Client Name, Position, Company, contract with Bidder or affiliates).	5		**0**
	At least three (3) client reference letters describing relationship with Bidder, and Bidder's contract performance.	5		**0**
12	**Mobilization Capability Checklist**	**10**		**0**
	Proof Of Capability To Mobilize Full Support Services No Later Than **30** days after contract signing.	10		**0**
13	**BIDDER Detailed Questions**	**78**		**0**
	Describe your operational model for supporting O&M activities for GPA's Steam Turbine and Slow Speed Diesel plants.	10		**0**
	Describe your company's position on O&M procedure utilization and outage planning activities.	8		**0**
	Describe your company's views on the best method of utilizing and balancing internal and external resources (GPA employees vs. contracting out).	10		**0**
	Describe your proposed staffing model including staffing optimization plan, for both your employees and GPA employees. For bidder's proposed staffing, please include experience and qualifications of each staff to be assigned to this contract.	8		**0**
	Please present a proposed organization chart of the PMC organization and the areas of responsibilities for each position. Include the minimum skill level of each position provided by the PMC.	8		**0**
	How will your company overcome the unique remote aspects of operating a plant removed from OEM and industry support vendors in this island environment?	8		**0**
	Please present your willingness, capability and desire to offer optional financing of GPA's CIPs and capital expenditures, should GPA require such. Please specify limits and terms of financing available.	5		**0**
	BIDDER Qualifications Score			**0**

MSB GPA-035-20 Performance Management Contract for the Cabras Units #1 and #2 Steam Power Plant

BIDDER QUALITATIVE PROPOSAL

Evaluators Scores

For GPA Evaluation Committee's Use

	BIDDER	SCORES				
		Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

MSB GPA-035-20 Performance Management Contract for the Cabras Units #1 and #2 Steam Power Plant

BIDDER QUALITATIVE PROPOSAL
Qualification / Acceptability

For GPA Evaluation Committee's Use

	BIDDER	Qualification / Acceptability				
		Evaluator 1	Evaluator 2	Evaluator 3	Evaluator 4	Evaluator 5
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

A = Acceptable

U = Unacceptable

IFB GPA-035-20 Performance Management Contract for the Guam Power Authority
CABRAS UNITS #1 & #2 STEAM POWER PLANT

BIDDER:	

TOTAL BASE CONTRACT PERIOD COST	**#VALUE!**
BASE CONTRACT PERIOD + Option Years	**#VALUE!**

<< BASIS OF AWARD

Instructions to Bidders:

(1) Fill-out ANNUAL MANAGEMENT FEE for each Contract Year, including Option Years 1 and 2. Front-loaded fees and Escalation are not allowed.

(2) DO NOT CHANGE O&M Budget. This budget is what GPA will allocate for the Power Plant annually. Contractor is responsible for funding the O&M budget up to this amount, and will request monthly reimbursement from GPA, not to exceed an annual total of $1,350,000.

(3) BIDDERS not following the instructions shall have their Price Proposal rejected for non-responsiveness.

	BASE CONTRACT PERIOD	**CONTRACT YEAR 1**	**CONTRACT YEAR 2**	**CONTRACT YEAR 3**	**OPTION YEAR 1**	**OPTION YEAR 2**
		Oct 2020 - Sept 2021	**Oct 2021 - Sept 2022**	**Oct 2022 - Sept 2023**	**Oct 2023 - Sept 2024**	**Oct 2024 - Sept 2025**
		O&M of Power Plant	**O&M of Power Plant**	**Plant De-activation**		
	ANNUAL COST	(pending Annual Management Fee bid)	(pending Annual Management Fee bid)	(pending Annual Management Fee bid)	(pending Annual Management Fee bid)	(pending Annual Management Fee bid)
1	**ANNUAL MANAGEMENT FEE**					
2	O&M Budget	$1,350,000.00	$1,350,000.00	$1,350,000.00	$1,350,000.00	$1,350,000.00

GOVERNMENT OF GUAM

GENERAL TERMS AND CONDITIONS

SEALED BID SOLICITATION AND AWARD

Only those Boxes checked below are applicable to this bid.

[X] 1. **AUTHORITY:** This solicitation is issued subject to all the provision of the Guam Procurement Act (5GCA, Chapter 5) And the Guam Procurement Regulations (copies of both are available at the Office of the Complier of laws, Department of Law, copies available for inspection at the Guam Power Authority). It requires all parties involved in the Preparation, negotiation, performance, or administration of contracts to act in good faith.

[X] 2. **GENERAL INTENTION**: Unless otherwise specified, it is the declared and acknowledged intention and meaning of these General Terms and conditions for the bidder to provide the Government of Guam (Government) with specified services or with materials, supplies or equipment completely assembled and ready for use.

[X] 3. **TAXES**: Bidders are cautioned that they are subject to Guam Income Taxes as well as all other taxes on Guam Transactions. Specific information on taxes may be obtained from the Director of Revenue and Taxation.

[X] 4. **LICENSING**: Bidders are cautioned that the Government will not consider for award any offer submitted by a bidder who has not complied with the Guam Licensing Law. Specific information on licenses may be obtained from the Director of Revenue and Taxation.

[X] 5. **LOCAL PROCUREMENT PREFERENCE**: All procurement of supplies and services where possible, will be made from among businesses licensed to do business on Guam in accordance with section 5008 of the Guam Procurement Act (5GCA, Chapter 5) and Section 1-104 of the Guam Procurement Regulations.

[X] 6. **COMPLIANCE WITH SPECIFICATIONS AND OTHER SOLICITATION REQUIREMENTS**: Bidders shall comply with all specifications and other requirements of the Solicitation.

[ ] 7. **"ALL OR NONE" BIDS**: Unless otherwise allowed under this Solicitation. "all or none" bids may be deemed to be non-responsive. If the bid is so limited, the Government may reject part of such proposal and award on the remainder.

NOTE: By checking this item, the Government is requesting all of the bid items to be bided or none at all. **The Government will not award on an itemized basis**. Reference: Section 3-101.06 of the Guam Procurement Regulations.

[X] 8. **INDEPENDENT PRICE DETERMINATION**: The bidder, upon signing the Invitation for Bid, certifies that the prices in his bid were derived at without collusion, and acknowledge that collusion and anti-competitive practices are prohibited by law. Violations will be subject to the provision of Section 5651 of that of the Guam Procurement Act. Other existing civil, criminal or administrative remedies are not impaired and may be in addition to the remedies in Section 5651 of the Government code.

[X] 9. **BIDDER'S PRICE**: The Government will consider not more than two (2) (Basic and Alternate) item prices and the bidder shall explain fully each price if supplies, materials, equipment, and/or specified services offered comply with specifications and the products origin. Where basic or alternate bid meets the minimum required specification, cost and other factors will be considered. Failure to explain this requirement will result in rejection of the bid.

[X] 10. **BID ENVELOPE**: Envelope shall be sealed and marked with the bidder's name, Bid number, time, date and place of Bid Opening.

[X] 11. **BID GUARANTEE REQUIREMENT**: Bidder is required to submit a Bid Guarantee Bond or standby irrevocable Letter of Credit or Certified Check or Cashier's Check in the same bid envelope to be held by the Government pending award. The Letter of Credit, Cash, Certified Check or Cashier's Check, Bid Guarantee Bond must be issued by any local surety or banking institution licensed to do business on Guam and made payable to the Guam Power Authority in the amount of **$150,000.00 USD**. The Bid Bond must be submitted on Government Standard Form BB-1 (copy enclosed). Personal Checks will not be accepted as Bid Guarantee. If a successful Bidder (contractor) withdraws from the bid or fails to enter into contract within the prescribed time, such Bid guarantee will be forfeited to the Government of Guam. Bids will be disqualified if not accompanied by Bid Bond, Letter of Credit, Certified Check or Cashier's check. Bidder must include in his/her bid, valid copies of a Power of Attorney from the Surety and a Certificate of Authority from the Government of Guam to show proof that the surety company named on the bond instrument is authorized by the Government of Guam and qualified to do business on Guam. For detailed information on bonding matters, contact the Department of Revenue and Taxation. Failure to submit a valid Power of Attorney and Certificate of Authority on the surety is cause for rejection of bid. (GPR Section 3-202.03.3) **Pursuant to Public Law 27-127, all competitive sealed bidding for the procurement of supplies or services exceeding $25,000.00 a 15% Bid Security of the total bid price must accompany the bid package.**

[X] 12. **PERFORMANCE BOND REQUIREMENT:** The Bidder may be required to furnish a Performance Bond on Government Standard Form BB-1 or standby irrevocable Letter of Credit or Certified Check or Cashier's Check payable to the Guam Power Authority issued by any of the local Banks or Bonding Institution in the amount **equivalent to one (1) year's Fixed Management Fee**. In the event that any of the provisions of this contract are violated by the contractor, the Chief Procurement Officer shall serve written notice upon both the contractor and the Surety of its intention to terminate the contract. Unless satisfactory arrangement or correction is made with ten (10) days of such notice the contract shall cease and terminate upon the expiration of the ten (10) days. In the event of any such termination, the Chief Procurement Officer shall immediately serve notice thereof upon the Surety. The Surety shall have the right to take over and perform the contract, provided, however, that if the Surety does not commence performance thereof within 10 days from the date of the mailing of notice of termination, the Government may take over and prosecute the same to complete the contract or force account for the account and at the expense of the contractor, and the contractor and his Surety shall be liable to the Government for any excess cost occasioned the Government thereby (GPR Section 3-202.03.4).

[X] 13. **PERFORMANCE GUARANTEE**: Bidders who are awarded a contract under this solicitation, guarantee that goods will be delivered or required services performed within the time specified. Failure to perform the contract in a satisfactory manner may be cause for suspension or debarment from doing business with the Government and to enforce Section 23 of these General Terms and Conditions. In addition, the Government will hold the Vendor liable and will enforce the requirements as set forth in Section 41 of these General Terms and Conditions.

[X] 14. **SURETY BONDS**: Bid and Performance Bonds coverage must be signed or countersigned in Guam by a foreign or alien surety's resident general agent. The surety must be an Insurance Company, authorized by the government of Guam and qualified to do business in Guam. Bids will be disqualified if the Surety Company does not have a valid Certificate of Authority from the Government of Guam to conduct business in Guam.

[X] 15. **COMPETENCY OF BIDDERS**: Bids will be considered only from such bidders who, in the opinion of the Government, can show evidence of their ability, experience, equipment, and facilities to render satisfactory service.

[X] 16. **DETERMINATION OF RESPONSIBILITY OF BIDDERS**: The Chief Procurement Officer reserves the right for securing from bidders information to determine whether or not they are responsible and to inspect plant site, place of business; and supplies and services as necessary to determine their responsibility in accordance with Section 15 of these General Terms and Conditions (GPR Section 3-401).

[X] 17. **STANDARD FOR DETERMINATION OF LOWEST RESPONSIBLE BIDDER**: In determining the lowest responsible offer, the Chief Procurement Officer shall be guided by the following:

a) Price of items offered.
b) The ability, capacity, and skill of the Bidder to perform.
c) Whether the Bidder can perform promptly or within the specified time.
d) The quality of performance of the Bidder with regards to awards previously made to him.
e) The previous and existing compliance by the Bidder with laws and regulations relative to procurement.
f) The sufficiency of the financial resources and ability of the Bidder to perform.
g) The ability of the bidder to provide future maintenance and services for the subject of the award.
h) <u>The compliance with all of the conditions to the Solicitation.</u>

[X] 18. **TIE BIDS**: If the bids are for the same unit price or total amount in the whole or in part, the Chief Procurement Officer will determine award based on Section 3.202.15.2, or to reject all such bids (GPR Section 3-202.15.2).

[ ] 19. **BRAND NAMES**: Any reference in the Solicitation to manufacturer's Brand Names and number is due to lack of a satisfactory specification of commodity description. Such preference is intended to be descriptive, but nor restrictive and for the sole purpose of indicating prospective bidders a description of the article or services that will be satisfactory. Bids on comparable items will be considered provided the bidder clearly states in his bid the exact articles he is offering and how it differs from the original specification.

[ ] 20. **DESCRIPTIVE LITERATURE**: Descriptive literature(s) as specified in this solicitation must be furnished as a part of the bid and must be received at the date and time set for opening Bids. The literature furnished must clearly identify the item(s) in the Bid. The descriptive literature is required to establish, for the purpose of evaluation and award, details of the product(s) the bidder proposes to furnish including design, materials, components, performance characteristics, methods of manufacture, construction, assembly or other characteristics which are considered appropriate. Rejection of the Bid will be required if the descriptive literature(s) do not show that the product(s) offered conform(s) to the specifications and other requirements of this solicitation. Failure to furnish the descriptive literature(s) by the time specified in the Solicitation will require rejection of the bid.

[ ] 21. **SAMPLES**: Sample(s) of item(s) as specified in this solicitation must be furnished as a part of the bid and must be received at the date and time set for opening Bids. The sample(s) should represent exactly what the bidder proposes to furnish and will be used to determine if the item(s) offered complies with the specifications. Rejection of the Bid will be required if the sample(s) do not show that the product(s) offered conform(s) to the specifications and other requirements of this solicitation. Failure to furnish the sample(s) by the time specified in the Solicitation will require rejection of the Bid.

[ ] 22. **LABORATORY TEST**: Successful bidder is required to accompany delivery of his goods with a Laboratory Test Report indicating that the product he is furnishing the Government meets with the specifications. This report is on the bidder's account and must be from a certified Testing Association.

[X] 23. **AWARD, CANCELLATION, & REJECTION**: Award shall be made to the lowest responsible and responsive bidder, whose bid is determined to be the most advantageous to the Government, taking into consideration the evaluation factors set forth in this solicitation. No other factors or criteria shall be used in the evaluation. The right is reserved as the interest of the Government may require to waive any minor irregularity in bid received. The Chief Procurement Officer shall have the authority to award, cancel, or reject bids, in whole or in part for any one or more items if he determines it is in the public interest. Award issued to the lowest responsible bidder within the specified time for acceptance as indicated in the solicitation, results in a bidding contract without further action by either party. In case of an error in the extension of prices, unit price will govern. It is the policy of the Government to award contracts to qualified local bidders. The government reserves the right to increase or decrease the quantity of the items for award and make additional awards for the same type items and the vendor agrees to such modifications and additional awards based on the bid prices for a period of thirty (30) days after original award. No. award shall be made under this solicitation which shall require advance payment or irrevocable letter of credit from the government (GPR Section 3-202.14.1).

[ ] 24. **MARKING**: Each outside container shall be marked with the Purchase Order number, item number, brief item description and quantity. Letter marking shall not be less than 3/4" in height.

[ ] 25. **SCHEDULE FOR DELVERY**: Successful bidder shall notify the Guam Power Authority Dededo Warehouse at (671) 653-2073**,** Information Technology Division at (671) 648-3060, and/or Guam Power Authority Cabras Warehouse at (671) 475-3319, at least twenty-four (24) hours before delivery of any item under this solicitation.

[ ] 26. **BILL OF SALE**: Successful supplier shall render Bills of Sale for each item delivered under this contract. Failure to comply with this requirement will result in rejection of delivery. The Bill of Sale must accompany the items delivered but will not be considered as an invoice for payment. Supplier shall bill the Government in accordance with billing instructions as indicated on the Purchase Order.

[ ] 27. **MANUFACTURER'S CERTIFICATE**: Successful bidder is required, upon delivery of any item under this contract, to furnish a certificate from the manufacturer indication that the goods meet the specifications. Failure to comply with this request will result in rejection of delivery payment. Supplier shall bill the Government in accordance with billing instructions as indicated on the Purchase Order.

[X] 28. **INSPECTION**: All supplies, materials, equipment, or services delivered under this contract shall be subject to the inspection and/or test conducted by the Government at destination. If in any case the supplies, materials, equipment, or services are found to be defective in material, workmanship, performance, or otherwise do not conform with the specifications, the Government shall have the right to reject the items or require that they be corrected. The number of days required for correction will be determined by the Government.

[ ] 29. **MOTOR VEHICLE SAFETY REQUIREMENTS**: The Government will only consider Bids on motor vehicles which comply with the requirements of the National Traffic and Motor Vehicle safety Act of 1966 (Public Law 89-563) and Clean Air Act as amended (Public Law 88-206), that are applicable to Guam. Bidders shall state if the equipment offered comply with these aforementioned Federal Laws.

[ ] 30. **SAFETY INSPECTION**: All motor vehicles delivered under this contract must pass the Government of Guam Vehicle Inspection before delivery at destination.

[X] 31. **GUARANTEE**:

a) **Guarantee of Vehicle Type of Equipment**:
The successful bidder shall guarantee vehicular type of equipment offered against defective parts, workmanship, and performance, for a period of not less than one (1) year after date of receipt of equipment. Bidder shall also provide service to the equipment for at least one (1) year. Service to be provided shall include, but will not be limited to tune ups (change of spark plugs, contact points and condensers) and lubrication (change of engine and transmission oil). All parts and labor shall be at the expense of the bidder. All parts found defective and not caused by misuse, negligence or accident within the guarantee period shall be repaired, replaced, or adjusted within six (6) working days after notice from the Government and without cost to the Government. Vehicular type of equipment as used in this context shall include equipment used for transportation as differentiated from tractors, backhoes, etc.

b) **Guarantee of Other Type of Equipment**:
The successful bidder shall guarantee all other types of equipment offered, except those mentioned in 31a, above, against defective parts, workmanship, and performance for a period of not less than three (3) months after date of receipt of equipment. Bidder shall also provide service to the equipment for at least three (3) months. All parts found defective within that period shall be repaired or replaced by the Contractor without cost to the Government. Repairs, adjustments or replacements of defective parts shall be completed by the contractor within six (6) working days after notice from the Government.

c) **Compliance with this Section is a condition of this Bid.**

[X] 32. **REPRESENTATION REGARDING ETHICS IN PUBLIC PROCUREMENT**: The bidder or contractor represents that it has not knowingly influenced and promises that it will not knowingly influence a Government employee to breach any of the ethical standards and represents that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities and kickbacks set forth on Chapter 11 (Ethics in Public Contracting) of the Guam Procurement Act and in Chapter 11 of the Guam Procurement Regulations.

[X] 33. **REPRESENTATION REGARDING CONTINGENT FEES**: The contractor represents that it has not retained a person to solicit or secure a Government contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business (GPR Section 11-207).

[X] 34. **EQUAL EMPLOYMENT OPPORTUNITY**: Contractors shall not discriminate against any employee or applicant of employment because of race, color, religion, se, or national origin. The contractor will take affirmative action to ensure that employees are treated equally during employment without regards to their race, color, religion, sex, or national origin.

[X] 35. **COMPLIANCE WITH LAWS**: Bidders awarded a contract under this Solicitation shall comply with the applicable standard, provisions, and stipulations of all pertinent Federal and/or local laws, rules, and regulations relative to the performance of this contract and the furnishing of goods.

[X] 36. **CHANGE ORDER**: Any order issued relative to awards made under this solicitation will be subject to and in accordance with the provisions of Section 6-101-03.1 of the Guam Procurement Regulations.

[ ] 37. **STOP WORK ORDER**: Any stop work order issued relative to awards made under this solicitation will be subject to and in accordance with the provisions of Section 6-101-04.1 of the Guam Procurement Regulations.

[X] 38. **TERMINATION FOR CONVENIENCE**: Any termination order for the convenience of the Government issued relative towards made under this solicitation will be subject to and in accordance with the provisions of Section 6-101.10 of the Government Procurement Regulations.

[X] 39. **TIME FOR COMPLETION**: It is hereby understood and mutually agreed by and between the contractor and the Government that the time for delivery to final destination or the timely performance of certain services is an essential condition of this contract. If the contractor refuses or fails to perform any of the provisions of this contract within the time specified in the Purchase Order (from the date Purchase Order is acknowledged by vendor), then the contractor is in default. Defaults will be treated subject to and in accordance with the provisions of Section 6-101-08 of the Guam Procurement Regulations.

[X] 40. **JUSTIFICATION OF DELAY**: Bidders who are awarded contracts under this Solicitation, guarantee that the goods will be delivered to their destination or required services rendered within the time specified. If the bidder is not able to meet the specified delivery date, he is required to notify the Chief Procurement Officer of such delay. Notification shall be in writing and shall be receive by the Chief Procurement Officer at least twenty-four (24) hours before the specified delivery date. Notification of

delay shall include an explanation of the causes and reasons for the delay including statement(s) from supplier or shipping company causing the delay. The Government reserves the right to reject delay justification if, in the opinion of the Chief Procurement Officer, such justification is not adequate.

[X] 41. **LIQUIDATED DAMAGES:** When the contractor is given notice of delay or nonperformance as specified in Paragraph 1 (Default) of the Termination for Default Clause of this contract and fails to cure in the time specified, the contractor shall be liable for damages for delay in the amount of one-fourth of one percent (1%) of outstanding order per calendar day from date set for cure until either the territory reasonable obtains similar supplies or services if the contractor is terminated for default, or until the contractor provides the supplies or services if the contractor is not terminated for default. To the extent that the contractor's delay or nonperformance is excused under Paragraph 40 (Excuse for Nonperformance or Delayed Performance) of the Termination for Default Clause of this contract, liquidated damages shall note due the territory. The contractor remains liable for damages caused other than by delay (GPR Section 6-101-09.1).

[X] 42. **PHYSICAL LIABILITY**: If it becomes necessary for the Vendor, either as principal, agent or employee, to enter upon the premises or property of the Government of Guam in order to construct, erect, inspect, make delivery or remove property hereunder, the Vendor hereby covenants and agrees to take, use, provide and make all proper, necessary and sufficient precautions, safeguards and protections against the occurrence of any accidents, injuries or damages to any person or property during the progress of the work herein covered, and to be responsible for, and to indemnify and save harmless the Government of Guam from the payment of all sums of money by reason of all or any such accidents, injuries or damages that may occur upon or about such work, and fines, penalties and loss incurred for or by reasons of the violations of any territorial ordinance, regulations, or the laws of Guam or the United States, while the work is in progress. Contractor will carry insurance to indemnify the Government of Guam against any claim for loss, damage or injury to property or persons arising out of the performance of the Contractor or his employees and agents of the services covered by the contract and the use, misuse or failure of any equipment used by the contractor or his employees or agents, and shall provide certificates of such insurance to the Government of Guam when required.

[X] 43. **CONTACT FOR CONTRACT ADMINISTRATION**: If your firm receives a contract as a result of this Solicitation, please designate a person whom we may contact for prompt administration.

Name: _____ Title: _____

Address: _____ Telephone: _____

_____

_____

GOVERNMENT OF GUAM

SEALED BID SOLICITATION INSTRUCTIONS

1. **BID FORMS:** Each bidder shall be provided with two (2) sets of Solicitation forms. Additional copies may be provided upon request. Bidders requesting additional copies of said forms will be charged per page in accordance with Section 6114 of the Government Code of Guam. All payments for this purpose shall be by cash, certified check or money order and shall be made payable to the Guam Power Authority.

2. **PREPARATIONS OF BIDS:**
   a) Bidders are required to examine the drawings, specifications, schedule, and all instructions. Failure to do so will be at bidder's risk.
   b) Each bidder shall furnish the information required by the Solicitation. The bidder shall sign the solicitation and print or type his name on the Schedule. Erasures or other changes must be initialed by the person signing the bid. Bids signed by an agent are to be accompanied by evidence of this authority unless such evidence has been previously furnished to the issuing office.
   c) Unit price for each unit offered shall be shown and such price shall include packing unless otherwise specified. A total shall be entered in the amount column of the Schedule for each item offered. In case of discrepancies between a unit price and extended price, the unit price will be presumed to be correct.
   d) Bids for supplies or services other than those specified will not be considered.
   Time, if stated as a number of days, means calendar days and will include Saturdays, Sundays, and holidays beginning the day after the issuance of a Notice to Proceed. Time stated ending on a Saturday, Sunday or Government of Guam legal holiday will end at the close of the next business day.

3. **EXPLANATION TO BIDDERS:** Any explanation desired by a bidder regarding the meaning or interpretation of the Solicitation, drawings, specifications, etc., must be submitted in writing and with sufficient time allowed for a written reply to reach all bidders before the submission of their bids. Oral explanations or instructions given before the award of the contract will not be binding. Any information given to a prospective bidder concerning a Solicitation will be furnished to all prospective bidders in writing as an amendment to the Solicitation if such information would be prejudicial to uninformed bidders.

4. **ACKNOWLEDGEMENT OF AMENDMENTS TO SOLICITATIONS:** Receipt of an amendment to a Solicitation by a bidder must be acknowledged by signing an acknowledgement of receipt of the amendment.
   Such acknowledgement must be received prior to the hour and date specified for receipt of bids.

5. **SUBMISSION OF BIDS:**
   a) Bids and modifications thereof shall be enclosed in sealed envelopes and addressed to the office specified in the Solicitation. The bidder shall show the hour and date specified in the Solicitation for receipt, the Solicitation number, and the name and address of the bidder on the face of the envelope.
   b) Telegraphic bids will not be considered unless authorized by the Solicitation. However, bids may be modified or withdrawn by written or telegraphic notice, provided such notice is received prior to the hour and date specified for receipt (see paragraph 6 of these instructions).
   c) Samples of items, when required, must be submitted within the time specified, unless otherwise specified by the Government, at no expense to the Government. If not destroyed by testing, samples will be returned at bidder's request and expense, unless otherwise specified by the Solicitation.
   d) Samples or descriptive literature should not be submitted unless it is required on this solicitation. Regardless of any attempt by a bidder to condition the bid, unsolicited samples or descriptive literature will not be examined or tested at the bidder's risk, and will not be deemed to vary any of the provisions of this Solicitation.

6. **FAILURE TO SUBMIT BID:** If no bid is to be submitted, do not return the solicitation unless otherwise specified. A letter or postcard shall be sent to the issuing office advising whether future Solicitations for the type of supplies or services covered by this Solicitation are desired.

7. **LATE BID, LATE WITHDRAWALS, AND LATE MODIFICATIONS:**
   a) Definition: Any bid received after the time and date set for receipt of bids is late. Any withdrawal or modification of a bid received after the time and date set for opening of bids at the place designated for opening is late (Guam Procurement Regulations Section 3-202)
   b) Treatment: No late bid, late modification, or late withdrawal will be considered unless received before contract award, and the bid, modification, or withdrawal would have been timely but for the action or inaction of territorial personnel directly serving the procurement activity.

8. **DISCOUNTS:**
   a) Notwithstanding the fact that prompt payment discounts may be offered, such offer will not be considered in evaluating bids for award unless otherwise specified in the Solicitation. However, offered discounts will be taken if payment is made within the discount period, even though not considered in the evaluation of bids.

b) In connection with any discount offered, time will be computed from date of delivery and acceptance of the supplies to the destination as indicated in the purchase order or contract. Payment is deemed to be made for the purpose of earning the discount on the date of mailing of the Government check.

9. **GOVERNMENT FURNISHED PROPERTY:** No material, labor or facilities will be furnished by the Government unless otherwise provided for in the Solicitation.

10. **SELLERS' INVOICES:** Invoices shall be prepared and submitted in quadruplicate (one copy shall be marked "original") unless otherwise specified. Invoices shall be "certified true and correct" and shall contain the following information: Contract and order number (if any), item numbers, description of supplies or services, sizes, quantities, unit prices, and extended total. Bill of lading number and weight of shipment will be shown for shipments made on Government bills of lading.

11. **RECEIPT, OPENING AND RECORDING OF BIDS:** Bids and modifications shall be publicly opened in the presence of one or more witnesses, at the time, date, and place designated in the Invitation for Bids. The name of each bidder, the bid price, and such other information as is deemed appropriate by the Procurement Officer, shall be read aloud and recorded, or otherwise made available. The names and addresses of required witnesses shall be recorded at the opening. The opened bids shall be available for public inspection except to the extent the bidder designates trade secrets or other proprietary data to be confidential as set forth in accordance with Section 12 below. Material so designated shall accompany the bid and shall be readily separable from the bid in order to facilitate public inspection of the non-confidential portion of the bid. Prices, makes and models or catalogue numbers of the items offered, deliveries, and terms of payment shall be publicly available at the time of bid opening regardless of any designation to the contrary (Guam Procurement Regulations Section 3-202.12.2).

12. **CONFIDENTIAL DATA:** The Procurement Officer shall examine the bids to determine the validity of any requests for nondisclosure of trade secrets and other proprietary date identified in writing. If the parties do not agree as to the disclosure of data, the Procurement Officer shall inform the bidders in writing what portions of the bid will be disclosed and that, unless the bidders protest under Chapter 9 of the Guam Procurement Act (P.L. 16-124), the bids will be so disclosed. The bids shall be opened to public inspection subject to any continuing prohibition on the disclosure of confidential data (Guam Procurement Regulations Section 3-202.12.3).

13. **MULTI-STEP SEALED BIDDING:**

a. It is defined as two-phase process consisting of a technical first-phase composed of one or more steps in which bidders submit unpriced technical offers to be evaluated by the territory, and a second-phase in which those bidders whose technical offers are determined to be acceptable during the first-step have their priced bids considered. It is designed to obtain the benefits of competitive sealed bidding by award of a contract to t h lowest responsive, responsible bidder, and at the same time obtained the benefits of the competitive sealed proposals procedure through the solicitation of technical offers and the conduct of discussions to evaluate and determine the acceptability of technical offers.

b. In addition to the requirements set forth in the General Terms and Conditions and the Special provisions, the following applies:
   1). only unpriced technical offers are requested in the first phase;
   2). priced bids will be considered only in the second phase and only from bidders whose unpriced technical offers are found acceptable in the first phase;
   3). the criteria to be used in the evaluation at those specified in the Special Provisions and the General Terms and Conditions;
   4). the territory, to the extent the Procurement Officer finds necessary, may conduct oral or written discussion of the unpriced technical offers;
   5). the bidders, may designate those portions of the unpriced technical offers which contain trade secrets or other proprietary data which are to remain confidential; and,
   6). the service being procured shall be furnished generally in accordance with bidder's technical offer as found to be finally acceptable and shall meet the requirements of the Invitation for Bids.

c. **RECEIPT AND HANDLING OF UNPRICED TECHNICAL OFFERS.**
Unpriced technical offers shall not be opened publicly, but shall be opened in front of two or more procurement officials. Such offers shall not be disclosed to unauthorized persons. Bidders may request nondisclosure of trade secrets and other proprietary data identified in writing.

d. **EVALUATION OF UNPRICED TECHNICAL OFFERS.**
The unpriced technical offers submitted by bidders shall be evaluated solely in accordance with the criteria set forth in the Invitation for Bids. The unpriced technical offers shall be categorized as:
   1). acceptable;
   2). potentially acceptable, that is, reasonably susceptible of being made acceptable; or
   3). unacceptable. The Procurement Officer shall record in writing the basis for finding an offer unacceptable and make it part of the procurement file.

   The Procurement Officer may initiate Phase Two of the procedure if, in the Procurement Officer's opinion, there are sufficient acceptable unpriced technical offers to assure effective price competition in the second phase without technical discussions. If the Procurement Officer finds such is not the case, the Procurement Officer shall issue an amendment to the Invitation for Bids or engage in technical discussions as set forth in Subsection 3-202.20.5of this Section.

e. Upon the completion of Phase One, the Procurement Officer shall invite each acceptable bidder to submit a price bid. Upon submission of prices, the Procurement Officer shall prepare the final evaluation and reconsideration for the Chief Procurement Officer's approval.