

1 **MARIANNE WOLOSCHUK**
2 Legal Counsel
3 Guam Power Authority
4 Gloria B. Nelson Public Building
5 688 Route 15
6 Mangilao, Guam 96913
7 Telephone: (671) 648-3203
8 Fax No. (671) 648-3290
9 Email: mwołoschuk@gpagwa.com

10 *Attorney for Guam Power Authority*

11 **BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

12 **IN THE MATTER OF:**

GPA DOCKET NO. 25-06

13 **GUAM POWER AUTHORITY'S**
14 **PERFORMANCE MANAGEMENT**
15 **CONTRACT FOR COMBUSTION**
16 **TURBINE POWER PLANTS**

PETITION OF THE GUAM POWER
AUTHORITY TO APPROVE THE
SOLICITATION OF A PERFORMANCE
MANAGEMENT CONTRACT FOR
GPA'S COMBUSTION TURBINE
POWER PLANTS

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19 The Guam Power Authority (GPA) hereby files its Petition for the Public Utilities
20 Commission of Guam (PUC) to review and approve GPA's request to solicit for a Performance
21 Management Contract (PMC) for GPA's Combustion Turbine (CT) Power Plants.

22
23 **I. BACKGROUND**

24 GPA has utilized a PMC for the management of the operations and maintenance of the
25 Dededo, Macheche and Yigo CT plants since March 2016. GPA issued an Invitation for Bid in
26 2016 (GPA-001-16) for a PMC for GPA's CT Plants and awarded the contract to Taiwan Electrical
27 and Mechanical Engineering Services (TEMES) Guam, Inc. Under the Procurement Protocol
28 review for the 2016 CT PMC, the PUC performed a detailed evaluation of the need for a PMC at
29 the CT Power Plants. The PUC concluded the PMC model for the CT plants was "appropriate and
30 beneficial" for the management of GPA generation capacity.
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ORIGINAL

1 The current PMC contract with TEMES Guam, Inc. has completed the 5-year base term,
2 as well as extensions totaling an additional 5 years, with the contract to expire in February 2026.
3 Under the PMC contractor, the CTs were able to perform maintenance and execute projects to
4 maintain reliability and availability to support the Island Wide Power System (IWPS) most
5 especially after the loss of Cabras 3 & 4 in August 2015, during the Cabras boiler incident in
6 February 2022, during the extended outages of Piti 8 & 9 for the fuel oil conversion projects in
7 February 2022, during the extended outages of Piti 8 & 9 for the fuel oil conversion projects in
8 2022, and the recent capacity shortfalls post-Typhoon Mawar and in early 2024.
9

10 GPA plans to solicit for a new PMC for the continued Management, Operation and
11 Maintenance of GPA's CT Power Plants for a 3-year base term with optional 1-year extensions in
12 order to meet the increasing power demands and provide the reserve capacity for planned and
13 forced generation outages. Upon the commissioning of the Ukudu Power Plant, GPA anticipates
14 that the CT operations will provide peak support or production at night during peak demand
15 periods and during baseload unit outages, as well as during low solar production periods during
16 cloudy or rainy days.
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19 Dededo CT provided direct and uninterrupted service to the Anderson Air Force Base
20 (AAFB) during Typhoon Mawar via an underground transmission line from the hardened CT
21 facility to AAFB, which allowed for a faster recovery post-typhoon because the system had not
22 completely blacked out. GPA continues to monitor upcoming military, commercial and local
23 government projects that could increase loads over 100MW in the next five years and requires all
24 remaining generation capacity after the commissioning of the Ukudu Power Plant and the
25 retirement of Cabras 1 & 2 Power Plant to support the potential load growth, most especially as
26 the new Phase IV renewable projects with energy shifting are not expected to commission earlier
27 than 2028.
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II. REQUEST FOR APPROVAL


The PUC contract review protocol requires PUC authorization for all contracts in excess of \$1.5 million. The estimate for a PMC contract for the CT plants is over \$2.4 million for fixed management fees and \$2.6 million for reimbursable O&M costs; potential CIP costs could exceed \$6 million over the 3-year base term based on historical costs. Based on the projected bid schedule in Attachment 4 to CCU Resolution No. FY2025-01, attached hereto as Exhibit A, GPA will require nearly one year to award the contract, including regulatory approvals and a mobilization period. In support of this petition, GPA hereby provides the PUC with CCU Resolution No. FY2025-01, which authorizes the General Manager to petition the PUC for its approval to solicit for a PMC for GPA’s CT Power Plants. *See* Exhibit A (CCU Resolution No. FY2025-01 (Nov, 26, 2024), attached and incorporated herein as if fully set forth).

III. CONCLUSION

Based on the foregoing, GPA requests that the PUC approve GPA’s request to solicit for a Performance Management Contract for GPA’s Combustion Turbine Power Plants. The solicitation is reasonable, prudent, and necessary.

Respectfully submitted this 7th day of January, 2025.

Attorney for Guam Power Authority

By: 

Marianne Woloschuk
GPA Legal Counsel



GPA RESOLUTION NO. FY2025-01

RELATIVE TO AUTHORIZING THE SOLICITATION OF A PERFORMANCE MANAGEMENT CONTRACT FOR GPA'S COMBUSTION TURBINE POWER PLANTS

WHEREAS, the Guam Power Authority (GPA) has utilized Performance Management Contracts (PMC) for the management of the operations, and maintenance of the Dededo, Macheche and Yigo Combustion Turbine (CT) plants since March 2016; and

WHEREAS, GPA issued Invitation for Bid in 2016 (GPA-001-16) for a Performance Management Contract for GPA's Combustion Turbine Plants¹ and awarded the contract to Taiwan Electrical and Mechanical Engineering Services (TEMES) Guam, Inc.²; and

WHEREAS, under the Procurement Protocol review for the 2016 CT PMC, the PUC performed a detailed evaluation of the need for a PMC at the CT Power Plants.³ The PUC concluded the PMC model for the CT plants was "appropriate and beneficial" for the management of GPA generation capacity⁴; and

WHEREAS, the current PMC contract with TEMES Guam, Inc. has completed the 5-year base term, and extensions totaling an additional 5 years, with the contract to expire in February 2026; and

WHEREAS, under the PMC contractor the CTs were able to perform maintenance and execute projects to maintain reliability and availability to support the Island Wide Power System (IWPS) most especially after the loss of Cabras 3&4 in August 2015, during the Cabras boiler incident in February 2022, during the extended outages of Piti 8&9 for the fuel oil conversion projects in 2022 and the recent capacity shortfalls post Typhoon Mawar and early 2024; and

WHEREAS, GPA plans to solicit for a new Performance Management Contract for the continued Management, Operation and Maintenance of GPA's Combustion Turbine (CT) Power

¹ CCU Resolution No. 2015-46 dated 9/16/15, approved the procurement for the CT PMC subject to PUC approval.

² CCU Resolution No. 2016-02 dated 1/26/16, approved the contract award to TEMES Guam, Inc. subject to PUC approval.

³ PUC Docket No. 15-22, dated 12/10/15, approved the procurement for the CT PMC

⁴ PUC Docket No. 21-03, dated 11/30/20, approved the contract extension for the CT PMC

1 Plants for 3-year base term and an optional two 1-year extensions in order to meet the
2 increasing power demands and provide the reserve capacity for planned and forced generation
3 outages; and

4 **WHEREAS**, upon the commissioning of the Ukudu Power Plant, GPA anticipates the CT
5 operations to provide peak support or production at night during peak demand periods and
6 during baseload unit outages as well as during low solar production periods during cloudy or
7 rainy days; and

8 **WHEREAS**, Dededo CT provided direct and uninterrupted service to the Andersen
9 Airforce Base (AAFB) during Typhoon Mawar via an underground transmission line from the
10 hardened CT facility to AAFB which allowed for a faster recovery post typhoon because the
11 system had not completely blacked out; and

12 **WHEREAS**, GPA continues to monitor upcoming military, commercial and local
13 government projects that could increase loads over 100MW in the next 5 years and requires all
14 remaining generation capacity after the commissioning of Ukudu Power Plant and the
15 retirement of Cabras 1&2 Power Plant to support the potential load growth most especially as
16 the new Phase IV renewable projects with energy shifting are not expected to commission
17 earlier than 2028; and

18 **WHEREAS**, Attachment 1 provides a summary of contract comparison between the
19 current and draft bid documents are provided Attachment 2; and

20 **WHEREAS**, the estimate for a PMC contract for the CT Plants is over \$2.4M for fixed
21 management fees, \$2.6M for reimbursable O&M costs, and potential CIP costs could exceed \$6
22 M over the 3-year base term based on historical costs provided in Attachment 3; and

23 **WHEREAS**, under the PUC Procurement Protocol GPA is required to obtain approval for
24 procurement in excess of \$1.5M. Based on the projected bid schedule in Attachment 4 GPA
25 requires nearly 1 year to award a contract to include regulatory approvals and a mobilization
26 period.

27
28 **NOW, THEREFORE, BE IT RESOLVED**, by the **Consolidated Commission on**
29 **Utilities, the governing body of the Guam Power Authority and subject to the review and**
30 **approval of the Public Utilities Commission as follows:**

ATTACHMENT 1
CONTRACT HIGHLIGHTS & COMPARISON

Contract Highlights	Current PMC Contract	2025 Proposed IFB
Plant Management Oversight	Dededo CT, Macheche CT & Yigo CT	Dededo CT, Macheche CT, Yigo CT, & Piti 7
Term	5-Year Base 3-Year First Extension 2-Year Second/Final Extension	3-Year Base 2 x 1-Year Extensions
Performance Guarantees (Penalty Incentive)	<ul style="list-style-type: none"> • Equivalent Availability Factor (EAF) • Heat Rate 	<ul style="list-style-type: none"> • Equivalent Availability Factor (EAF) • Heat Rate
Bonus	Maximum bonus to be negotiated	No bonus
Staffing	<ul style="list-style-type: none"> • PMC staffing for plant operations and maintenance management support • GPA staffing for plant operations and maintenance 	<ul style="list-style-type: none"> • PMC staffing for plant operations and maintenance management support • GPA staffing for plant operations and maintenance
Projects	Included Rehabilitation/ Recommissioning of the Dededo CT Plant	Maintenance & life extension projects for CT plants
Fixed Management Fees	Fixed Fees for PMC management services	Fixed Fees for PMC management services
O&M and CIP Costs	Reimbursable Costs (CIP projects are pre-approved)	Reimbursable Costs (CIP projects are pre-approved)

ATTACHMENT 2
DRAFT CT PMC BID DOCUMENTS

Invitation For Multi-Step Bid

No. GPA-XXX-25

**PERFORMANCE MANAGEMENT CONTRACT
FOR THE
GUAM POWER AUTHORITY'S
COMBUSTION TURBINE POWER PLANTS:
DEDEDO CT 1 & 2, MACHECHE CT, YIGO CT, AND PITI 7 CT**



Juliana Baza, Engineer III
Engineer, Operations

Jennifer G. Sablan, P.E.
Assistant General Manager, Operations

John M. Benavente, P.E.
General Manager

**PERFROMANCE MANAGEMENT CONTRACT FOR THE
GUAM POWER AUTHORITY'S
COMBUSTION TURBINE POWER PLANTS: DEDEDO CT 1 AND 2, MACHECHE
CT, YIGO CT, AND PITI 7 CT (TEMES 7)**

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7	Performance Guarantees
8	Incentives & Penalties
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Schedule B	Recommended Future Projects from current PMC TEMES
Schedule C	ULSD Fuel Specifications and Arrangements
Schedule D	Current GPA CT Plant Staffing Pattern
<i>Schedule E</i>	<i>Plant Inventory</i>
Schedule G	Environmental Compliance
Schedule H	Technical Proposal Workbook
Schedule I	Price Proposal Worksheet
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**PERFORMANCE MANAGEMENT CONTRACT FOR GPA'S COMBUSTION TURBINE
POWER PLANTS: DEDEDO CT, MACHECHE CT, YIGO CT, AND PITI 7**

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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 a Performance Management Contract (PMC) to manage, operate, and maintain GPA's Combustion Turbine Power Plants (Dededo CT, Macheche CT, Yigo CT, and Piti 7 CT).

This bid shall be a Two Step process. Step One will establish a Qualified BIDDERS List (QBL) based on acceptable submitted Qualitative 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 24 additional months. 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 total of **five (5) contract years** yields the lowest total cost to GPA shall be awarded the CONTRACTOR Contract.

1.2. PRE-BID CONFERENCE AND SITE TOURS

A Pre-Bid Conference is scheduled on **2/24/25 to 2/28/25 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 CT Power Plants, all prospective BIDDERS will have the opportunity, at their own expense, to visit Guam and the CT Power Plants 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. CT Power Plants site tours **should be scheduled as soon as possible with GPA's Procurement Division**. Each tour shall be on a first-come, first-served basis and only two (2) representatives per bidder and one (1) bidder per day shall be allowed, for no more than one (1) hour tour of the site. All bidders shall be responsible for ensuring that all protocols and requirements to comply with GPA's public health emergency (if still in effect at the time of the requested site tour). All protocols and requirements are subject to change without prior notice due to the evolving pandemic situation on Guam, and the bidder is responsible for complying with all requirements and for informing GPA of any changes in their plans.

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 requested scheduled CT Power Plants 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, including any new requirement in response to the COVID-19 Pandemic.

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
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 10, 2025. 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 **4/4/2025 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 4/4/2025 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 ***Draft only, will be set after CCU and PUC approvals are received**

Table 1: Bid Schedule

Milestone	From	To
Bid Announcement	2/10/2025	2/21/2025
Bid Documents Available	2/10/2025	3/14/2025
Pre-Bid Conference	2/24/2024 9:00AM	
CT Power Plant Tours	2/24/2025 to 2/28/2025	
Vendors Submit Questions	2/10/2025	3/10/2025
GPA Review and Answer Questions	3/2/2025	3/14/2025
Vendor Prepare Proposals	3/16/2025	4/4/2025
Cut Off Date for Receipt of Bid Documents	4/4/2025 5:00 PM	
Step One:		
Opening of Technical Proposal	4/07/2025 at 2:00 PM	
Evaluation by Committee	4/7/2025	4/18/2025
Determine & Notify Qualified Vendor	4/18/2024	4/22/2024
Step Two:		
Opening of Price Proposal	5/06/2024 at 4:00 PM	
Price Proposal Evaluation	5/6/2025	5/9/2025
Notification of Award	5/12/2025	5/30/2025
Contract Finalization	7/24/2025	8/26/2025
CCU & PUC Approval	9/25/2025	10/23/2025
Contract Signing	10/27/2025 to 10/30/2025	
Contract Mobilization	12/1/2025	2/28/2026

Milestone	From	To
Contract and Operational Commencement	3/1/2026	

1.8 PREPARATION OF BID

a. STEP ONE PROCEDURE – TECHNICAL PROPOSALS

1) BIDDERS are required to submit one (1) original, and five (5) printed copies of the Technical Proposal in a separate sealed envelope marked “TECHNICAL PROPOSAL – Performance Management Contract (PMC) for the GPA CT Power Plants” indicating the date and time of bid package remittance.

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 CT 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 replacement cost for up to 20 units of CT Power Plants, Annual Management Fee per Contract Year and an Annual O&M Budget.

Any departures from the proposed O&M 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.

1.9 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.

1.10 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.

1.11 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.

1.12 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.

1.13 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.

1.14 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 \geq 70%
Score = 70 and Score >70% are acceptable
Unacceptable: Score < 70%
Any score below 70% is not acceptable.

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.

1.15 DISCUSSION OF PROPOSALS

[This section intentionally left blank]

1.16 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.

1.17 PRICE PROPOSAL OPENING

The Price Proposal for all qualified BIDDERS will be opened on 5/5/2025 at 9:00 AM.

The sealed price proposal of BIDDERS whose proposals were deemed unacceptable shall be returned, unopened, to the BIDDERS.

The qualified BIDDERS shall complete the Annual Management Fee Price and Annual O&M Budget contained in the MS EXCEL Workbook Price Proposal Evaluation.xls., based on the scope described in this bid.

1.18 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.

1.19 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.

1.20 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.

1.21 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.

1.22 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.

1.23 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.

1.24 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.

1.25 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.

1.26 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.

1.27 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.

1.28 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 – Required Forms*.

1.29 NO GRATUITIES OR KICKBACKS 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.

1.30 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.

1.31 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.

1.32 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.

1.33 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.

1.34 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

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 2.15 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 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 Remediating 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 Remediating 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 Remediating 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 extent 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.

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- 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 BIDDERS; 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 CT Power Plants 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 CT Power Plants, 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 statute:

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- 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 \$10,000,000 or higher per occurrence/ \$10,000,000 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. Professional Liability Insurance including in the amount of \$1,000,000 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.

- F. 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:

- G. 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:

- H. 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.

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.

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3.0 Technical and Functional Requirements

This section describes the technical and functional requirements of the Performance Management Contract. It establishes the rules of engagement and delineates the responsibilities between the Guam Power Authority (GPA) and the Performance Management Contractor (PMC or CONTRACTOR). The CONTRACT between the PMC and GPA shall be constructed as a Fixed Management Fee Contract, whereby the parties establish the mutually agreed contract and performance guarantees. In addition, the CONTRACT shall include provisions for operations and maintenance supplies and services and the inventory management and control of Dededo CT, Macheche CT, Yigo CT, and Piti 7 CT Power Plants. The CONTRACT scope includes functional requirements that cover several key areas related to this contract:

- Engineering, Construction Management, Procurement and related services to maintain reliability and availability of the Dededo CT Units #1 and #2, Macheche CT, Yigo CT, and Piti 7 CT (TEMES 7).
- All Operations and Maintenance;
- Procurement of Goods and Services;
- Plant Engineering;
- Life extension, Capital and Performance Improvement Projects;
- Environmental Compliance;
- Inventory Management and Control;
- Communications and Reporting;
- Budget Management;
- Management of Plant Staff;
- Contract Terms;

GPA expects the PMC to commence management, operation and maintenance of the CT plants, and improve performance and operating conditions. Upon commencement of the contract, the PMC is required to immediately address all operational issues that may impact reliable operation and dispatching of these units.

3.1 Engineering, Procurement, Project Management and Related Services for the Overhaul (Hot Gas Path Inspections or HGPIs) of Dededo CT 1 and 2 Power Plants

The current PMC contractor is scheduling the overhaul (Hot Gas Path Inspections or HGPIs) of Dededo CT2 for the end of September 2025. Dededo CT 1 is planned for the end of September 2026. If the new PMC Contractor takes over the CT PMC contracts, GPA will require both these tasks to be prioritized by the new PMC. The PMC will provide Engineering, Procurement and Project Management services to complete the overhaul of the Dededo CT 2 (if not already completed by FY 2025) and Dededo CT 1 Power Plant in 2026. The project will be implemented in coordination with GPA, with the support of key divisions and employees.

The major overhauls of the other CT power plants such as Macheche CT, Yigo CT, and Piti 7 should also be prioritized as these plants will be due for major overhauls between years

2026 and 2031.

GPA shall provide funding for these projects, but will be willing to enter into a Financing Agreement with the PMC, the terms of which should be mutually agreed upon by both parties.

3.2 Management

The Performance Management Contractor (PMC or CONTRACTOR) shall be responsible for the overall management of the plant as well as the management of the plant staff. The PMC shall oversee the implementation and completion of all operations and maintenance activities, including all those necessary to meet performance guarantees and maintain high efficiency and reliability, including plant life extension projects.

For Dededo CT, regular management tasks shall commence upon successful completion of the overhauls (Hot Gas Path Inspections or HGPIs) and once the units have successfully been placed online.

For Yigo CT, Piti 7, Macheche CT, the PMC is expected to perform tasks as required as soon as the contract commences.

Contract shall include options for the CONTRACTOR to provide additional PMC services to other to other similar power plants owned and/or operated by GPA, such as, but not limited to the Diesel plants: Tenjo Vista Diesel Power Plant, Talofoto Diesel Power Plant, and Manenggon Diesel Power Plant. The terms and pricing of the additional services shall be negotiated between GPA and the CONTRACTOR, summarized in an amendment.

3.3 Procure OEM & Non-OEM Support as Required

The PMC 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 PMC with issues and historical perspective, but the PMC will primarily be responsible for obtaining OEM and Non-OEM Support.

3.4 Working Capital, PMC Expenses and Financing

The PMC is responsible to fund all operation & maintenance expenses, inventory management and procurement expenses, as well as Capital Improvement Project funding, and expenses for implementing and completing projects related to plant life extension, meeting performance guarantees, and maintaining reliability and efficiency. GPA may solicit PMC participation in short-term debt financing for necessary capital or expense expenditures. This participation may include direct loans and/or indirect involvement through guarantees or some other form of participation. Such participation is not mandatory. However, while not mandatory, GPA reserves the right to include this option in the qualitative portion of the proposal review. GPA may request such participation only if

the PMC agrees.

The PMC shall be reimbursed by the Authority upon successful documentation of such expenditures, and following the guidelines for compensation as delineated in GPA's policies and standard operating procedures. Payments for CIPs will be made on a reimbursable basis, and the PMC shall invoice GPA for progress payments for work completed upon such CIP or other projects no more than once monthly. These invoices shall include certifications, receipts, and proof of payment and delivery on site of materials and services to be entitled for reimbursement. GPA will reimburse PMC for the actual cost of materials and services, and an administrative fee not exceeding five percent (5%) of the actual project cost. This administrative fee shall include charges for project administration, financing, and interest.

Payments shall not exceed the amounts agreed to and approved by GPA or as otherwise agreed to by the parties through a change order.

The PMC 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 agreed O&M budgets for the respective period.

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

3.5 Budget

The PMC shall optimally manage the Operations and Maintenance Spending (O&M Spending) not to exceed the authorized budget amount for each contract year. The PMC 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 PMC 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 PMC.

O&M Spending excludes Dededo CT, Macheche CT, Yigo CT, and Piti 7 Power Plants Employees base salaries, premiums and benefits, but includes overtime.

The PMC shall optimize overtime spending to lower total plant costs. However, exceptions may be made during emergency response for force majeure situations, such as Typhoon Recovery and other critical support periods, which does not constitute normal operations. The allowance for overtime during these situations will require approval from GPA. The PMC 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 PMC shall track all O&M costs. The PMC 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 PMC 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 PMC. 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 PMC by June 30 of each contract year.

GPA will make timely reimbursements to the PMC for the expenses incurred by the PMC in conjunction with the PMC's O&M procurement responsibilities. The PMC shall include certifications, receipts, and proof of payment and delivery on site of materials and services to be entitled for reimbursable compensation. The PMC 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.

3.6 Performance Guarantees, Incentives and Penalties

The PMC shall be guided by the Performance 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, following GPA's minimum Capacity, Availability and Heat Rate thresholds.

3.7 PMC Staffing Level

The plant organization shall be composed of PMC Management and GPA Plant Staff. The PMC shall utilize all Ddedo CT, Macheche CT, Yigo CT, and Piti 7 employees beginning on the Commencement Date and continuing through the Termination Date of the Contract.

The PMC shall provide appropriate staffing levels of PMC employees to provide overall plant management, resident technical expertise for Combustion Turbine plant (and relative expertise if the PMC and GPA agree to include the Fast-Track Diesels in the PMC) operation and maintenance, procurement oversight, engineering, and administrative support as necessary. The Qualitative Scoring will evaluate the PMC's proposed staffing level.

3.8 Plant Engineering and Technical Services

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

- Overhaul (Hot Gas Path Inspection) of the Dededo CT Plant (as discussed in the earlier Section);
- Remote Start Capability for all Combustion Turbine Plants;
- Rehabilitation, Life Extension and Capital Improvement Projects and/or improve availability and reliability, and to align with other resource implementation planning efforts;
- Major and Routine Operations and Maintenance Activities;
- Any other analysis, feasibility study, technical study or other engineering and technical tasks necessary to support GPA in other initiatives or projects.

3.9 GPA Staffing

The Staffing Pattern for the various CT plants are provided in Schedule D of this bid.

3.10 PMC Staffing Responsibilities

The PMC 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. This may include recommendations for right-sizing through augmentation or attrition, as well as improving current staffing patterns or shift scheduling.

The PMC shall regularly report on the adequacy of staffing levels. If there are vacancies required to be filled, PMC shall request GPA to hire replacement(s). In case GPA is unable to hire the replacement(s), GPA may request the PMC to fill the position by direct hire(s). Upon receipt of this notice, the PMC 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 PMC-hired employees are employed and performing work up to the termination date of their employment with the PMC. The cost for hiring additional personnel will not go against the PMC's O&M budget. Salaries, wages and benefits of any additional employee hired by the PMC shall be based on prevailing rates specified by US Department of Labor rates, and shall be reimbursed by GPA.

a. Line Management Responsibility

The PMC management is responsible for supervising the classified work force of Combustion Turbine Plants. The PMC 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.

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

c. Employee Performance Review

The PMC 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 PMC determines to be detrimental to the safe and efficient repair, management, operation, and maintenance of the Combustion Turbine Plants.

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

The PMC 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 PMC 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 Combustion Turbine Power 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 PMC will conduct regular performance reviews of each employee, which will be coordinated with GPA Human Resources Division. In addition, the PMC will provide input for setting annual personnel development goals. The employee performance reviews and development goals setting made by the PMC 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 PMC inputs will drive promotion and demotion decisions and standards for job performance. Documentation of both good and unacceptable employee performances shall be the responsibility of the PMC and/or those GPA employees that report directly to the PMC.

The PMC, at its own discretion, may have the authority to make cash awards to GPA

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employees using PMC 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 Combustion Turbine Power Plants based upon employee superior performance as evaluated by PMC. The cost for cash awards is not reimbursable by GPA.

d. Authority to Promote and Demote Personnel

The PMC may provide GPA recommendations for appropriate promotions or demotions. The PMC 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 PMC recommendations, GPA system needs and Guam civil service rules and regulations.

e. Manage Scheduling of Leave Time

The PMC 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 PMC will also have authority to schedule extended hours, staggered hours, flexible hours and Sunday working hours as the PMC may determine necessary to ensure the safe and efficient management, operation, maintenance and repair of the Combustion Turbine Plants. The PMC shall not unreasonably deny employee requests for authorized absence. The PMC'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 PMC requires GPA personnel to perform overtime, PMC 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 PMC 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 PMC 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 PMC 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 PMC chain of command.

h. Occupational Safety and Health/ Equipment Clearance System

The PMC shall design the training program in a manner that will instruct employees in the safe and healthful performance of their work. The PMC shall tailor this training and evaluation to the employee's job requirements and level of responsibility. The PMC 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 PMC 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 Combustion Turbine Units 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 for the Combustion Turbine Units 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 PMC 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 PMC 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;

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- Hard hats;
- Goggles;
- Foot protection;
- Face shields;
- Rubber gloves and coveralls;
- Safety glasses.

i. Disciplinary Action Documentation

The PMC 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 PMC 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

PMC may participate in the interview and selection process of any and all new Combustion Turbine Plant 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 PMC 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 Employees/Consultants

The PMC may, at any time, in consultation with GPA, have PMC employees or consultants perform functions, duties, and responsibilities at the Combustion Turbine Power Plants as PMC 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 PMC hired Employees/Consultants are employed and performing work up to the termination date of their employment/contract with PMC.

m. Cooperation with GPA Personnel Administration

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

3.11 Guam Power Authority Staffing Responsibilities

- a. Human Resources
GPA shall perform all personnel administration functions for GPA employees assigned to the Combustion Turbine Plants.

GPA shall have access to its employees assigned to the Combustion Turbine Power Plants 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 PMC 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 PMC. Disputes will be handled in accordance with the existing GPA policies. GPA will develop a specific process of handling higher-level disputes between the PMC and GPA personnel. Costs associated with disputes requiring payment to non-PMC employees may require the PMC 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 PMC's O&M activities be impacted, then the degree of required payment will be discussed with GPA and possibly adjusted to reimburse the PMC 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 Combustion Turbine Power Plants until vacant positions are filled with permanent employees. GPA shall notice the PMC thirty (30) days prior to the final replacement date that its best efforts to replace employees were unsuccessful.

Upon receipt of this notice, PMC 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.

3.12 Resource Allocation of GPA Central Maintenance Personnel

The PMC 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 PMC under the direct authorization of the Manager of Generation.

3.13 Resource Allocation of GPA Engineering and Planning Personnel

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At the PMC'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.

3.14 Training

The PMC 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 PMC shall include estimated training costs in their proposal for GPA's consideration and approval.

The PMC shall retain training records and certificates of all GPA employees under PMC management. The PMC 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 PMC'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.

3.15 Operation of Combustion Turbine Plants

The PMC is required to perform and manage all operational responsibilities for the the Combustion Turbine Plants, which include Plant Operation Responsibilities and Requirements as specified in this bid document.

The PMC 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 PMC 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.

3.16 Unit Operating Information

The PMC 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.

3.17 Environmental Compliance

The PMC shall operate in compliance with all environmental requirements and is responsible for all required environmental activities including but not limited to:

- a. Compliance with the Consent Decree Requirements in the Fuel Switching Enforcement Action;
- b. Completion of all activities required to ensure compliance with all applicable environmental rules and requirements including, but not limited to:
 - Monitoring of all emission tests and results and ensuring compliance with applicable rules and regulations;
 - Record-keeping, documentation and review of emission test data;
 - Completion of all necessary corrective actions;
- c. Conducting tests on all water and air sources to comply with all Standard Operating Procedures;
- d. Creation, development, and updating of Standard Operating Procedures as required;
- e. Monitoring all low volume waste streams to be within compliance with all local, federal, and international regulations;
- f. Completion of all activities to ensure compliance with all existing environmental permits and plans including but not limited to:
 - Air Pollution Control Permit F0 -002
 - PSD permit
 - National Pollution Discharge Elimination System (NPDES) permit
 - Spill Prevention Control and Countermeasure (SPCC) plan
 - Best Management Practices (BMP) plan;
- g. Compliance with GPA and Federal Spill Prevention Control and Countermeasures (SPCC) programs and policies to include implementation, monitoring and reporting;
- h. Remediation of all oil spill incidents to the satisfaction of local and federal regulatory bodies;
- i. Submission of all required reports;
- j. Record-keeping and equipment maintenance;
- k. Payment of all applicable fees as stated in the various environmental permits and plans;
- l. Payment of all penalties from non-compliance with any and all environmental requirements from local and federal bodies

3.18 Air Pollution Control Permit Requirements

The PMC shall be responsible for complying with all the rules and regulations of GEPA and the conditions stated under Air Pollution Control Permit No. F0 -002 (Title V Permit to Operate). Including, but not limited to the following activities and requirements:

- Ensure that all Emission Limits are not exceeded (see Table for list of Emission Limits).

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- Ensure that all proposed control measures and/or equipment are installed and properly operated.
- Ensure 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 11.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.
- Comply with the Fuel Switching Protocol.
- Comply with the Nonattainment Strategy, including, but not limited to, providing a Maintenance Plan.
- 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. F0 -002**.

3.19 GPA's Planning & Regulatory Division

GPA's Planning and Regulatory Division (P&R) shall support the PMC in meeting all environmental compliance requirements. P&R shall audit the PMC on a regular basis as a means of monitoring and ensuring that all requirements are satisfied. The PMC shall coordinate all activities on Environmental Compliance, including records and reports, to P&R. The PMC shall provide full cooperation during P&R's audits and monitoring activities.

3.20 Maintenance

The PMC is required to perform and manage all Maintenance Responsibilities for Dededo CT, Macheche CT , Yigo CT, and Piti 7 Power Plants, including but not limited to the Maintenance Responsibilities and Requirements as specified in this bid document.

The PMC 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 PMC 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.

3.21 Use of the GPA Computerized Maintenance Management System

The PMC shall utilize the functionality of the GPA CMMS. The PMC 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. The report shall be used to evaluate the PMC's performance with regards to the maintenance of the plant.

3.22 Operating Procedures - Management, Improvement and Addition

The PMC shall audit all operational procedures turned over at time of contract award, revise to proper "best in class" operating standards, train employees to the proper use of all procedures, audit employees to their use of all procedures and take corrective action of variances relating to operational performance deficiencies.

The PMC shall also develop new operating procedures throughout the term of the contract as required, and grant GPA access rights to all procedures during the term of the contract for review, usage and possible replication at other operating units. All operating procedures generated by the PMC will become the property of the GPA

Annual reviews of all Operating Procedures shall be conducted to validate the applicability and effectiveness of the procedures as new technologies are introduced into the power plant, as part of modernization and improvement. Any reviews made shall be reported to GPA along with corresponding findings, updates, and revisions.

Two sets of Plant Operating Procedures (hard copy and soft files) will be kept at all times in the Dededo CT, Macheche CT, Yigo CT, and Piti 7 Power Plants control rooms. One set each will be given to the following in formats agreed upon by GPA and the PMC:

- Assistant General Manager, Operations;
- Manager of Engineering;
- Manager of Generation;
- Manager of Strategic Planning and Operations Research.

3.23 Physical Boundaries

Maps are provided identifying the physical boundaries of the Dededo CT, Macheche CT, Yigo CT, and Piti 7 Power Plants. The PMC will be responsible for the maintenance of all equipment, facilities and assets within the physical boundary of the power plants.

3.24 Management of Waste Oil

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

The PMC shall manage and refine GPA policies and procedures in the operation and maintenance of combustion turbine plants' waste oil-handling system. Operation and Maintenance of this system is critical to the cost-effective performance of the facilities.

3.25 Maintaining Proper Water Quality

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

3.26 Optimization of Fuel Consumption

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

The PMC shall comply with the requirements stated in the Fuel Switching Enforcement Action Consent Decree, and minimize the excessive use of Low Sulfur Fuel. The PMC 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 PMC must determine and correct the problem immediately. The event should be properly document, 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 PMC.

3.27 Maintenance of Transformers

The PMC shall coordinate with GPA's Transmission & Distribution Division in the performance of all transformer maintenance (predictive and preventive) and testing including dissolved gas analysis (DGA) for all transformers associated with the power plants.

3.28 Instrumentation

The PMC shall make full use of the Historian and available instrumentation to collect key performance in form action. 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 PMC 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.

3.29 Power Supply for Start-Up

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

3.30 Outage Planning and Optimized Outage Scheduling

The PMC 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 PMC and planned far enough in advance that they will support quality outage planning efforts as described elsewhere.

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

The PMC 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 PMC 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.

3.31 Root-Cause Analysis and Critical Path Management

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

3.32 Facility Maintenance and Improvement

The PMC 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 PMC performance.

GPA and the PMC shall establish Housekeeping Standards for the Combustion Turbine Plants, and itemize projects to be completed by the PMC. By the end of the third contract year, it is expected that the PMC shall have completed all projects necessary for compliance with the standard, with the exception of projects requiring immediate action. These urgent projects shall be completed within the first six months of contract commencement.

Projects requiring immediate action shall be determined jointly by GPA and the PMC, 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 PMC representatives will annually determine and negotiate which items GPA will fund for the next fiscal and contract year.

3.33 Rehabilitation, Capital Improvement, Life Extension Projects

The PMC is responsible for compiling a list of Capital Improvement Projects to improve or maintain availability and reliability of each unit, comply with regulatory requirements and to align with other resource implementation planning efforts. The list of projects by the PMC shall be updated by the Generation Manager and/or his designee together with the PMC upon contract commencement, and shall be updated monthly or as frequently as projects are required, for the review and approval of GPA.

3.33.1 Identification and Approval of Projects

Each capital investment or expenditure recommendation shall be properly documented with the necessary justification and documents supporting projected costs and benefits, as well as other analysis such as feasibility studies, business case analysis, and others.

The PMC will also provide GPA adequate information to develop and maintain various engineering and planning models, as well as for resource, financial and fuel planning.

3.33.2 Project Management

The PMC shall accept project management duties for all plant rehabilitation, capital improvement and major O&M projects, and other projects related to life extension, and improvement of reliability, availability, and efficiency. Should the PMC elect to hire a third party to perform this activity, the PMC will be fully responsible for the third party's actions, performance and payment under the PMC's fixed management fee. Payment for such election is not reimbursable by GPA.

3.33.3 Field Installation

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

3.33.4 Acceptance Testing

The PMC 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 PMC 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 Performance Testing

Performance Testing is not required annually. However, GPA reserves the right to conduct performance testing by soliciting the expertise of a third-party Performance Testing contractor. In the event this is required by GPA, full funding shall be the responsibility of GPA Procurement of performance testing services, which will be fully funded by GPA,

shall be through GPA's procurement process, or may be requested from the PMC. The PMC and GPA will agree on the testing scope as well as testing schedule, and GPA will select a third-party firm to perform the services prior to contracting these services.

- a. The minimum tests include:
 - Fuel oil sampling and testing
 - Net and gross heat rate at minimum, 65%, 75 %, 85% and maximum unit loading using boiler losses and input/output methods under test and normal operating conditions
 - Ramping Rate
 - Lube Oil Consumption
- b. All testing must conform to all applicable ANSI and ASME standards. Additionally, this scope must include the identification of any operational issues associated with performance below design specifications. GPA may also request for the following:
 - An engineering estimate of the life cycle cost of remediation or upgrade;
 - A planning schedule for implementing each recommendation;
 - An engineering estimate of the benefits for each recommendation;
 - Estimation of life expectancy for each recommendation;
 - Expected degradation of benefits over recommendation lifecycle;
 - An engineering estimate of effect on heat rate, FOR/EFOR, AF/EAF and other performance indicators;
 - Categorization of costs as O&M or Capital.
- c. GPA shall have full rights to all testing results without modification from the independent third-party contractor.

3.35 Guam Power Authority Recommended Projects

GPA shall provide the listing of recommended projects to the PMC. The initial listing will contain activities to be performed over a multi-year time frame. GPA and the PMC 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) minimization of total cost to GPA, 3) improvement of plant reliability and/or efficiency and 4) effective outage scheduling, shall drive the project activities and their schedule.

3.36 PMC Procurement Responsibilities

- a. Operations and Maintenance Procurement Outsourcing
The PMC shall implement procurement methods to ensure cost controls remain within the authorized O&M Spending Budget. The PMC 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 PMC 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 PMC. 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 PMC 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 PMC directed process. The PMC 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 PMC may utilize external third-party resources to support the O&M needs of the plant. The PMC will direct the procurement functions as required and utilize whatever third-parties necessary. The PMC 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 PMC shall develop its own internal procurement procedures to support the purchase and acquisition of emergency materials and professional services. The PMC will direct the procurement functions as required and utilize whatever outside resources necessary. The PMC 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 PMC for the Combustion Turbine Plants. 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 PMC 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 PMC 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 PMC. 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 PMC shall be responsible for the management of the spare parts inventory for the Combustion Turbine Plants. This responsibility requires the PMC 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 PMC to be responsible for the security and proper storage of the spare parts, and for the replacement of any losses.

The PMC 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 PMC to replenish the stock items.

The PMC 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 PMC shall determine whether items in the inventory are active or inactive. The PMC 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 PMC shall use proceeds of the sale to secure needed items for stock.

The PMC 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 PMC shall be responsible for optimizing the inventory for the Combustion Turbine Power Plants through completion of the following tasks:
- Review and provide a recommended list of spare parts and inventory

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- requirements for all systems associated with the Combustion Turbine Plants;
- 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 PMC 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 PMC shall keep a record of any associated warranties and request extended warranties where applicable based on commencement from in-service dates and not delivered dates. All warranties shall be transferred to GPA at the end of the contract period.

d. Account for the Location of Specialized Tools & Assets

The PMC 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 PMC will be responsible for the safe use and control of all tools during the contract term. Should additional tools or equipment be required, the PMC 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 PMC may be required to secure tools and equipment on its own to support plant operations and maintenance.

e. Inventory Proceedings

GPA and the PMC 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 PMC 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 PMC shall not remove these items from the inventory master listing. However, the PMC must code these items to reflect the inventory level at zero.

f. Inventory Issuance Process

GPA and the PMC 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 PMC.

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- 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 PMC. GPA shall continue to provide warehouse supervision as currently being provided.

4.0 Communications and Reporting

4.1 PMC Reporting Requirements

The PMC 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:
 - Fixed Management Fee
 - O&M Expenses (Fixed Fee+ Variable Cost)
 - Expenses for maintenance of Facilities
 - Expenses for Training
 - Expenses for Life Extension, Rehabilitation, CIP and Major Projects
- d. Performance Measurements Report
- e. Environmental Compliance Report
- f. Inventory Status Report
- g. Any other report as required in this section and in the other sections of this bid document
- h. 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 PMC 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 PMC shall provide the power system operators with the minimum and maximum unit commitment capabilities for the next 24 hours every day at midnight. The PMC 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 PMC 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 PMC 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 PMC shall provide annual reports with detailed calculations of incentive/penalty payments for the following performance measures for GPA's review and approval:

- Availability
- Heat Rate

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

4.6 Personnel Performance Reviews

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

The PMC 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 PMC 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 PMC 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 PMC Compliance Responsibilities

The PMC shall comply with the following requirements and responsibilities:

- a. Comply with Annual Quality Audit within Plant - The PMC 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 PMC shall calculate all availability and outage performance measurements in accordance with NERC GADS definition s.
- e. Identify Optimum Requirements for the Plant - The PMC shall identify all requirements to optimize or maintain the plant performance by the beginning of the 3rd contract year. These requirements shall be considered as starting negotiation points between GPA and the PMC, should GPA elect to exercise the optional contract extension. GPA and the PMC may renegotiate fees, projects, and contract structure upon mutual agreement. Otherwise, both parties may agree to keep the existing contract structure. The optimal requirements to be identified by the PMC shall include, but not limited to, the following:
 - PMC Fixed Management Fees
 - O&M Spending Budget
 - PIP Requirements
 - Training Requirements
 - PMC Staff Requirements
 - Staff Requirements

- Technical and Functional requirements.

4.9 Guam Power Authority Reporting Responsibilities

- a. Monthly Review of Reported Performance Measurements
GPA or a mutually acceptable third party will verify the PMC's actual performance and the PMC'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 PMC, the PMC'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 PMC compensation. GPA and the PMC shall identify these external variables.
- c. Incentive/Penalty Calculations Review
GPA will review and verify the PMC's calculations of incentive/penalty payments. GPA and the PMC 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 Contract Term

GPA intends for this contract to be a five-year contract with options to extend as follows:

- One three-year term
- Two 1-year terms

5.2 Proposed Fixed Management Fees

A portion of the PMC's compensation may be in the form of fixed monthly management fees. The PMC 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.

5.3 Proposed O&M Spending Budget

The PMC 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.

5.4 GPA Contract Fee Responsibilities

GPA shall provide prompt payments to the PMC 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 PMC under the Contract, GPA shall pay interest to the PMC in accordance with the provisions of the Prompt Payment Act, 5 GCA Sections 22502- 22507.

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

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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:

- Fixed Monthly Management Fees;
- Reimbursement Payments for Operations and Maintenance related expenditures as agreed to and scheduled between GPA and the CONTRACTOR.
- Reimbursement Payments for Life Extension projects, or projects ensuring compliance with availability, efficiency and reliability standards, as agreed to and scheduled between GPA and the CONTRACTOR.
- Incentive Compensation Payments due to CONTRACTOR's performance above the minimum performance guarantees, as agreed upon in Sections 7 and 8 for the following:
 - Availability
 - Heat Rate
 - Continuous Improvement in Efficiency

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

- o Penalty Compensation Payments due to CONTRACTOR's failure to meet its minimum performance guarantees, as agreed upon in Sections 4.4 and 4.5 for the following:
 - Capacity
 - Availability
 - Heat Rate

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 GPA's COMBUSTION TURBINE PLANTS:
DEDEDO CT 1 & CT2, MACHECHE, YIGO, AND PITI 7**

between

GUAM POWER AUTHORITY

and

(CONTRACTOR)

October 2025

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PERFORMANCE MANAGEMENT CONTRACT

This Performance Management Contract (“Contract”) is made and entered into on the ____ day of _____, 2025 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 seeks to maintain the availability and reliability of its Combustion Turbine Power Plants in order to meet demand and reliability requirements; and

WHEREAS, the Consolidated Commission on Utilities has determined that a Performance Management Contract is the preferred option for GPA to ensure unit availability and life extension projects as well as to continue effective generation outage planning, maintenance, and overall performance of its Combustion Turbine Power Plants; and

WHEREAS, the Guam Public Utilities Commission has, through stipulation, ordered that GPA retain a Performance Management Contractor for its Combustion Turbine Power Plants; 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.

GPA-XXX-XXX

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.

“Combustion Turbine Units” and “Combustion Turbine Power Plants” or “CT Power Plants” shall mean the Dededo CT, Macheche CT, Yigo CT, and Piti 7 Units.

“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.

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“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.

"Dededo CT Units" shall mean the Dededo CT Units consisting of two (2) - 22 megawatt generator units. 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 this bid.

“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.

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“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 ULSD 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 CT Power Plants 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

GPA-XXX-XXX

SECTION 16 - INSURANCE of this Contract.

"Macheche CT" or "Macheche CT Unit" shall mean the Macheche CT Unit consisting of one (1)- 22 megawatt generator unit. 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 this bid.

"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 directly impacting GPA's total O&M costs. Such expenditures need to be 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 CT Power Plants.

"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.

"Piti 7 Power Plant" shall mean consisting of one (1)- 40 megawatt (MW) generator unit. 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 this bid.

"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 Combustion Turbine Units: Dededo CT #1, #2, Macheche CT, Yigo CT and Piti 7.

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“Procurement Officer ” The General Manager of the Guam Power Authority or the General Manager’s designee.

“Project” The CT Power Plants, 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 CT Power Plants, 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 CT Power Plants.

“Special Services” Services to be furnished by Contractor at the CT Power Plants as required by the Contract Agreement.

“Termination Date” shall have the meaning given in the Contract.

“Territory” The Territory of Guam.

"Yigo CT" or "Yigo CT Unit" shall mean the Yigo CT Unit consisting of one (1) - 22 megawatt generator units. 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 this bid.

SECTION 2 – PURPOSE AND SCOPE OF SERVICES

2.1 Purpose. GPA hereby retains (Name of CONTRACTOR) to manage, operate and

GPA-XXX-XXX

maintain the CT Power Plants. By awarding the contract, the goal of GPA is to improve the efficiency, reliability, operations, maintenance of the CT Power Plants.

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

- 1) Management, Operation, and Maintenance of the Combustion Turbine Power Plants;
- 2) Accomplishment of the life extension 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 Capacity, Availability and Efficiency;
- 5) Meeting all Environmental Compliance Rules and Regulations;
- 6) Procurement, Inventory control and management; and,
- 7) 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 CT 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
- 3) SECTION 26 – PERFORMANCE BOND of the Contract.
- 4) a copy of the Articles of the Incorporation of (Name of CONTRACTOR), certified by the company secretary in a manner satisfactory to GPA;
- 5) a copy of (Name of CONTRACTOR)'s license to do business in Guam.
- 6) 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) GPA-XXX-25
- 2) Amendments to GPA-XXX-25
- 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

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subcontractors that will be used in the Performance Management of CT Power Plants.

- 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 GPA-XXX-25, and (Name of CONTRACTOR)'s proposal submitted in response to the IFB. In case of discrepancies or conflicts between the Amendments to GPA-XXX-25, 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 March 1, 2026 and terminating on February 28, 2029. 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 three-year contract term, GPA may, its election, extend the contract for up to two (2) years with 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

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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 CT Power Plants. 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.

Contract shall include options for the CONTRACTOR to provide additional PMC services to other similar power plants owned and/or operated by GPA, such as, but not limited to the Diesel plants: Tenjo Vista Diesel Power Plant, Talofoto Diesel Power Plant, and Manenggon Diesel Power Plant. The terms and pricing of the additional services shall be negotiated between GPA and the CONTRACTOR, summarized in an amendment.

SECTION 6 – OPERATION OF THE COMBUSTION TURBINE UNITS

6.1 Full Responsibility for the management, operation, maintenance and repair of the CT Power Plants, including all regularly scheduled preventative or remedial maintenance, and any maintenance required due to a CT Power Plants forced outage. (Name of CONTRACTOR) shall perform its duties, to the extent permitted by Guam law, to keep the CT Power Plants 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 CT Power Plants.

6.3 Management of the O&M Budget. GPA shall approve the operations and maintenance budget for the CT Power Plants 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

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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 CT Power Plants 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 CT Power Plants' mission critical objectives.

6.4 Management Responsibility for CT Power Plants Personnel. (Name of CONTRACTOR) shall provide, to the extent permitted by Guam Law, management and supervision of the staff 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 IFB GPA-XXX-25.

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 CT Power Plants. 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

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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 CT Power Plants 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 CT Power Plants, including all obligations specified under IFB GPA-XXX-25.

6.11 Environmental Compliance. The Contractor shall operate the Yigo Diesel Units 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 CT Power Plants, including all obligations specified under IFB GPA-XXX-25.

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,

GPA-XXX-XXX

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) or upgrade software 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 CT Power Plants.
- 6) The Contractor shall evaluate, monitor and provide recommendations on CT Power Plants 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 Combustion Turbine Power plants.

6.14 Engineering and Technical Services. CONTRACTOR shall provide CT Power Plants' engineering and technical services for:

- a) Critical Repairs;
- b) Major Maintenance Projects; and
- c) 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 CT Power Plants, (Name of CONTRACTOR) shall have the authority to:

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

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- 2) appoint and remove consultants and professional advisers;
- 3) purchase replacement parts and equipment;
- 4) perform other obligations as specified in GPA-XXX-20 regarding Procurement and Outsourcing.

6.16 Inventory Management. Contractor shall be responsible for the management of CT Power Plants inventory, and will perform all obligations related to CT Power Plants 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 GPA-XXX-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.

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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 CT Power Plants and shall keep assigned to the CT Power Plants all Qualified GPA Employees assigned to and actually working at the CT 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 CT Power Plants 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 CT Power Plants

7.3 General Assignment. All GPA employees assigned by GPA to the CT Power Plants, 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 CT Power Plants. Before assigning an employee CT Power Plants, 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 CT Power Plants. GPA shall have access to its employees assigned to the CT Power Plants 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;

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- 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 CT Power Plants.

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 CT Power Plants that facilitate and enhance CONTRACTOR's ability to efficiently and effectively replace, install, commission, and operate and maintain the CT Power Plants and which, at a minimum, provide for:

- 1) In the event that GPA disciplines any GPA employee assigned to the CT Power Plants 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 CT Power Plants 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 CT Power Plants;
- 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 CT Power Plants;

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- 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 CT Power Plants 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 CT Power Plants. 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 CT Power 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;
- 6) GPA and CONTRACTOR, upon request, must provide all information relating to employee activities necessary to the management and GPA employees assigned to the CT Power Plants.
- 7) CONTRACTOR has the authority and responsibility to prepare the official performance appraisals for all GPA employees assigned to the CT Power Plants 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.

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7.6 CONTRACTOR CT Power Plants 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 CT Power Plants.

7.7 Assignment to Position. The assignment of GPA employees to the CT Power Plants shall be to a specific position within each CT Power Plants Unit.

7.8 No Reassignment Without CONTRACTOR Consent. GPA shall not cause the assignment of any Qualified GPA Employee assigned to CT Power Plants 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 CT Power Plants 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 CT Power Plants, 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 CT Power Plants 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

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at the fuel storage tanks CT Power Plants.

8.6 The Contractor shall prepare weekly fuel schedules showing anticipated times and Quantities of fuel to be utilized by CT Power Plants 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 CT Power Plants.

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 CT Power Plants and for the maintenance, repair and safety/security of the Unit. The Contractor shall operate CT Power Plants 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

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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

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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:

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- 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 extent 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

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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

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- 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

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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.

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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

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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

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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

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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

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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:

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 \$10,000,000 or higher per occurrence/ \$10,000,000 aggregate.

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

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- 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. Professional Liability Insurance including in the amount of \$1,000,000 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.

F. 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.

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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:

G. 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:

H. 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.

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

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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

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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

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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

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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

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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

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22.3 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.

22.4 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 Commission 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

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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

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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 Commission. For the purpose of this Paragraph and of the entire Agreement, the signature of the Chairman of the Consolidated Commission 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 Commission 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 Commission 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

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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.

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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.

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CONTRACTOR

Contractor's Duly Authorized Representative

Date

GUAM POWER AUTHORITY

John M. Benavente, P.E.
General Manager

Date

(Chairman Name)
Chairman, Consolidated Commission on Utilities

Date

CERTIFIED AS TO FUNDS AVAILABLE

GPA Certifying Officer

Date

APPROVED AS TO FORM

Marianne Woloschuck
Legal Counsel, GPA

Date

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GUAM)
) ss:
CITY OF MANGILAO)

On this ___ day of ___, 2025, 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 ___, 2025, 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 ___, 2025, 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 (Dededo CT#1, Dededo CT#2, Macheche CT, Yigo CT, Piti 7) for the contract year;
- Verifying the EAF reported by the PMC 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 de-ratings.

GPA sets its Minimum EAF Guarantee as follows:

Table 2. GPA Minimum EAF Requirements

Contract Year	Dededo CT 1	Dededo CT 2	Yigo CT	Macheche CT	Piti 7 CT
1	90%	90%	90%	90%	90%
2	90%	90%	90%	90%	90%
3	90%	90%	90%	90%	90%
4	90%	90%	90%	90%	90%
5	90%	90%	90%	90%	90%

Measurement shall be consistent with procedure as described in this document, and as specified in other sections of this tender. Actual Performance shall be compared with the minimum performance guarantee, and shall be subject to bonuses and penalties as applicable.

GPA shall impose penalties on the PMC if a unit is requested or remotely commanded to start and deliver electric power to the grid, but fails to do so. GPA cannot call upon a unit to run if it has been cleared to run, therefore, following any outage, the PMC is required to demonstrate capability to dispatch up to guaranteed capacity. If unable to do so, the unit shall be de-rated to the MW capacity it was cleared to run for.

7.2 EFOR and OUTAGES

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. Although there are no minimum EFOR guarantees for the units, GPA shall assess the PMC's performance and the decision to exercise the optional extension years may be affected by the PMC's EFOR performance.

7.3 HEAT RATE AND EFFICIENCY

The Combustion Turbine units are currently required by the Guam PUC to have a minimum Gross Heat Rate of 13,200 BTU/KWH. Each unit shall be required to meet or perform better than the Gross Heat Rate requirements required by GPA. The PMC 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 PMC and GPA will track improvement in efficiency by evaluating the monthly and 12-month running gross and net efficiencies. Any consistent improvement in the Gross Heat Rate Performance shall be evaluated by the PMC, 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 PMC. 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 PMC and approved by GPA.

7.4 Emissions Guarantees and Environmental Compliance Penalties

A continuous emissions monitoring system (CEMS) is installed and has been recommissioned to provide continuous monitoring as required by EPA. The PMC shall be responsible for monitoring and reporting as required by EPA. It is expected that the PMC will comply with EPA limits at all times. Penalty fees shall be shouldered by the PMC. The PMC shall monitor the CEMS data daily. A monthly summary report shall be submitted by the PMC. An emissions test, in accordance to operation permit requirements, shall be conducted during all performance tests to confirm CEMS readings and results. Please reference Schedule G for the emissions limits per CT plant. The PMC shall be responsible for any environmental penalties imposed by the US EPA and Guam EPA to GPA, if these penalties result from negligence or mismanagement from the PMC.

7.5 Actual KWH or MWH Generation

GPA shall determine actual unit generation based on the documented measured total net generation output (MWh) in the contract year. The PMC and GPA shall work together to ensure that real-time Generation Data will be available to key GPA division. This may be done through improvement in current SOPs, or upgrade or installation of equipment and/or software.

7.6 Average System Load

GPA shall determine actual average system load (MW) based on the documented measured total system-wide net generation output (MWh) for the contract year divided by the number of hours in the contract year.

7.7 Average Fuel Prices

GPA shall determine actual monthly average fuel prices in \$/Mbtu for ULSD 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.

8.0 Incentives & Penalties

GPA is contracting a PMC to perform against the following key performance indicators:

- Availability
- Heat Rate

8.1 Equivalent Availability Factor (EAF) Performance Measure

GPA is contracting a PMC to assure that the Combustion Turbine Units achieve high equivalent availability factors (EAF). The PMC 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. The Equivalent Availability Performance Period shall commence from the PMC'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 EAF Penalty will be as follows if the resulting formula equals a negative number:

$$\text{(Penalty)} = (\text{Actual \% EAF} - \text{Minimum \%EAF Requirement}) \times \text{Actual Capacity Factor} \times \text{Fixed Management Fee for the contract year}$$

Actual EAF will be based on EAF reported by the PMC verified against reports from Generation Division and PSCC.

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 penalty shall be applicable to the succeeding year's Fixed Management Fee, as follows:

$$\text{Penalty Adjustment} = (\text{Actual \% EAF} - \text{GPA Minimum \%EAF}) \times \text{Annual Management Fee}$$

***** EXAMPLE FOR ILLUSTRATION PURPOSES ONLY *****

GPA's Minimum Guarantees:

Contract Year	Total Units
1	85%

And Performance Management Fees as follows:

Contract Year	Annual Management Fee
1	\$1,000,000.00
2	\$1,100,000.00

PENALTY

Total Units 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 Adjusted Management Fee (AMF) is reduced to \$ 1,050,000.00 from \$1,100,000.

8.2 Heat Rate and Efficiency Performance

GPA shall continuously track the heat rate performance of each CT plant for each LEAC period. If the PUC requirement of 13,200 BTU/ KWH is not met by GPA due to any CT plant not meeting the requirement, the PMC will pay a penalty equivalent to the fuel costs associated with the exceedance in 13,200 BTU/KWH requirement.

Example:

CT heat rate = 14,000 BTU/ KWH

Penalty = [(14,000 BTU/KWH-13,600 BTU/KWH) / (Average BTU/barrel for the period)] X \$/barrel of fuel

GPA shall provide the heat rate calculations to the PMC, and penalties will be imposed after both parties have reviewed and verified the calculations.

8.3 Maximum Penalty Payment

The total of Penalties each year shall not exceed 20% of the Annual Management Fee.

SCHEDULE A

**TECHNICAL DESCRIPTION OF GPA'S
COMBUSTION TURBINE PLANTS**

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1. Introduction

1.1. Purpose and Scope

This document provides technical information about GPA’s Combustion Turbine Plants 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 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. Although efforts have been taken to represent the plants’ condition in a fair manner, not every item or actual condition of some equipment can be represented in this document.

Historical performance indicators regarding 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 Dededo CT, Macheche CT and Yigo CT Power Plants are wholly owned by GPA and currently operated by TEMES PMC, along with GPA employees.

Piti 7 CT Power Plant is wholly owned and operated by GPA employees, with TEMES acting as a PMC solely for capital improvement projects.

Dededo CT Plant

The Dededo CT Plant is located in Dededo, in the northern part of Guam. Dededo CT Unit #1 was installed in 1992 and Dededo CT Unit #2 was installed in 1993.

The plant consists of two (2) General Electric Frame 5 machines. CT Unit #1 is a Model MS 5001 PA (advanced version) rate at 23 MW. CT Unit #2 is a Model MS 5001 P (standard version) rated at 22 MW. The units are used for peaking and emergency operations.

Combustion Turbines	CT1: GE Model MS5001 PA CT2: GE Model MS5001 P
Generators	GEC Alhstom; 26,200 KVA; 3600 rpm; 13.8 kV; air cooled; rated outputs: CT1: 23 MW CT2: 22 MW The generator rotor is solidly coupled with the reducing gear and born by it at on end. At the exciter end the rotor bears on a bearing which is separated from the generator frame. The generator is designed in such a way that stresses remain within acceptable limits at 120%

	overspeed.
Transformers	Magnatek; 18.24.30 MVA; class OA/FA/FA; 13.8 kV.34.5kV Grd-Main (2) Y/19920 volts
Heat Transfer Media	Air from the units' compressor section acts as a cooling medium for the combustion cans and as the hot gas for the power turbine.
Electricity	The units' generators produce electricity at 13,800 volts. The voltage is stepped up to 34,500 volts in main transformers (30 MVA maximum rating) for transmission and distribution.
Water & Water Treatment	Deionized water is used to control NOX emissions from the turbines. Water is passed through a system of softeners, cation/anion exchangers, and reverse osmosis equipment. The deionized water is stored in a tank for injection into the turbine during operation.
Gas/Fuel	The units burn Ultra Low Sulfur Diesel Fuel.

Macheche CT and Yigo CT Plants

The Macheche CT Plant is located in Macheche, also in the northern part of Guam. It was installed in 1993 with a nameplate capacity of 22 MW, and is currently being dispatched as a peaking unit with a maximum capacity of 20 MW.

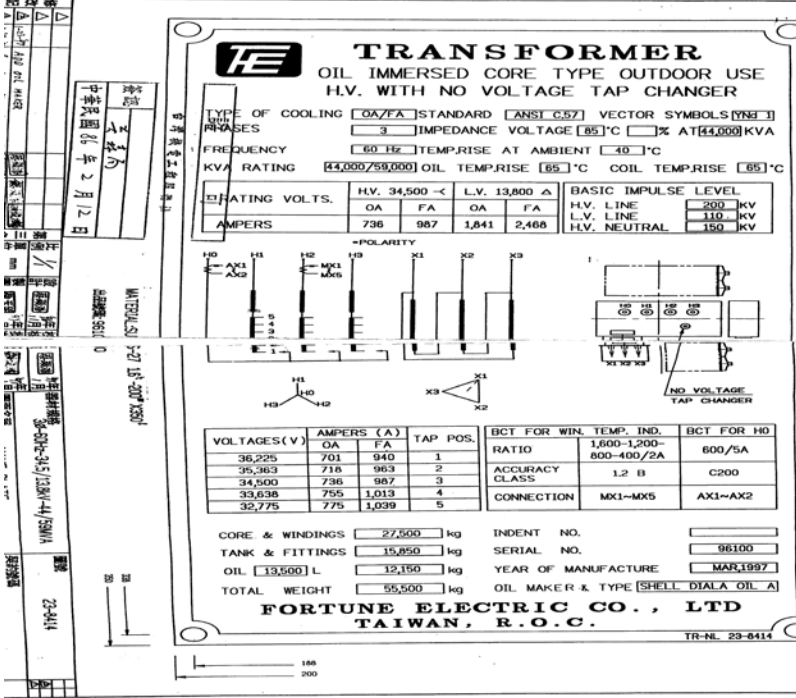
The Yigo CT Plant is located in Yigo, further north from the Dededo CT plant. It was installed in 1993 with a nameplate capacity of 22 MW, and is currently being dispatched as a peaking unit with a maximum capacity of 19 MW.

Combustion Turbines	GE; Model 7LM2500-PC-MD619; 3600 RPM (power turbine); two-shaft; 16 stage compressor; 8 stage power turbine; 25,000 kW, #2 diesel fuel
Generators	Brush Electric; model BDX7-167E; 3600 RPM; 13,800 volts; 25,000 kw; type HC/OP/OPLTR; class OA/FA/FA; 18/24/30 MVA; 13.8.90 pf; air cooled; rated output 22 MW
Transformers	Tatung; type HC/OP/OPLT; class OA/FA/FA; 13.8 kV / 34.5kV; no load tap changer
Heat Transfer Media	Air from the units' compressor section acts as a cooling medium for the combustion cans and as the hot gas for the power turbine.
Electricity	The units' generators produce electricity at 13,800 volts. The voltage is stepped up to 34,500 volts in main transformers (25 MVA and 30 MVA maximum rating) for transmission and distribution.
Water & Water Treatment	Deionized water is used to control NOX emissions from the turbines. Water is passed through a system of softeners, cation/anion exchangers, and reverse osmosis equipment. The deionized water is stored in a tank for injection into the turbine during operation.
Gas/Fuel	The units burn Ultra Low Sulfur Diesel Fuel.

Piti 7 CT Plant

The Piti 7 CT Plant located in Piti, Guam, on the way to Port of Guam, adjacent to the old Piti Power Plant and MEC 8 and 9. Piti 7 originally installed in 1998 with a rated capacity of 40MW and is used as a peaking unit unless any of the baseloads are down for maintenance.

Heavy Duty Gas Turbine	GE MS6001B / 3-stage / single shaft, 2 bearing Maximum Temperature: 2120 deg. F Operating Speed: 5105 rpm Maximum tip speed: 1403 fps Number of Combustion Chambers: 10 Flame detectors: 4 / Type- Ultraviolet Igniters: 2																																				
Control System	GE Speedtronic Mark V Gas Turbine Control System																																				
Generators	GE General Electric TEWAC air cooled Generator <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Manufacturer</td> <td>General Electric</td> </tr> <tr> <td>Phase</td> <td>Three (3)</td> </tr> <tr> <td>WYE Connected</td> <td></td> </tr> <tr> <td>Type</td> <td>TEWAC air cooled Generator</td> </tr> <tr> <td>Series Number</td> <td>446XO53</td> </tr> <tr> <td>Year of Manufacture</td> <td>1997</td> </tr> <tr> <td>Apparent Power</td> <td>50,247-BASE</td> </tr> <tr> <td>52,000 PEAK kVA</td> <td></td> </tr> <tr> <td>Armature Voltage</td> <td>13,800 V</td> </tr> <tr> <td>Armature Current</td> <td>2102-BASE</td> </tr> <tr> <td>2176- PEAK Amps</td> <td></td> </tr> <tr> <td>Field Amps</td> <td>838- BASE</td> </tr> <tr> <td>860- PEAK</td> <td></td> </tr> <tr> <td>Exciter Volts</td> <td>115- BASE</td> </tr> <tr> <td>115 - PEAK</td> <td></td> </tr> <tr> <td>Power Factor</td> <td>0.85 Cos</td> </tr> <tr> <td>Speed</td> <td>3,600 RPM</td> </tr> <tr> <td>Frequency</td> <td>60 Hz</td> </tr> </table>	Manufacturer	General Electric	Phase	Three (3)	WYE Connected		Type	TEWAC air cooled Generator	Series Number	446XO53	Year of Manufacture	1997	Apparent Power	50,247-BASE	52,000 PEAK kVA		Armature Voltage	13,800 V	Armature Current	2102-BASE	2176- PEAK Amps		Field Amps	838- BASE	860- PEAK		Exciter Volts	115- BASE	115 - PEAK		Power Factor	0.85 Cos	Speed	3,600 RPM	Frequency	60 Hz
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	<p style="text-align: center;">Total Temperature at Rating Guaranteed not to Exceed: 110 deg. C on Armature by Detector</p> <p style="text-align: center;">125 deg. C Field by Resistance Maximum Cold Gas /Air Temperature 40 deg. C</p> <p style="text-align: center;">Collector and Brush Data</p> <table border="0" style="width: 100%;"> <tr> <td style="width: 60%;">Collector Brushes</td> <td>28 per set /</td> </tr> <tr> <td>Recommended Grade, National Carbon 634</td> <td></td> </tr> <tr> <td>Collector Minimum Safe Operating Diameter</td> <td></td> </tr> <tr> <td>13.5 inches</td> <td></td> </tr> <tr> <td>Shaft Grounding Brushes</td> <td>2 per set /</td> </tr> <tr> <td>Recommended Grade, National Carbon 634</td> <td></td> </tr> <tr> <td colspan="2" style="text-align: center;">Gas Cooler Data</td> </tr> <tr> <td>Inlet Water Temperature</td> <td>36 deg. C /</td> </tr> <tr> <td>96.6 deg. F</td> <td></td> </tr> <tr> <td>Water Flow at Rated Load</td> <td>1225 gpm</td> </tr> <tr> <td>Head Loss Through Cooler</td> <td>36,738 cfm</td> </tr> <tr> <td>No Load Field Current</td> <td>306 amperes</td> </tr> </table>	Collector Brushes	28 per set /	Recommended Grade, National Carbon 634		Collector Minimum Safe Operating Diameter		13.5 inches		Shaft Grounding Brushes	2 per set /	Recommended Grade, National Carbon 634		Gas Cooler Data		Inlet Water Temperature	36 deg. C /	96.6 deg. F		Water Flow at Rated Load	1225 gpm	Head Loss Through Cooler	36,738 cfm	No Load Field Current	306 amperes												
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<p>Transformers</p>	<p>Manufacturer: Fortune Electric; MVA Rating: 44/59, Class: OA/FA, 13.8 kV / 34.5kV; Ynd1 Windings; off-load tap changer</p>  <p>The diagram shows a transformer nameplate with the following key information:</p> <ul style="list-style-type: none"> Transformer Type: TRANSFORMER, OIL IMMERSED CORE TYPE OUTDOOR USE, H.V. WITH NO VOLTAGE TAP CHANGER Rating: 44,000/59,000 KVA Voltages: H.V. 34,500 <, L.V. 13,800 Δ Amperes: OA 736, FA 987, OA 1,841, FA 2,468 Weight: CORE & WINDINGS 27,500 kg, TANK & FITTINGS 15,850 kg, OIL 13,500 L, TOTAL WEIGHT 55,500 kg Manufacturer: FORTUNE ELECTRIC CO., LTD TAIWAN, R.O.C.
<p>Heat Transfer Media/ Cooling</p>	<p>Air from the units' compressor section acts as a cooling medium for the combustion cans and as the hot gas for the power turbine.</p>
<p>Electricity</p>	<p>The units' generators produce electricity at 13,800 volts. The voltage is stepped up to 34,500 volts in main transformers (25 MVA and 30 MVA maximum rating) for transmission and distribution.</p>
<p>Water & Water Treatment</p>	<p>Deionized water from Cabras 1&2 is used to control NOX emissions turbines. Water is passed through a system of softeners, cation/anion exchangers, and reverse osmosis equipment. The deionized water is stored in a tank for injection into the turbine during operation. The unit has a smaller chemical-cation/anion exchanger system in addition to the Deionized water filtration from Cabras. The smaller system only runs when Piti 7 is used as a peaking unit.</p>
<p>Gas/Fuel</p>	<p>The unit burns Ultra Low Sulfur Diesel Fuel.</p>
<p>Fuel filter system</p>	<p>2 – Duplex towers consist of 2 layers 7 filters each layer, total filters per tower 14ea. 1 tower in service by means of selector valve. Online filter replacement by means of isolating tower and commuter valve for refilling.</p>
<p>Lubricating oil System Turbine/Gear/ Generator</p>	<p>Common Supply / 2500gallons / GEK- 28143 "Hydrocarbon Base Lubricating Oil Recommendation" System provides lubrication to Turbine bearings, Generator Bearing and Load Gear gears. Current oil in use Mobil DTE Light 32,</p>

Emergency Lube oil Pump	Submerge pump driven by 10HP, 1800rpm, 120vdc motor 250gpm, 34psig
Lube Oil Filter	System provides 5 micron filtration utilizing 3 layer of cartridge elements and 6 filters in each layer, Duplex system design for 1 tower to be in service.
Starting System	Motor (Diesel Engine) Detroit Diesel / 8V92TA / 660HP, 2200RPM Start time to FSNL: 16min.
Water Injection Skid	High pressure centrifugal water injection pump and motor skid assembly with VFD (Variable Frequency Drive unit) / Five micron Water Filter assembly single tower / Water actuated Stop valve with solenoid
Air Inlet System	Air Filter House consist of 288 filters / 2 types of filters from maker Donaldson 144ea. Cone type and 144ea. Cylindrical type
Turbine Casing Cooling	Turbine Exhaust Casing Cooling by means of 2 motor driven Centrifugal Blowers mounted external to the Turbine
Emergency Black Start Generator	Stand-by Emergency Diesel Generator Make: Cummins Engine No. 25222044 Model No. VTA-28G5
Raw Water Tank	2- Horizontal Tk 12,500 gallons each tank stacked on top of each other.
Demineralized Water Tank	2- Horizontal Tk 12,500 gallons each tank stacked on top of each other.

1.3. General History

Dededo, Macheche and Yigo CT Power plants in total make up 89 MW of total generating capacity of the peaking units for GPA’s Island Wide Power System. All three plants are located in the north, where historically, the larger portion of GPA’s demand comes from. The Combustion Turbine team consist of Assistant Plant Superintendent, Plant Maintenance Supervisor, Plant Instrument/Electrician Leader, Plant Maintenance Mechanic Leader, and various tradesmen consisting of the mechanical and instrumental/electrical trades.

The designs of these units require that fuel be purified prior to being consumed for operations. Centrifuge Systems are employed to meet these design requirements. Strict environmental protection laws such as the Clean Air Act require that a water injection system be employed to maintain emissions within the specified guidelines. Combustion Turbine Manufacturers’ design require that water for injection into the units must be filtered and treated to within specific requirements. Complex water de-mineralizing systems are part of each CT units auxiliary systems.

Smaller auxiliary systems are also part of the overall plant operational equipment list. Auxiliary Systems include air, water and oil cooling systems, fire-fighting systems, waste oil and water drain collecting systems, and Emergency/Black Start power systems.

Piti 7 CT Power Plant, located at the old Piti Power Plant site in the south of Guam, was originally installed in 1998 under a TEMES PMC contract until it was turned over in 2016.

Piti 7 as a rated capacity of 40MW, but is currently de-rated to 32MW due to high temperature exhaust alarms and leaks on the existing exhaust plenum. The leaks have been temporarily welded by the GPA Central Maintenance team, however, a new exhaust plenum is critical for the future operation of this plant. Piti 7 was also due for a major gas turbine overhaul in 2022. Due to major generation projects and Typhoon Mawar in May of 2023, the Piti 7 overhaul has been delayed until 2025.

After Typhoon Mawar in May 2023, an amendment to the current CT Power Plant PMC contract was issued to include Piti 7 and the Fast-Track Diesel Plants under the remaining term of the TEMES PMC Contract. This contract term concludes in February of 2026. Piti 7 currently has GPA staff assigned to operate and maintain the plant, while TEMES PMC assists with major capital improvement project procurement.

2. Site Description and Characteristics

2.1. General Location

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 Combustion Turbine Plants are located on the northern part of of Guam in Dededo, Macheche and Yigo, respectively. The Dededo CT Plant and Yigo CT plants are accessible through Route 1 Marine Drive. The Macheche CT Pant is along route 16 in Harmon, Guam, near the Dededo Soccer Field.

Piti 7 CT Power Plant is located at the old Piti Power Plant site in the south of Guam, near Cabras Island. It can be accessed via Route 1 Marine Drive going towards the Port of Guam.

2.3. Transmission Line Interface

The Dededo CT Power Plant is connected to Marbo Substation and Harmon Substation via 34.5kV overhead transmission lines, and to the Andersen Air Force Base in Yigo via a 34.5kV underground transmission line, allowing for possible electric service during storms, or quicker recovery during disaster restoration.

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.

Piti 7 is connected to switchyard adjacent to the plant via 34.5kV overhead transmission lines to the Piti substation.

2.4. Community

As of 2023, the island has a population of approximately 150,000 people excluding tourists. Before COVID, tourism, was the number one business of Guam, adding approximately 15,000 persons at any time to the island's total population. Since 2020, however, the tourism industry has yet to recover completely.

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. This build-up has also increased jobs in construction and major infrastructure development projects throughout the island, including housing, road expansions and new businesses.

PMC Employees are encouraged to support various community activities such as government-sponsored programs, parades.

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.

2.7. 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).

3. Technical Description

SUMMARY:

	Dededo CT 1	Dededo CT 2	Macheche	Yigo	Piti 7
Turbine					
Model:	MS5001	MS5001	LM2500 PE	LM2500 PE	Frame 6B
Type:	Heavy Duty Industrial	Heavy Duty Industrial	Aeroderivative	Aeroderivative	Heavy Duty Industrial
Manufacturer:	Nouvo Pignone (General Electric)	Nouvo Pignone (General Electric)	General Electric	General Electric	General Electric
Rating (kW):	23	22	22	22	40
Stages:	2	2	6	6	3
Speed (RPM):	5100	5100	3600	3600	5105
Generator					
Type:	Turbo Generator	Turbo Generator	Turbo Generator	Turbo Generator	Generator
Manufacturer:	Gec Alsthom	Gec Alsthom	Brush Electric Machines, Ltd	Brush Electric Machines, Ltd	GE TEWAC Air Cooled Generator
S/N:	412835	412820	61425A-56	61328A-16	446XO53
Frame:	3-phase, T174160	3-phase, T180-180	BDAX 7-167E, 3-phase	BDAX 7-167E, 3-phase	6
kVA Rating:	26200	26200	27359	20711	37000
Power Factor:	0.9	0.9	0.8	0.85	0.85
Rated Voltage, phase-to-phase (kV):	13.8	13.8	13.8	13.8	13.8
Rated Amperes (A):	1096	1096	1236	866	
Frequency (Hz):	60	60	60	60	60
Speed (RPM)	3600	3600	3600	3600	3600
Exciter	brushless type	brushless type	brushless type	brushless type	
Control System	Mark IV Speedtronic System	Mark IV Speedtronic System	Woodward Governor 501	Woodward Governor 501	Mark V Speedtronic

FUEL SUPPLY:

Name of Plant	Tank No.	Type	Nom. Dia. ft-in	Nom. Height / Length ft-in	Capacity per Tank		TOTAL CAPACITY (No. of Tanks x Capacity per tank x 80% Pumpable contents)		Full Load per Plant MW	Fuel Consumption per unit @ full load		No. of Plants/ Units	Total Fuel Consumption		Estimated Operating Time at Full Load		
					(barrels)	(gallons)	(barrels)	(gallons)		(bbls/hr)	(gals/hr)		(bbls/hr)	(gals/hr)	(Hrs.)	(Days)	
Dededo CT	Raw Tank Tk 110	Vert	33-00	26-00	3,943	165,613											
	Purified Tank Tk 120	Vert	33-00	26-00	3,943	165,613	6,309	264,981	22	54.76	2,300	2	110	4,600	57.6	2.4	
Macheche CT	Raw Tank Tk 110	Vert	24-11	23-11	2,081	87,406											
	Raw Tank Tk 120	Vert	24-11	23-11	2,081	87,406	4,174	175,317	22	40.29	1,692	1	40	1,692	103.62	4.3	
	Purified Tank Tk 130	Hor	10-00	39-04	528	22,167											
	Purified Tank Tk 140	Hor	10-00	39-04	528	22,167											
Yigo CT	Raw Tank Tk 110	Hor	12-00	35-00	695	29,190											
	Raw Tank Tk 120	Hor	12-00	35-00	695	29,190	1,955	82,096	22	40.29	1,692	1	40	1,692	48.52	2	
	Purified Tank Tk 130	Hor	10-00	39-05	527	22,120											
	Purified Tank Tk 140	Hor	10-00	39-05	527	22,120											
Piti 7	Day Tank Tk 500	Vert	31'-11-13/16"	23'-11-13/16"	3,214.90	135,026	2571.9	108,020	40	79	3,324	1	79	3,324	48	2	
	Service tk 1	100	Hor	8'-2-15/16"	36'-7-13/16"	331.995	13,944	265	11,155								
	Service tk 2	100	Hor	8'-2-15/16"	36'-7-13/16"	331.995	13,944	265	11,155								

3.1. Dededo CT Plant

3.1.1. Dededo CT Unit #1

	Generator Name Plate	
	Manufacturer	GEC ALSTHOM
Phase	Type	Three (3)
	Series Number	T174-160
	Year of Manufacture	412835
	Apparent Power	1990
	Rated Voltage	26,200 kVA
	Rated Current	13,800 V
	Power Factor	1,096 Amps
	Speed	0.9 Cos
	Frequency	3,600 RPM
	Class of Insulation	60 Hz
	Duty	F
	Excitation	Continuous
	Standard	158V 422 A
	Protection	ANSI C50-NEMA
		IP 51
	 STATOR	
	Number of Poles	2
	Number of Slots	84
	Number of Conductor per Slot	2
	Winding Pitch	0 to 34
	Voltage	13,800 V
	Current	1,096 A
	Cold Resistance per Phase	0.0122
	Ohm Number of Terminal Outputs	6
	Insulation Class	F
	Phase connection	Star
	Maximum temperature on probes	120°C
	Dielectric Test	28,600
	V/1min	
	 ROTOR	
	Number of Poles	2
	Number of Slots	24
	Excitation Voltage	158V
	Excitation Current	422 A
	Cold Resistance	0.260 Ohm
	Insulation Class	F
	Maximum temperature measured	
	by resistance variation	130°C
	Dielectric Tests	1,580 V/1min
	 EXCITER	
	Cold air temperature	44°C
	Cooling	Air
	Active Power	66.7 kW

Voltage	158 V
Current	422 Amps
Power factor	0.9
Frequency	240 Hz
Speed	3600 RPM
Air Flow Rate	1.15 m ³ /s
Losses to be dissipated	20 kW
Number of Diodes	10
Number of Phases	5
Short circuit torque	13,000
Nm Dielectric Test	
Armature	1,580 V/1min
Field	1,500 V/1min

3.1.2. Dededo CT Unit #2

Generator Name Plate	
Manufacturer	GEC ALSTHOM
Phase	Three (3)
Type	T180-180
Series Number	413249
Year of Manufacture	1992
Apparent Power	26,200 kVA
Rated Voltage	13,800 V
Rated Current	1,096 Amps
Power Factor	0.9 Cos
Speed	3,600 RPM
Frequency	60 Hz
Class of Insulation	F
Duty	Continuous
Excitation	169V 409 A
Standard	ANSI C50-NEMA
Protection	IP 55
STATOR	
Number of Poles	2
Number of Slots	78
Number of Conductor per Slot	2
Winding Pitch	32
Voltage	13,800 V
Current	1,096 A
Cold Resistance per Phase	0.00951
Ohm Number of Terminal Outputs	6
Insulation Class	F
Phase connection	
Star Maximum temperature measured by resistance variation	122°C
Dielectric Test	28,600 V/1min
Insulation resistance	>22Mohm 2,500

V/1min

ROTOR

Number of Poles	2
Number of Slots	24
Excitation Voltage	169V
Excitation Current	409 A
Cold Resistance	0.2812 Ohm
Insulation Class	F
Maximum temperature measured by resistance variation	130°C
Dielectric Tests	1,650 V/1min

EXCITER

Cold air temperature	44°C
Cooling	Air
Active Power	69.2 kW
Voltage	169 V
Current	409 Amps
Power factor	0.9
Frequency	240 Hz
Speed	3600 RPM
Air Flow Rate	1.15 m ³ /s
Losses to be dissipated	12.9 kW
Number of Diodes	10
Number of Phases	5
Short circuit torque	18,277
Nm Dielectric Test	
Armature	1,690 V/1min
Field	1,500 V/1min
Field winding insulation resistance	> 3 Mohm
500V/1min Armature winding resistance	> 3 Mohm 500V/1min

3.2. Macheche CT

GAS TURBINE ENGINE

Manufacturer & Model	General Electric, 7LM2500-PC-MD619
Serial Number	481-660
Approximate Weight Complete	4763 kg (10,500 lbs)
Normal Power Turbine RPM	3600 RPM (for 60 Hz)
Start System	Hydraulic, Variable Speed
Maximum Rate Gas Generator Speed	9500 RPM

AC GENERATOR

Manufacturer & Model	Brush Electric Machines, Ltd. BDAX 7-167E
Serial Number	
Voltage	13.8 kV
Frequency	60 Hz, 3-phase
Rotor Speed (or 60 Hz)	3600 RPM
Coupling	Zurn Model 22-9HH

TURBINE LUBE OIL SYSTEM (EXTERNAL TO TURBINE)

Lube Oil Reservoir Capacity	150 Gallons
Lube Oil Filter Rating	6 Microns
Scavenge Oil Filter Rating	6 Microns
Normal Scavenge Oil Pressure	25-85 PSIA
Normal Lube Oil Supply Pressure	25-75 PSIA
Lube Oil Specifications	MIL-L-23699

GENERATOR LUBE OIL SYSTEM

Lube Oil Reservoir Capacity	215 Gallons
Lube Oil Filter Rating	6 Microns
Auxiliary Lube Oil Pump Capacity	40 GPM at 1200 RPM
Two Rundown Tanks Capacity	16 gallons, each
Lube Oil Specifications	Shell Lowtherm 25, or equivalent

LIQUID FUEL SYSTEM

Fuel Required	Ultra Low Sulfur Diesel
Supply Requirements	39 GPM @ 900 PSIG filtered to 10 microns, absolute

LIQUID FUEL PUMP/DUPLEX FILTER SYSTEM

Supply Requirements	39 GPM @ 10-50 PSIG
Output	39 GPM @ 900 PSIG filtered to 10 microns

GASEOUS FUEL SYSTEM

Fuel Requirements	4800 SCFM, filtered to 3 microns
Supply Requirements	4800 SCFM, 250°F Maximum Temperature, 53-395 PSIG

WATER WASH SYSTEMS

OFF-LINE

Water Quality	Potable
Tank Capacity	25 gallons
Supply Requirement	15-65 PSIG
Air Required	Instrument Quality, 30 SCFM at 85-120 PSIG

ON-LINE

Water Quality	Potable
Tank Capacity	28.5 gallons
Supply Requirement	15-65 PSIG
Air Required	Instrument Quality, 85-120 PSIG

HYDRAULIC START SYSTEM

Hydraulic Reservoir Capacity	40 gallons
Hydraulic Filter Ratings	10 Microns
Charge Pump Rating	12 GPM at 350 PSI
Circulating Pump Rating (maximum)	56 GPM at 5200 PSIG
Starter Motor Rating	Variable Displacement, 0-6.53 CID
Hydraulic Fluid Specifications	MIL-H-17672/ISO-VG46

VENTILATION SYSTEM

Total Airflow	180,000 CFM
Turbine Intake	120,000 CFM
Turbine Compartment	30,000 CFM

Generator Compartment	30,000 CFM
Generator Compartment Fans Rating	16,000 CFM each
Turbine Compartment Fans Rating, 2 Fans	30,000 CFM each
Filter Media Efficiency (Fine)	99.7 %
Inertial Separator Efficiency (Coarse)	95 %

SKID AND COMPONENTS

Overall Unit Length	75 ft, 6 in
Overall Unit Width (including lineside and neutral cubicles)	19 ft, 7.5 in
Overall Unit Height (ground to top of upper air filter canopy)	30 ft., 6.25 in
Total Skid Weight	375,300 lbs
Filter Canopies (4400 lbs each)	38,800 lbs
Filter Enclosure Halves (Total for 2)	37,000 lbs
Airflow Transition Duct	5,600 lbs
Auxiliary Skid (Fuel Pump Skid)	35,000 lbs
Lineside and Neutral Cubicles, Total	5,000 lbs
Exhaust Vent, Generator Compartment	5,000 lbs
Generator	123,400 lbs
Main Skid (less 7 items above)	137,500 lbs

3.3. Yigo CT

GAS TURBINE ENGINE

Manufacturer & Model	General Electric, 7LM2500-PC-MD619
Serial Number	481-632
Approximate Weight Complete	4763 kg (10,500 lbs)
Normal Power Turbine RPM	3600 RPM (for 60 Hz)
Start System	Hydraulic, Variable Speed
Maximum Rate Gas Generator Speed	9500 RPM

AC GENERATOR

Manufacturer & Model	Brush Electric Machines, Ltd. BDAX 7-167E
Serial Number	
Voltage	13.8 kV
Frequency	60 Hz, 3-phase
Rotor Speed (or 60 Hz)	3600 RPM
Coupling	Zurn Model 22-9HH

TURBINE LUBE OIL SYSTEM (EXTERNAL TO TURBINE)

Lube Oil Reservoir Capacity	150 Gallons
Lube Oil Filter Rating	6 Microns
Scavenge Oil Filter Rating	6 Microns
Normal Scavenge Oil Pressure	25-85 PSIA
Normal Lube Oil Supply Pressure	25-75 PSIA
Lube Oil Specifications	MIL-L-23699

GENERATOR LUBE OIL SYSTEM

Lube Oil Reservoir Capacity	215 Gallons
Lube Oil Filter Rating	6 Microns
Auxiliary Lube Oil Pump Capacity	40 GPM at 1200 RPM
Two Rundown Tanks Capacity	16 gallons, each

Lube Oil Specifications	Shell Lowtherm 25, or equivalent
LIQUID FUEL SYSTEM	
Fuel Required	Ultra Low Sulfur Diesel
Supply Requirements	39 GPM @ 900 PSIG filtered to 10 microns, absolute
LIQUID FUEL DUPLEX FILTER	
Supply Requirements	39 GPM @ 900 PSIG filtered to 20 microns, absolute
Output	39 GPM @ 900 PSIG filtered to 5 microns, absolute
LIQUID FUEL PUMP/DUPLEX FILTER SYSTEM	
Supply Requirements	39 GPM @ 10-50 PSIG
Output	39 GPM @ 900 PSIG filtered to 10 microns
NO_x EMISSIONS, DEMINERALIZED WATER	
Supply Requirements	40 GPM @ 10-50 PSIG filtered to 20 microns absolute
Output	40 GPM @ 900 PSIG
WATER WASH SYSTEMS	
OFF-LINE	
Water Quality	Potable
Tank Capacity	25 gallons
Supply Requirement	15-65 PSIG
Air Required	Instrument Quality, 30 SCFM at 85-120 PSIG
ON-LINE	
Water Quality	Potable
Tank Capacity	28.5 gallons
Supply Requirement	15-65 PSIG
Air Required	Instrument Quality, 85-120 PSIG
HYDRAULIC START SYSTEM	
Hydraulic Reservoir Capacity	40 gallons
Hydraulic Filter Ratings	10 Microns
Charge Pump Rating	12 GPM at 350 PSI
Circulating Pump Rating (maximum)	56 GPM at 5200 PSIG
Starter Motor Rating	Variable Displacement, 0-6.53 CID
Hydraulic Fluid Specifications	MIL-H-17672/ISO-VG46
VENTILATION SYSTEM	
Total Airflow	180,000 CFM
Turbine Intake	120,000 CFM
Turbine Compartment	30,000 CFM
Generator Compartment	30,000 CFM
Generator Compartment Fans Rating	16,000 CFM each
Turbine Compartment Fans Rating, 2 Fans	30,000 CFM each
Filter Media Efficiency (Fine)	99.7 %
Inertial Separator Efficiency (Coarse)	95 %

MAIN SKID AND COMPONENTS

Overall Unit Length	75 ft, 6 in
Overall Unit Width (including lineside and neutral cubicles)	19 ft, 7.5 in
Overall Unit Height (ground to top of upper air filter canopy)	30 ft., 6.25 in
Total Skid Weight	375,300 lbs
Filter Canopies (4400 lbs each)	38,800 lbs
Filter Enclosure Halves (Total for 2)	37,000 lbs
Airflow Transition Duct	5,600 lbs
Auxiliary Skid (Fuel Pump Skid)	35,000 lbs
Lineside and Neutral Cubicles, Total	5,000 lbs
Exhaust Vent, Generator Compartment	5,000 lbs
Generator	123,400 lbs
Main Skid (less 7 items above)	137,500 lbs

3.4. Piti 7 CT Power Plant

Generator Name Plate

GE General Electric TEWAC air cooled Generator

Manufacturer	General Electric
Phase	Three (3) WYE Connected
Type	TEWAC air cooled Generator
Series Number	446XO53
Year of Manufacture	1997
Apparent Power	50,247-BASE 52,000 PEAK kVA
Armature Voltage	13,800 V
Armature Current	2102-BASE 2176- PEAK Amps
Field Amps	838- BASE 860- PEAK
Exciter Volts	115- BASE 115 - PEAK
Power Factor	0.85 Cos
Speed	3,600 RPM
Frequency	60 Hz
Class of Insulation	F

EXCITER

EX2000 Digital excitation system

Rotating rectifier excitation

Reactive current compensator

VAR/Power factor control

Brushless excitation system rated 98kw,125 volts, and 784 DC amperes

Exciter assembly:

- Rotating diode wheel including 12 diodes, 12 fuses, and field ground detector transmitter
- Rotating armature with class F insulation

Stationary exciter field assembly with class F insulation

TEMES PITI #7 Overhaul Record

Year	Duration	EOH	Overhaul Description	Replacement of Capital Parts	
2002	5/8 - 5/23		Generator Overhaul		
2003	5/15 - 5/30	18,000 hrs	HGPI	1st stage Nozzle	1
				TP Lower 5 EA	5
				Combustion Liner	10
2004	5/20 - 5/29	20,000 hrs	Combustion Inspection	TP	10
				Liner	10
2005	12/19 - 1/20	23,000 hrs	Major Overhaul + Generator Overhaul	1st stage Nozzle	1
2006				2nd stage Nozzle	1
				1st stage Bucket	1
				1st, 2nd, 3rd Shroud	1 set
				TP	10
				Combustion Liner	10
2007	1/28 - 2/1	25,000 hrs	Fuel Nozzle Cleaning		
	5/15 - 5/18		GCB Replacement		
	8/6 - 8/9		Diesel Engine Overhaul + Air Inlet Duct Replacement		
2008	1/3 - 1/14	27,000 hrs	CI + Exhaust Section Repair	TP	10
				Combustion Liner	10
2009	December		Aux. Equipment Overhaul		
2013	7/24 - 8/23	29,500 hrs	Major Overhaul + Generator Overhaul	1st stage Nozzle	1
				2nd Shroud	1 set
				TP	10
				Combustion Liner	10
2016	5/30 - 6/29	34,500 hrs	Major Overhaul	1st stage Nozzle	1
			(Load Coupling)	2nd stage Nozzle	1
					1st stage Bucket

				1st Shroud Block	1 set
				TP	10
				Combustion Liner	10
				Load Coupling	1

Note: CI: Combustion Inspection TP: Transition Piece HGPI:
 Hot Gas Path Inspection Liner: Combustion Liner

3.5. Electrical System

3.5.1. Main Transformers

The GPA Transmission and Distribution (T&D) division maintains transformers. The PMC will support all transformers with maintenance services and troubleshooting activities through the life of the PMC contract, in coordination with T&D.

4. Station Performance

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:

GHR – Gross Heat Rates

EAF – Equivalent Availability Factor

4.1. Heat Rate for all plants 2020-2024

FY 2024 Heat Rate (Gross Heat Rate, BTU/KWH)

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
DCT1	18052	16897	17456	17052	17189	16956	17078	17340	18112	18235	18693	17709
DCT2	18080	17556	18071	17429	18487	17933	17927	18170	20336	20920	21725	21235
MCT	12719	12650	12412	12382	12512	1234 3	1210 3	12046	11940	11915	12568	12463
Yigo CT	0	0	0	0	0	0	1210 3	13563	13598	12131	12049	12010
Piti 7	16265	16424	15671	15209	16530	16923	16157	16125	16576	16706	16711	15662

FY 2023 Heat Rate (Gross Heat Rate, BTU/KWH)

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
DCT1	17933	17365	18445	17782	17795	17403	16914	17849	16659	17788	17318	17414
DCT2	17760	17161	17968	17634	17384	17217	17055	18302	16791	17500	17295	17550
MCT	12648	13144	9523	13572	13696	12159	12408	12260	12203	12540	12348	12529
Yigo CT	11760	11981	11079	11914	11861	11728	11602	11566	0	0	0	0
Piti 7	14468	14974	15952	15352	15498	15038	14971	14992	16120	15629	15219	16116

FY 2022 Heat Rate (Gross Heat Rate, BTU/KWH)

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
DCT1	17102	17530	18328	17446	16389	17668	16776	16426	16993	17099	16790	16994
DCT2	16760	16560	16420	16558	16402	16701	16483	16221	16921	16970	16472	17052
MCT	12769	14428	13542	14282	12036	11922	12125	12221	13126	12624	12043	12336
Yigo CT	12035	11809	11581	11481	11221	11181	11155	11313	11757	11655	11491	11573
Piti 7	14317	14213	14805	15711	14603	14383	14449	14119	14348	14527	14432	14814

FY 2021 Heat Rate (Gross Heat Rate, BTU/KWH)

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
DCT1	21466	19945	18283	21445	19166	19556	17696	17562	17385	17618	17781	17787
DCT2	18868	19673	18926	21236	16595	19044	17615	17237	16715	17372	17280	17434
MCT	13375	13199	13030	13888	12917	12612	12247	11929	11906	11996	12263	12277
Yigo CT	12917	12799	12391	15697	12689	12637	11669	11677	0	0	11669	11673
Piti 7	16937	15784	15537	16455	16322	16672	15653	15255	14725	15111	15573	16172

5.

FY 2020 Heat Rate (Gross Heat Rate, BTU/KWH)

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
DCT1	21565	17294	0	0	22796	20581	0	18212	0	19438	0	19233
DCT2	18485	17389	17314	18619	0	19569	0	18348	0	18762	0	19228
MCT	12980	12395	12782	12892	13107	12928	13329	12811	13395	12874	13046	12913
Yigo CT	12627	12143	12599	16357	12979	12780	12945	12532	13172	12777	12943	12686
Piti 7	14978	14131	15158	12694	16814	16487	17280	15548	16380	15910	17532	15990

4.2 EAF for All Plants 2020-2024

Fiscal Year EAF, All Plants

EAF (%)	FY2020	FY2021	FY2022	FY2023	FY2024
DCT 1	80	94	95	90	93
DCT2	96	98	98	93	78
MCT	99	98	93	93	90
Yigo CT	93	66	96	64	36
Piti 7	74	55	65	72	51

FY 2024 EAF, All Plants

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
DCT 1	98.76	90.69	94.92	95.94	98.19	98.90	99.58	90	88.47	90	86.81	90
DCT 2	99.25	89.20	90	90	88.48	89.69	86.86	77.02	50.16	50.32	60.25	60
MCT	79.76	80.00	84.77	90	88.93	63.14	100	98.25	97.33	98.57	100	100
Yigo CT	0	0	0	0	0	0	18.55	79.44	79.38	52.38	97.28	99.92
PITI 7	54.54	37.04	72.85	51.4	25.96	50.86	57.50	57.50	57.50	57.50	19.30	69.69

FY 2023 EAF, All Plants

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
DCT 1	95	95	95	95	95	93.25	95	95	91.65	49.47	90	86.34
DCT 2	95	94.92	95	95	95	95	95	82.43	91.10	91.76	90	100
MCT	99.53	99.09	100	100	100	96.88	100	78.82	84.12	81.84	88.25	86.70
Yigo CT	100	96.95	94.37	98.4	97	100	100	76.91	0	0	0	0
PITI 7	75.03	82.38	65.99	81.89	82.50	78.59	77.50	77.50	74.79	63.57	56.97	52.30

FY 2022 EAF, All Plants

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
DCT 1	97.25	90.97	79.57	92.64	100	100	93.37	96.18	100	100	97.36	95
DCT 2	100	100	100	100	100	96.28	99.89	93.65	98.07	100	97.36	95
MCT	100	100	99.92	100	97.56	95.69	92.10	99.52	100	99.82	89.12	36.78
Yigo CT	87.16	91.90	99.32	99.9	100	100	93.62	99.79	83.98	91.40	99.35	100
PITI 7	48.11	82.50	77.80	65	65	63.27	65	66.14	68.32	70	69.14	41.22

FY 2021 EAF, All Plants

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
DCT 1	97.64	100	100	100	100	99.65	62.71	99.76	92.28	73.72	100	99.66
DCT 2	100	100	100	100	100	100	100	97.29	99.51	83.32	100	100
MCT	100	92.03	94.39	100	99.87	99.62	100	100	100	95.36	97.97	95.46
Yigo CT	99.45	94.94	98.48	100	88.25	56.91	99.55	44.68	0	0	11.38	98.07
PITI 7	70	70	69.56	68.81	51.69	47	28.32	45.44	62.50	62.05	58.99	21.44

FY 2020 EAF, All Plants

	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEPT
DCT 1	100	100	34.51	0	18.45	100	100	100	100	100	100	100
DCT 2	57.64	100	100	100	100	100	100	100	100	100	100	99.79
MCT	100	98.79	100	100	99.62	100	100	100	94.96	99.13	100	98.29
Yigo CT	36.10	95.76	100	96.87	100	99.44	100	93.82	99.75	100	100	92.26
PITI 7	74.84	75	75	75	72.63	73.08	75	75	85.61	70	70	69.31

5.0 Operations and Maintenance

5.1 Operational Characteristics

The Dededo CT Plant is de-rated to 12MW as of October 2024 due to need of Overhaul. Overhaul is scheduled for the end of September 2025.

Dededo CT 1 is de-rated to 18MW as of October 2024 due to need of Overhaul. Overhaul is scheduled for the end of September 2025.

The Macheche CT Plant is de-rated to 20 MW out of a rated capacity of 22MW.

The Yigo CT Plant is de-rated to 20 MW out of a rated capacity of 22MW.

Piti 7 is de-rated to 32MW out of 40MW rated capacity.

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, until retirement in 2026, 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 16 employees, with a Superintendent, 2 foremen, 5 welders and 2

Trainees and 1 temporary assignment from Transmission and Distribution.

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. 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)

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.

5.4. Current Plant Organization

The current GPA Employee CT Plant, Diesel Plant, and Central Maintenance Staffing can be seen in Schedule D.

5.4.1. Operations Department

Power Plant Operators

The Power Plant Operators 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 required and ensure the safe and reliable operation of the major and auxiliary equipment of the plant.

5.4.2. Maintenance Department

Plant Maintenance Mechanic

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.

Electrical Maintenance Employees

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.

Instrument & Control Maintenance Employees

The Instrument and Control (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.

6. Historic Spending

Historic Operation and Maintenance spending for the Combustion Turbine Plants are illustrated in the succeeding tables.

Table 6.1 Piti 7 Operations and Maintenance Expenses 2020-2024.

Sum of Invoice Amount	Fiscal Year					
PO Description	FY-20	FY-21	FY-22	FY-23	FY-24	Grand Total
Accessory Equipment		\$158,808	\$22,667	\$17,897	\$24,634	\$224,006
Accessory Equipment Maint.	\$4,397	\$4,085	\$10,494	\$7,340	\$8,165	\$34,481
Chemicals	\$56,745	\$44,709	\$40,458	\$20,295	\$35,092	\$197,299
Diesel Plant Parts		\$17,084	\$49,538	\$11,590		\$78,212
Gases			\$4,499	\$835	\$4,816	\$10,150
Lubrication	\$7,570		\$5,810		\$6,840	\$20,220
Office Supplies	\$496		\$3,395			\$3,891
Other Materials	\$31,797	\$24,195	\$20,294	\$5,952	\$11,674	\$93,912
Other Parts	\$33,527				\$888	\$34,415
Other Professional Services	\$210,000	\$246,860	\$210,000	\$35,000		\$701,860
Technical_Fees						
Tools					\$120	\$120
Grand Total	\$344,532	\$495,741	\$367,156	\$98,909	\$92,229	\$1,398,566

Table 6.2 Piti 7 Capital Improvement Projects Expenses 2020-2024.

Sum of Invoice Amount		Fiscal Year				
PO Description	Purchase Order#	FY-20	FY-21	FY-23	FY-24	Grand Total
Cabinet 30gal Flam Yel SC	28012	\$4,200				\$4,200
1ea Liquid Fuel Flow Divider	30817			\$26,000		\$26,000
Starting Engine Crank Shaft & Pulley	32773				\$218,887	\$218,887
Turbine Parts for Major Overhaul	32900					
Grand Total		\$4,200	\$264,705	\$26,000	\$218,887	\$513,792

6.3 CT Power Plants (Dededo CT1&2, Macheche,Yigo) O&M Expenses 2020-2024

Sum of Invoice Amount	Fiscal Year				
PO Description	FY-20	FY-21	FY-22	FY-23	Grand Total
Other Professional Services	\$696,815	\$1,532,338	\$1,646,797		\$3,875,950
PMC Routine O&M			\$885,285	\$449,455	\$1,334,740
Grand Total	\$696,815	\$1,532,338	\$2,532,083	\$449,455	\$5,210,691

6.4 CT Power Plants (Dededo CT1&2, Macheche,Yigo) Expenses CIP 2020-2024

Sum of Invoice Amount		Fiscal Year					
PO Description	Purchase Order#	FY-20	FY-21	FY-22	FY-23	FY-24	Grand Total
PMC Routine O&M	30786			\$41,453			\$41,453
	30787			\$43,244			\$43,244
	30941			\$225,141			\$225,141
	30957			\$217,832			\$217,832
	30962			\$357,616			\$357,616
	31330				\$449,455		\$449,455
DCT#1_Turbine Fuel Divider with Flow Sensor Upgrade	27812	\$25,937					\$25,937
YCT_NGR/CT Upgrade	28016	\$51,053					\$51,053
DCT Water Injection Pump/Gear Box/Coupling/Motor upgrade	28046	\$203,242					\$203,242
MCT Exhaust Gas Temp, Thermocouple Upgrade	28539		\$57,196				\$57,196
DCT#1_Ratchet Assembly	28543		\$37,169				\$37,169
MCT Instrument Air Compressor Skid Replacement	29112		\$53,942				\$53,942
YCT LM2500 Engine Exchange	29132		\$4,530,000				\$4,530,000
YCT LM2500 SAC Engine Exchange	29137		\$505,285				\$505,285
DCT#1 Atomizing Air Compressor Overhaul & Refurbishment	29215		\$63,635				\$63,635
DCT#1 Engine Room Exhaust Duct Upgrade	29257		\$193,463				\$193,463
YCT_Replace Works	29285		\$118,811				\$118,811
YCT_Generator Room Gas Turbine Air Intake & Exhaust Duct Upgrade	29286		\$165,283				\$165,283
YCT_MCC#3 & WTMCC#2 Upgrade	29795			\$137,953			\$137,953

YCT_Main Generator Overhaul	29869			\$918,095			\$918,095
YCT_Gire Engine Pump System Upgrade	29914			\$114,241			\$114,241
YCT_Vaccum Circuit Breaker Upgrade	29972			\$33,279			\$33,279
DCT#1_Fuel Bypass Valve	30759			\$84,727			\$84,727
DCT_Water Treatment Control System Upgrade	30801			\$98,589			\$98,589
Typhoon Mawar Damages	31913				\$124,976		\$124,976
Typhoon Mawar Emergency Repairs	32017					\$1,372,207	\$1,372,207
YCT_LM2500 Hot Section Eschange & Dry Combustor Rotable	32201					\$2,049,120	\$2,049,120
DCT#1&2_Turbine System Motor Center Upgrade	32359					\$265,438	\$265,438
Grand Total		\$280,231	\$5,724,784	\$2,272,170	\$574,430	\$3,686,765	\$12,538,381

SCHEDULE B

**Fuel Supply Specifications and
Arrangements**

Recommended CIPs/PIPs for Contract Year 2026-2030

Item No	site	DESCRIPTION	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030	JUSTIFICATION
1	DCT	DCT Frame5 Turbine purchases of Instrument key parts	150,000.00		150,000.00		150,000.00	The Unit type (FRAME5)and had aged KEY components and they will out of service by original vendor, so they needs to replace for the new one that will be including spare parts . Upgrade to new type so we will to get that for keep unit running stable in the future.
2	DCT	DCT#1 /#2 TRICONIX SYSTEM OVERHAUL and operation HMI PC, engineer SERVER upgrade Schneider control systems recently installed in year 2017	200,000.00					The Schneider control system recently installed in year 2017, the operation personal computer and engineer server that should be expired their lifetime, they should be overhaul to exchange major assemblies or change whole sets of the server to extend availability lifetime of the control system.
3	DCT1	DCT 1 exhaust duct internal insulation repair		95,000.00				The internal insulation material in the exhaust duct has been severely eroded, resulting
4	DCT1	Replacement of air intake filter cotton group		60,000.00		60,000.00		Must be replaced after two years of use.
5	DCT1	DCT-1 Main Generator major overhaul		850,000.00				The main generator has been operated over 25 years, it should be carried on a major overhaul including overhaul inspections, repairs, and parts replacement base on operation and maintenance manual.
6	DCT1	DCT-1 125VDC battery system upgrade			90,000.00			Batteries have been in operation for more than 12 years at end of 2028. The expected life time on DDM battery is 10 to 15 years base on operation and maintenance manual.
7	DCT 1	DCT 1 Frame5 Turbine Major Inspection (MI)				7,000,000.00		The estimated operating time will reach the hour limit specified in the maintenance manual.
8	DCT2	DCT 2 exhaust duct internal insulation repair		95,000.00				The internal insulation material in the exhaust duct has been severely eroded, resulting in reduced thermal insulation effectiveness.
9	DCT2	Dededo Combustion Turbine Unit 2 Exhaust Duct (Engine Room) Upgrade		300,000.00				The exterior paint of the smokestack is severely damaged and needs to be repainted to prevent rust and corrosion of the smokestack's metal body.
10	DCT2	Replacement of air intake filter cotton group		60,000.00		60,000.00		Must be replaced after two years of use.
11	DCT	DCT#1,#2 water injection system upgrade			150,000.00			The DCT water injection Unit had aged KEY components and they will out of service by original vendor, so they needs to replace for the new one that will be including spare parts .Upgrade to new type so we will to get that for keep unit running stable in the future.
12	DCT 2	DCT-2 125VDC battery system upgrade			90,000.00			Batteries have been in operation for more than 12 years at end of 2028. The expected life time on DDM battery is 10 to 15 years base on operation
13	DCT 2	DCT-2 Main Generator minor overhaul			400,000.00			The main generator has been operated over 10 years since last overhaul in 2018. It should be carried on a minor overhaul including minor overhaul inspections, repairs, and parts replacement base on operation and maintenance manual.
14	DCT2	DCT 2 Frame5 Turbine Major Inspection (MI)				7,000,000.00		The estimated operating time will reach the hour limit specified in the maintenance manual.
15	DCT 2	DCT-2 13.8KV switchgear panel and 480V PCP panel upgrade					450,000.00	The critical components "circuit breaker" of switchgear panel are obsolete and no spare parts in storage at CT.
16	MCT	MCT RO & EDI system Carbon filter tank renew	50,000.00					The equipment is old, resulting in decreased efficiency and functionality.
17	MCT	Insulation of the MCT turbine body.	65,000.00					The insulation material has deteriorated and is damaged, resulting in reduced thermal insulation effectiveness.

Recommended CIPs/PIPs for Contract Year 2026-2030

Item No	site	DESCRIPTION	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030	JUSTIFICATION
18	MCT	Replacement of air intake filter cotton group	60,000.00		60,000.00		60,000.00	Must be replaced after two years of use.
19	MCT	Replace MCT Control system with new upgrade control system for LM 2500 and integrated SSCP,AVR,TCP,GCP,VMS,BOP control system and remote control capability from other site.	900,000.00					Replace Legacy Control system (Woodward 501) with new upgrade control system as the system is over 30 years old and control cards/ parts are no longer supported by GE and Woodward. This project will improve the turbine and generator high-performance speed control (droop) and additions of automatic frequency control (isochronous) and remote control. The integrated control systems with HMI will use the network for transfer control data. Additionally, the SSCP, AVR, BOP and VMS systems and components require replacements with upgraded parts and will be integrated with the numerical control system for compatibility with the new TCP and GCP control systems of LM2500. The MCT remote control capability is included in this project.
20	MCT	MCT Black Start control system and power panel upgrade	220,000.00					The critical components of Black Start Diesel Generator are obsolete including the control PLC and main circuit breaker. Currently, there are some difficulties in starting, the instability of the hydraulic speed governor and PLC control, also main circuit breaker failure on remote operation. Therefore, the Black Start Diesel Generator must be upgraded and restore to
21	MCT	MCT FACP PANEL UPGRADE	150,000.00					MCT FACP panel malfunction and the components are obsolete on the market, for power plant safety, it needs to upgrade as soon as possible.
22	MCT	MCT exhaust duct repair and paint		95,000.00				The internal insulation material in the exhaust duct has been severely eroded, resulting in reduced
23	MCT & YCT	MCT,YCT LM2500 CO2 firefighting system upgrade		260,000.00				MCT, YCT CO2 system control panel is old and components are obsolete on the market, so the system need to upgrade to keep it can service in ability.
24	MCT & YCT	YCT,MCT LM2500 Turbine purchases of Instrument key parts		200,000.00		200,000.00		The Unit type (LM2500)and had aged KEY components and they will out of service by original vendor, so they needs to replace for the new one that will be including spare parts . Upgrade to new type so we will to get that for keep unit running stable in the future.
25	MCT	MCT Expansion joint update			45,000.00			There is minor damage, and the material has deteriorated.
26	MCT	MCT Main Generator minor overhaul				400,000.00		The main generator has been operated over 10 years since last overhaul in 2018. It should be carried on a minor overhaul including minor overhaul inspections, repairs, and parts replacement base on operation and maintenance manual.
27	MCT	MCT turbine exchange					6,000,000.00	The estimated operating time will reach the hour limit specified in the maintenance manual.
28	YCT	YCT RO & EDI system Carbon filter tank renew	50,000.00					The equipment is old, resulting in decreased efficiency and functionality.
29	YCT	YCT exhaust duct repair and paint	95,000.00					The internal insulation material in the exhaust duct has been severely eroded, resulting in reduced
30	YCT	Insulation of the YCT turbine body.	65,000.00					The insulation material has deteriorated and is damaged, resulting in reduced thermal insulation effectiveness.
31	YCT	YCT Make a turbine generator roof	95,000.00					Long-term roof leaks can cause damage to the unit.
32	YCT	Replacement of air intake filter cotton group	60,000.00		60,000.00		60,000.00	Must be replaced after two years of use.

Recommended CIPs/PIPs for Contract Year 2026-2030

Item No	site	DESCRIPTION	CY 2026	CY 2027	CY 2028	CY 2029	CY 2030	JUSTIFICATION
33	YCT	YCT Hot section					2,700,000.00	The estimated operating time will reach the hour limit specified in the maintenance manual.
		TOTAL CIPs/PIPs BUDGET	1,810,000.00	2,015,000.00	895,000.00	14,720,000.00	9,270,000.00	

SCHEDULE C

**Fuel Supply Specifications and
Arrangements**

GPA ULTRA-LOW SULFUR DIESEL FUEL SPECIFICATIONS

PRODUCT QUALITY SPECIFICATION: DIESEL FUEL Oil No. 2 ^A

Property	ASTM Test Method ^B	Alternate Method ASTM	Unit of Measure	Limits
Flash Point	D93		°C	52 Min
Water & Sediment	D2709		% vol	0.05 Max
Distillation Temp, °C 90%, recovered	D86		°C	280 Min 360 Max
Kinematic Viscosity	D-445		mm ² at 40°C	1.9 Min 4.1 Max
Ash	D482		% mass	0.01 Max
Sulfur	D5453	D-7039	ppm (µg/g)	15 Max
Copper Strip Corrosion Rating (3hrs min at 50°C)	D130			No.1 Max
Cetane Index	D 613	D976-80 D 4737		46 Min
Total Aromatic Hydrocarbons	D1319	IP391	% mass	15 Min 35 Max
Micro Carbon Residue on 10% distillation residue	D189	D524 D6371 D4530	% mass	0.20 Max
Lubricity, HFRR @ 60°C	D6079		Micron	460 Max
Conductivity	D2624	D4308	pS/m	25 Min
Density @ 15°C	D4052	D1298	Kg/m ³	820 Min 850 Max
Gravity, API @ 60°F	D1298	D4052		35 Min 41 Max
Color	D1500	D6045	ASTM	2.0 Max
Strong Acid No.	D974		mg KOH/g	NIL
Total Acid No.	D974		mg KOH/g	0.5 Max
Stability (Oxidation), 16Hrs	D2274		mg/L	25 Max
Appearance @ ambient temp ^C	Visual			Report
Guaranteed Heating Value (HHV)	D240		MMBTU/bbl	5.70 Min

^A Follows the minimum requirements for **Ultra-Low Diesel Fuel Oils (ULSD)** listed under ASTM 975-10.

^B These test methods are specified in 40CFR Part 80. Test methods must follow the latest version.

^C Appearance must be clear and bright at ambient temperature and free from water and particulates.

FUEL SUPPLY ARRANGEMENTS

Delivery

GPA and CONTRACTOR will liaise to prepare weekly fuel schedules showing anticipated times and quantities of fuel to be utilized by the Plant. GPA shall be responsible for ensuring the availability of fuel supplies, including funding and payments.

The CONTRACTOR and plant staff shall comply with requirements set forth in the Diesel Fuel Supply Contract and related SOPs. The CONTRACTOR and GPA Assistant Plant Superintendent shall ensure that the plant has adequate fuel supply daily, and shall follow the fuel supply request procedures discussed with the Diesel Fuel Suppliers.

Delivery requests may be made between 7:00 AM to 5:00 PM daily including weekends and holidays. Fuel deliveries will be on an as needed / on call basis and may be available daily including weekends and holidays except during receiving of bulk fuel shipments by pipeline transfer at the supply source. Changes to these procedures shall be coordinated by GPA, the CONTRACTOR and the Fuel Suppliers ahead of time.

All fuel will be delivered to the designated plant sites. Title and custody to the fuel shall pass from GPA to the CONTRACTOR when:

- a) the fuel oil has passed the GPA pipeline flange connection to the first flange of the CONTRACTOR storage tank receiving pipeline, if delivery is via pipeline transfer; or
- b) the fuel oil has passed the fuel supplier tanker truck hose connection to the first flange of the CONTRACTOR storage tank receiving pipeline, if delivery via road tankers.

Fuel Oil Storage

The CONTRACTOR shall ensure that CONTRACTOR fuel storage facility has sufficient capacity (excluding deadstock) to sustain continuous operation at maximum consumption without refueling for at least five (5) consecutive days.

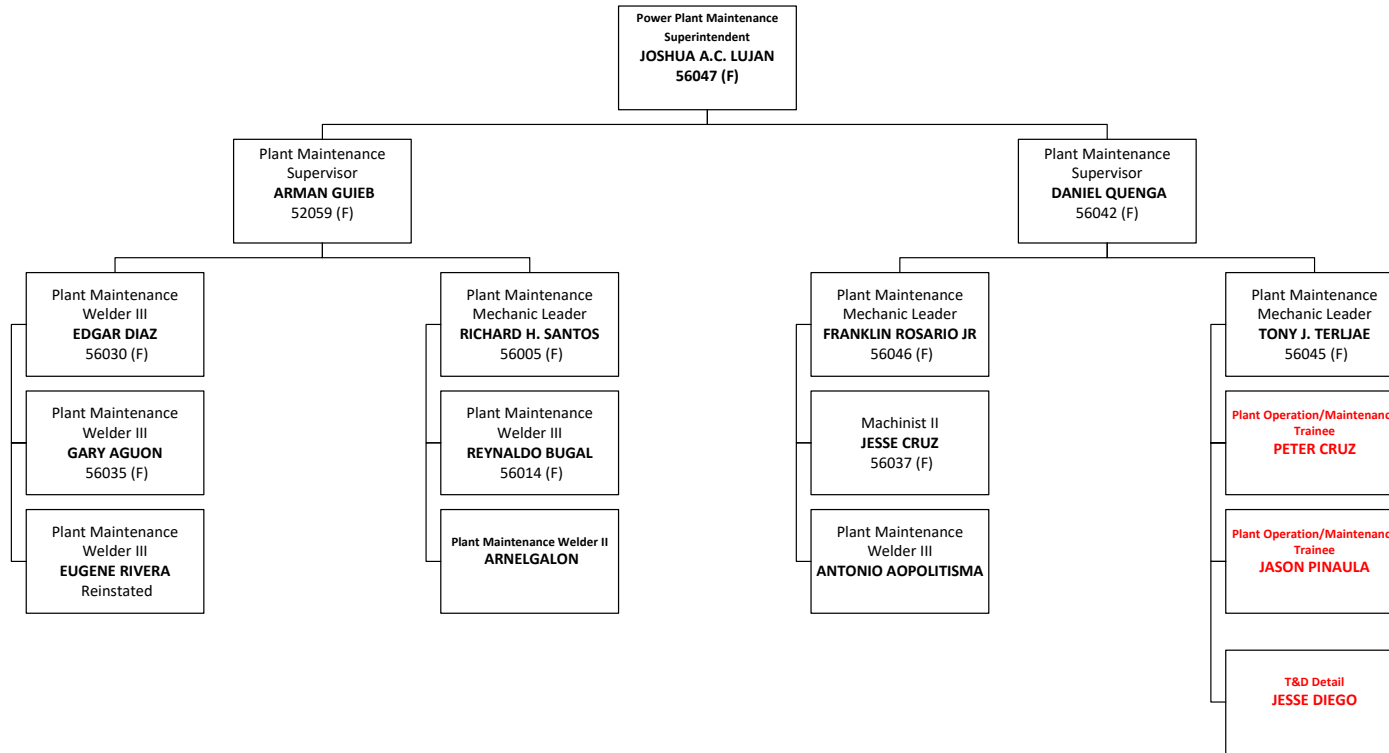
The CONTRACTOR shall direct Plant Staff to comply with standard operating procedures to ensure that fuel inventory is handled in accordance with operating and regulatory requirements. One of the critical tasks is ensuring that water is drained regularly.

CONTRACTOR shall calibrate the fuel tanks in an approved manner.

Testing	Upon each delivery of fuel to and, from time to time thereafter, a suitable sample shall be taken and analyzed by the CONTRACTOR from the storage tank to ensure that it meets the specifications as shown above. Oil sampling and testing for quality by shall be performed by an independent third party surveyor and laboratory and results shall be reported to CONTRACTOR and GPA.
Metering	CONTRACTOR shall install a fuel meter at the CONTRACTOR storage tank, configured in manner that will allow on-site calibration. Meters shall be calibrated by CONTRACTOR and tested every six months under the CONTRACTOR Routine O&M Spending Budget by a third party agreed between CONTRACTOR and GPA.
Variation in rate Of delivery	CONTRACTOR and GPA will liaise in estimating the fuel required to comply with GPA's annual, monthly and weekly systems operating plans.
Security	CONTRACTOR 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)	<ol style="list-style-type: none"> <li data-bbox="521 1157 1433 1230">1. CONTRACTOR shall be responsible for the preparation of SPCC plan for the facility for EPA and GPA's approval. <li data-bbox="521 1230 1433 1299">2. CONTRACTOR shall be responsible for the full compliance of the Facility SPCC plan.
Best Management Plan (BMP)	CONTRACTOR shall be responsible for the preparation of the Facility BMP plan for EPA and GPA's approval, including full compliance with the plan.

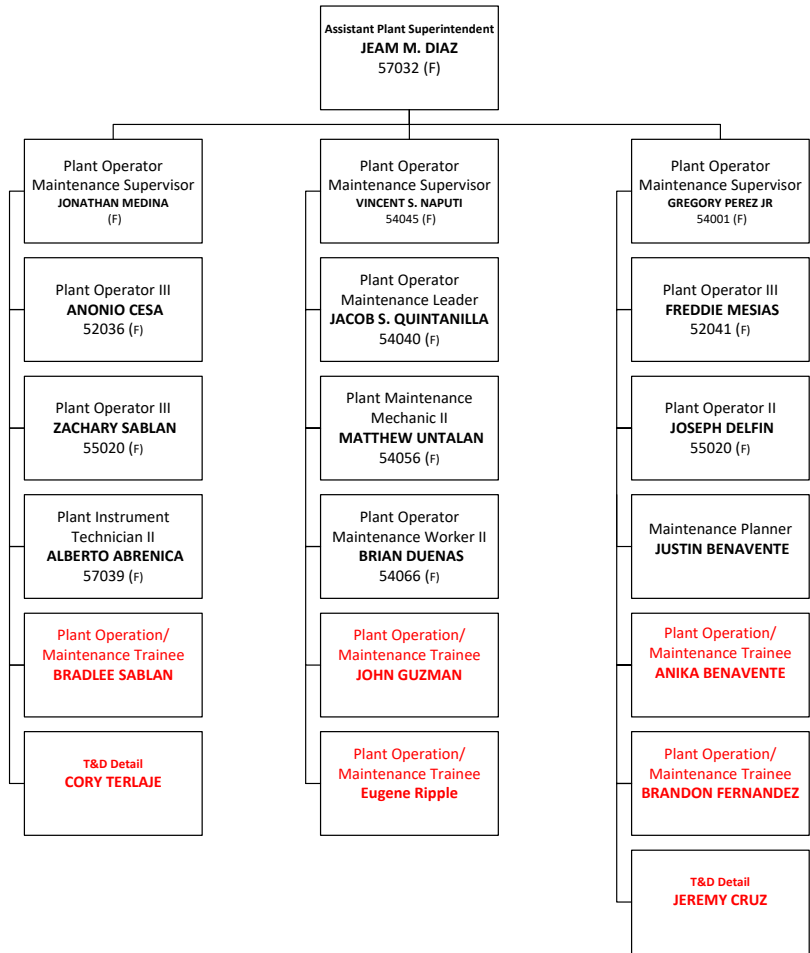
CENTRAL MAINTENANCE

Central Maintenance
16 Personnel

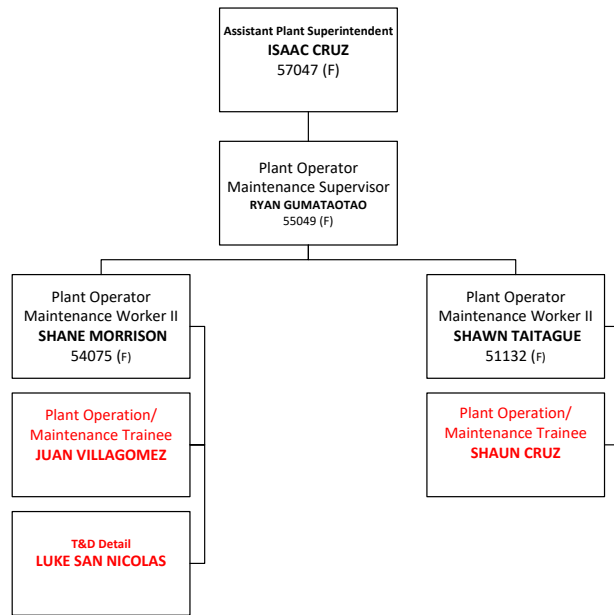


COMBUSTION TURBINE

**Combustion Turbine
20 Personnel**

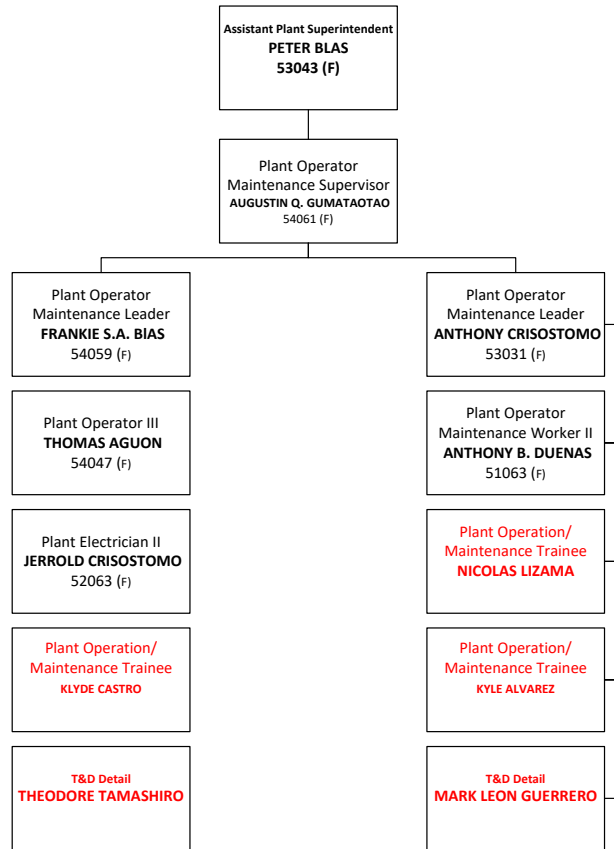


PITI #7



**Piti #7
7 Personnel**

TENJO (DIESELS)



Tenjo (Diesels)
12 Personnel

SCHEDULE E

Plant Inventory

SCHEDULE G

**Environmental Compliance for
CT Power Plants**

The list below are the continuing obligations at the Combustion Turbine Power Plants to ensure compliance with environmental regulations.

Table 1: CONTINUING OBLIGATIONS

REQUIREMENT/PERMIT	CURRENT STATUS	ACTION REQUIRED FROM PMC
Title V Permit	2009 Permit remains in effect until Guam EPA Issues a new permit	Submit various data as summarized in Compliance requirements
NPDES Permit	N/A	
SPCC		Submit various data and perform regular tasks as summarized in Compliance requirements
BMP	N/A	
FRP	N/A	
GHG Reporting	Annual report being submitted regularly by P&R	Required Data already part of other data submitted to P&R (ie monthly fuel consumption)
Tier II		Submit various data as summarized in Compliance requirements
TRI		Submit various data as summarized in Compliance requirements

****MOST ITEMS IN TABLE BELOW IS NOT APPLICABLE TO CT'S. SEE INDIVIDUAL COMPLIANCE SUMMARIES AND TABLE ABOVE.**

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 <u>N/A</u>	In compliance	- Provide data/info to P&R - provide support for Fuel switching system when needed
NPDES Permit <u>N/A</u>	US EPA sent GPA Final Draft on Nov. 7, 2019. Issuance still on hold pending CZMA consistency determination 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 <u>N/A</u>	In compliance	Comply with Inspection Report recommendations from P&R
Facility Response Plan (referenced in SPCC inspection) <u>N/A</u>	In compliance	Comply with Inspection Report recommendations from P&R
GHG Reporting	In compliance	Provide data/info to P&R
EGU MACT <u>N/A</u>	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

Environmental Compliance Requirements

Requirement	Citation Source	Definition
Air Quality		
Air Quality Permit: Title V Renewable Operating Permit	Air Pollution Control Permit GEPA Permit No.	Establishes ambient and source emission standards and permit requirements for conventional and hazardous air pollutants.
Greenhouse Gas Reporting Program (GHGRP)	40 CFR Part 98	The GHGRP requires reporting of greenhouse gas (GHG) data and other relevant information from large GHG emission sources, fuel and industrial gas suppliers, and CO2 injection sites in the United States.
Water Quality		
Spill Prevention Control and Countermeasure	40 CFR 112.7 to 112.8	The Spill Prevention, Control, and Countermeasure (SPCC) rule includes requirements for oil spill prevention, preparedness, and response to prevent oil discharges to navigable waters and adjoining shorelines. The rule requires specific facilities to prepare, amend, and implement SPCC Plans.
Waste Management		
Resource Conservation and Recovery Act (RCRA)	40 CFR Parts 240-299	Establishes regulations and permit requirements for hazardous waste management.
Toxic Substance Control Act (TSCA)	40 CFR Parts 700-799	Regulates the use, development, manufacture, distribution and disposal of chemicals. Certain chemicals [such a polychlorinated biphenyls (PCBs)] are subject to specific management standards.
Others		
Emergency Planning and Community Right-To-Know Act (EPCRA)	Section 313 TRI	Requires facilities to report releases of 794 (as of 2023) designated toxic chemicals into the environment. TRI Chemicals are those that may cause cancer or other chronic human health effects, significant adverse acute human health effects, and/or significant adverse environmental effects.
	Section 312 TIER 2	Facilities covered by EPCRA requirements must submit an Emergency and Hazardous Chemical Inventory Form to the Local Emergency Planning Committee (LEPC), the State Emergency Response Commission (SERC), and the local fire department annually.

**I. Title V Air Permit Monitoring and Reporting Conditions
Dededo CT Power Plant
Permit No. FO-003**

1. OPERATIONAL REQUIREMENT

- Record log of the date and nature of all inspections & maintenance activities performed at the facility.
- Hours of operation for Units CT 1 and CT 2 shall not exceed 7,760 hours per year of full load operation and 1,000 hours per year of part load (less 80% of the rated capacity) operation.

2. EMISSIONS MONITORING REQUIRMENTS

- Annual Emission Testing for SO₂, NO_x, CO, UHC, PM₁₀ and Opacity
 - EMISSION LIMITS

EMISSIONS	LIMITS
SO ₂	218 lbs/hr @ 100% load
NO _x	83 lbs/hr @ 100% load
	49 lbs/hr @ 50% load
	59 ppmdv
CO	25 ppmdv @ 100% load
	170 ppmdv @ 50%
	21 lbs/hr @ 100% load
	86 lbs/hr @ 50% load
Volatile Organic Compound (VOC)	4 lbs/hr @ 100% load
	14 lbs/hr @ 50% load
PM 10	19.8 lbs/hr

Opacity	10%
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- **Fuel Sulfur Content:** Shall not exceed 0.5% by weight
- **Water injection** water to fuel ratio shall be at least 0.63 at 50% load and at least 0.0.59 at 100% load. Minimum ratio between 50% - 100% shall not be less than 0.59. **Water injection system shall be in service whenever the CT is in operation**
- Water to Fuel Ratio monitoring system must always be calibrated and maintained.
- Weekly Opacity reading for CT Generator
- Periodic Opacity reading for blackstart generator. Conduct every 3 months if unit runs more than 50 hours

3. REPORTING REQUIREMENTS FOR SUBMISSION TO PLANNING AND REGULATORY

- Monthly Log of the date and nature of all inspections and maintenance activities
- Monthly Fuel Consumption
- Monthly Ratio of water and fuel being fired
- Monthly Hours of operation
- Date and time the water to fuel ratio falls the minimum level required - Monthly
- Notify P & R within 24 hours by phone in the event of excess emissions or malfunction of the CT
- Notify P & R within 24 hours by phone on any release of NOX, SO2 or PM above the acceptable limits

II. Spill Prevention Control and Countermeasure (SPCC) Plan

1. Conduct SPCC inspections during daily operations or weekly and report discrepancies to the Supervisor and conduct corrective measures.

2. Conduct weekly SPCC briefing
3. Conduct tank integrity testing API 653 for the 150,000 gallon Raw Diesel and Clean Diesel Tanks.

III. Emergency Planning Community Right to Know Act (EPCRA)

1. Submit Monthly Fuel Storage Inventory
2. Submit Chemical Storage Inventory
3. Submit Safety Data Sheet (Periodically)
4. Number of employees and work hours in a year

IV. Resource Conservation and Recovery Act (RCRA)

Regularly inspect and maintain the storage and inventory of regulated wastes. Reports to P & R for the disposal of regulated wastes such as

1. Regulated Waste Storage and Disposal

- Solvent, paints, thinners, and other hazardous chemicals
- Drums containing oil contaminated pads, booms and rags
- Contaminated soil, sludge from fuel (DFO#2, transformer oil and lubricants oils and other related contaminated waste)

2. Universal Wastes Storage and Disposal

- Mercury containing light bulbs
- Oil containing ballasts
- Used Batteries

3. Used/Waste Oil Handling Disposal for Energy Recovery

V. **Title V Air Permit Monitoring and Reporting Conditions**
Macheche CT Power Plant
Permit No. FO-004

4. OPERATIONAL REQUIREMENT

- Record log of the date and nature of all inspections & maintenance activities performed at the facility
- Fuel consumption (shall not exceed 7,140,000 gallons per year) or; Hours of operation (shall not exceed 4,280 full load hours per year)

5. EMISSIONS MONITORING REQUIRMENTS

- Annual Emission Testing for SO₂, NO_x, CO, UHC, PM₁₀ and Opacity
 - EMISSION LIMITS

EMISSIONS	LIMITS
SO ₂	125 lbs/hr @ 100% load
NO _x	55 lbs/hr @ 100% load and
	59 ppmdv @ 15% O ₂
CO	21.8 lb/hr
Unburned Hydrocarbons (UHC)	4.0 lb/hr @ 50% load
PM 10	20 lb/hr
Opacity	10%

- **Fuel Sulfur Content:** Shall not exceed 0.5% by weight
- **NO_x Control:** Water injection water to fuel ratio shall be at least 0.73 at 30% load and atleast 0.82 at 100% load. Minimum ratio between 30% - 100% shall not be less than 0.73. **Water injection system shall be in service whenever the CT is in operation**

- Water to Fuel Ratio monitoring system must always be calibrated and maintained.
- Weekly Opacity reading for CT Generator
- Periodic Opacity reading for blackstart generator. Conduct every 3 months if unit runs more than 50 hours

6. REPORTING REQUIREMENTS FOR SUBMISSION TO PLANNING AND REGULATORY

- Monthly Log of the date and nature of all inspections and maintenance activities
- Monthly Fuel Consumption
- Monthly Ratio of water and fuel being fired
- Monthly Hours of operation
- Date and time the water to fuel ratio falls the minimum level required - Monthly
- Notify P & R within 24 hours by phone in the event of excess emissions or malfunction of the CT
- Notify P & R within 24 hours by phone on any release of NOX, SO2 or PM above the acceptable limits

VI. Spill Prevention Control and Countermeasure (SPCC) Plan

4. Conduct SPCC inspections during daily operations or weekly and report discrepancies to the Supervisor and conduct corrective measures.
5. Conduct weekly SPCC briefing
6. Conduct STI SP-001 integrity testing for fuel tanks 130 and 140
7. Conduct API 653 integrity testing for fuel tanks 110 and 120

VII. Emergency Planning Community Right to Know Act (EPCRA)

5. Submit Monthly Fuel Storage Inventory
6. Submit Chemical Storage Inventory
7. Submit Safety Data Sheet (Periodically)
8. Number employees and work hours in a year

VIII. Resource Conservation and Recovery Act (RCRA)

Regularly inspect and maintain the storage and inventory of regulated wastes. Reports to P & R for the disposal of regulated wastes such as

4. Regulated Waste Storage and Disposal

- Solvent, paints, thinners, and other hazardous chemicals
- Drums containing oil contaminated pads, booms and rags
- Contaminated soil, sludge from fuel (DFO#2, transformer oil and lubricants oils and other related contaminated waste)

5. Universal Wastes Storage and Disposal

- Mercury containing light bulbs
- Oil containing ballasts
- Used Batteries

6. Used/Waste Oil Handling Disposal for Energy Recovery

**IX. Title V Air Permit Monitoring and Reporting Conditions
Piti #7 Power Plant
Permit No. 02-MAJFOPP0329.12**

7. OPERATIONAL REQUIREMENT

- Record log of the date and nature of all inspections & maintenance activities performed at the facility.
- Hours of operation for Unit Piti #7 shall not exceed 6,273 hours per year of full load operation.

8. EMISSIONS MONITORING REQUIREMENTS

- Annual Emission Testing for SO₂, NO_x, CO, UHC, PM₁₀ and Opacity
 - EMISSION LIMITS

EMISSIONS	LIMITS
SO ₂	229 lbs/hr
NO _x	73 lbs/hr
CO	8.8 lbs/hr
Unburned Hydrocarbons (UHC)	4.4 lbs/hr
PM 10	18 lbs/hr
Opacity	20%

- **Fuel Sulfur Content:** Shall not exceed 0.5% by weight

- **Water injection** the water-to-fuel ratio shall not fall below the levels listed in the table below:

Operating Load (MW)	Water-to-Fuel Ratio
15 to 19	0.4
20 to 24	0.5
25 to 29	0.6
30 to 32	0.7
33 to 39 (base load)	0.8
40 (peak load)	1.0

Water injection shall be used whenever the combustion turbine (Unit Piti #7) is in operation to control NO_x emissions.

- Water to Fuel Ratio monitoring system must always be calibrated and maintained.
- Weekly Opacity reading for Unit Generator
- Periodic Opacity reading for black start generator. Conduct every 3 months if unit runs more than 50 hours

9. REPORTING REQUIREMENTS FOR SUBMISSION TO PLANNING AND REGULATORY

- Monthly Log of the date and nature of all inspections and maintenance activities
- Monthly Fuel Consumption
- Monthly Ratio of water and fuel being fired
- Monthly Hours of operation
- Date and time the water to fuel ratio falls the minimum level required - Monthly
- Notify P & R within 24 hours by phone in the event of excess emissions or malfunction of the CT
- Notify P & R within 24 hours by phone on any release of NOX, SO2 or PM above the acceptable limits

X. Spill Prevention Control and Countermeasure (SPCC) Plan

8. Conduct SPCC inspections during daily operations or weekly and report discrepancies to the Supervisor and conduct corrective measures.
9. Conduct weekly SPCC briefing
10. Conduct tank integrity testing API 653 for the 150,000-gallon Raw Diesel and Clean Diesel Tanks.

XI. Emergency Planning Community Right to Know Act (EPCRA)

9. Submit Monthly Fuel Storage Inventory
10. Submit Chemical Storage Inventory
11. Submit Safety Data Sheet (Periodically)
12. Number of employees and work hours in a year

XII. Resource Conservation and Recovery Act (RCRA)

Regularly inspect and maintain the storage and inventory of regulated wastes. Reports to P & R for the disposal of regulated wastes such as

7. Regulated Waste Storage and Disposal

- Solvent, paints, thinners, and other hazardous chemicals
- Drums containing oil contaminated pads, booms and rags
- Contaminated soil, sludge from fuel (DFO#2, transformer oil and lubricants oils and other related contaminated waste)

8. Universal Wastes Storage and Disposal

- Mercury containing light bulbs
- Oil containing ballasts
- Used Batteries

9. Used/Waste Oil Handling Disposal for Energy Recovery

**XIII. Title V Air Permit Monitoring and Reporting Conditions
Yigo CT Power Plant
Permit No. FO-009**

10. OPERATIONAL REQUIREMENT

- Record log of the date and nature of all inspections & maintenance activities performed at the facility
- Fuel consumption (shall not exceed 7,140,000 gallons per year) or; Hours of operation (shall not exceed 4,280 full load hours per year)

11. EMISSIONS MONITORING REQUIREMENTS

- Annual Emission Testing for SO₂, NO_x, CO, UHC, PM₁₀ and Opacity

○ EMISSION LIMITS

EMISSIONS	LIMITS
SO ₂	125 lbs/hr @ 100% load
NO _x	55.8 lbs/hr @ 100% load and
	59 ppmdv @ 15% O ₂
CO	21.8 lb/hr
Unburned Hydrocarbons (UHC)	4.0 lb/hr @ 50% load
PM 10	20 lb/hr
Opacity	10%

- **Fuel Sulfur Content:** Shall not exceed 0.5% by weight
- **NO_x Control:** Water injection water to fuel ratio shall be at least 0.77 at 50% load and at least 0.91 at 100% load. Minimum ratio between 50% - 100% shall not be less than 0.77. **Water injection system shall be in service whenever the CT is in operation**
- Water to Fuel Ratio monitoring system must always be calibrated and maintained.

- Weekly Opacity reading for CT Generator
- Periodic Opacity reading for blackstart generator. Conduct every 3 months if unit runs more than 50 hours

12. REPORTING REQUIREMENTS FOR SUBMISSION TO PLANNING AND REGULATORY

- Monthly Log of the date and nature of all inspections and maintenance activities
- Monthly Fuel Consumption
- Monthly Ratio of water and fuel being fired
- Monthly Hours of operation
- Date and time the water to fuel ratio falls the minimum level required - Monthly
- Notify P & R within 24 hours by phone in the event of excess emissions or malfunction of the CT
- Notify P & R within 24 hours by phone on any release of NOX, SO2 or PM above the acceptable limits

XIV. Spill Prevention Control and Countermeasure (SPCC) Plan

11. Conduct SPCC inspections during daily operations or weekly and report discrepancies to the Supervisor and conduct corrective measures.
12. Conduct weekly SPCC briefing
13. Conduct STI SP-001 integrity testing for fuel tanks 110, 120, 130 and 140

XV. Emergency Planning Community Right to Know Act (EPCRA)

13. Submit Monthly Fuel Storage Inventory

14. Submit Chemical Storage Inventory

15. Submit Safety Data Sheet (Periodically)

16. Number employees and work hours in a year

XVI. Resource Conservation and Recovery Act (RCRA)

Regularly inspect and maintain the storage and inventory of regulated wastes. Reports to P & R for the disposal of regulated wastes such as

10. Regulated Waste Storage and Disposal

- Solvent, paints, thinners, and other hazardous chemicals
- Drums containing oil contaminated pads, booms and rags
- Contaminated soil, sludge from fuel (DFO#2, transformer oil and lubricants oils and other related contaminated waste)

11. Universal Wastes Storage and Disposal

- Mercury containing light bulbs
- Oil containing ballasts
- Used Batteries

12. Used/Waste Oil Handling Disposal for Energy Recovery

SCHEDULE J

Management of GPA Staff

3.1 CONTRACTOR 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 GPA Classified Work Force assigned to the **CT Power Plants**. 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 **CT 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 the CT Power 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 CT 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 CT Power 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 the **CT Power Plants** 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 **CT Power Plants** 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.

1. 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 CT Power Plants 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.

3.2 Guam Power Authority Staffing Responsibilities

a. Human Resources

GPA shall perform all personnel administration functions for GPA employees assigned to the CT Power Plants.

GPA shall have access to its employees assigned to the CT Power Plants 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 **CT Power Plants** 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.

3.3 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.

3.4 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.

ATTACHMENT 3
HISTORICAL PMC FIXED MANAGEMENT FEES AND O&M COSTS
(FY2020 – FY 2024)

The following is an initial summary of costs for the operation and maintenance of the Combustion Turbine plants under the PMC and the Piti 7 units which provides a reference for potential PMC contracts exceeding GPA management authority.

CT PLANTS	FY 20	FY 21	FY 22	FY 23	FY 24	
Labor & Benefits	\$ 1,888,630	\$ 1,931,038	\$ 2,262,342	\$ 1,868,744	\$ 1,913,064	\$ 9,863,817
No. of Personnel at CTs (Dededo, Macheche, Yigo)					14	
O&M (Includes PMC FMF)	\$ 1,240,985	\$ 1,329,642	\$ 1,540,871	\$ 1,443,934	\$ 1,488,457	\$ 7,043,888
CIP	\$ 115,932	\$ 6,229,407	\$ 513,939	\$ 864,038	\$ 5,110,371	\$ 12,833,687
Other (OH, AFUC, Misc Exp)	\$ 203	\$807	\$420	\$34	\$228	\$ 1,693
Grand Total	\$ 3,245,750	\$ 9,490,894	\$ 4,317,573	\$ 4,176,749	\$ 8,512,134	\$ 29,743,085

<i>CT PMC FMF⁴</i>	<i>FY 20</i>	<i>FY 21</i>	<i>FY 22</i>	<i>FY 23</i>	<i>FY 24</i>	
	\$ 696,815.50	\$ 745,260.77	\$ 787,977.17	\$ 811,230.17	\$ 835,567.00	\$3,876,850.60

PITI 7	FY 20	FY 21	FY 22	FY 23	FY 24	
<i>Labor and Benefits⁴</i>	\$ 576,832.60	\$ 578,431.93	\$ 697,368.66	\$ 627,429.54	\$ 654,202.10	\$3,134,264.83
No. of Personnel at Piti 7 (4 borrowed from CTs and 2 Trainees)					4	
O&M (including Labor and Benefits)	\$1,011,177.00	\$1,056,590.98	\$1,124,916.25	\$ 760,147.56	\$ 808,992.25	\$ 4,761,824.04
CIP	\$--	\$ 272,865.13	\$ 619,332.44	\$ 539,549.06	\$ 621,450.37	\$ 2,053,196.99
Total	\$1,011,177.00	\$1,329,456.11	\$1,744,248.69	\$1,299,696.62	\$1,430,442.62	\$6,815,021.03

Total Piti 7 and CT Plants costs						\$36,558,106.45
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Please see notes:

1. TEMES contract terms commence March 1 and end February 28, straddling fiscal years

2. *PMC O&M costs are reimbursable and represent costs for typical operation and maintenance requirements*
3. *PMC CIP costs are for capital improvement projects which include large projects including turbine or hot section exchange. Some large projects are triggered on operational hours of the units*
4. *Italicized items are extracted for review purposes.*

**ATTACHMENT 4
PROJECTED BID SCHEDULE**

The following is a drafted bid schedule for the CT PMC Procurement and is subject to change.

Milestone	From	To
Bid Announcement	2/10/2025	2/21/2025
Bid Documents Available	2/10/2025	3/14/2025
Pre-Bid Conference	2/24/2024 9:00AM	
CT Power Plant Tours	2/24/2025 to 2/28/2025	
Vendors Submit Questions	2/10/2025	3/10/2025
GPA Review and Answer Questions	3/2/2025	3/14/2025
Vendor Prepare Proposals	3/16/2025	4/4/2025
Cut Off Date for Receipt of Bid Documents	4/4/2025 17:00	
Step One:		
Opening of Technical Proposal	4/07/2025 at 2:00 PM	
Evaluation by Committee	4/7/2025	4/18/2025
Determine & Notify Qualified Vendor	4/18/2025	4/22/2025
Step Two:		
Opening of Price Proposal	5/06/2024 at 4:00 PM	
Price Proposal Evaluation	5/6/2025	5/9/2025
Notification of Award	5/12/2025	5/30/2025
Contract Finalization	7/24/2025	8/26/2025
CCU & PUC Approval	9/25/2025	10/23/2025
Contract Signing	10/27/2025 to 10/30/2025	
Contract Mobilization	12/1/2025	2/28/2026
Contract and Operational Commencement	3/1/2026	