



**INVITATION FOR BID No.:**  
**IFB-PAG-015-22**

**INSURANCE COVERAGE FOR THE  
PORT AUTHORITY OF GUAM**

Port Authority of Guam  
1026 Cabras Highway, Ste. 201  
Piti, Guam 96925

**RORY J. RESPIDIO**  
General Manager

**AUGUST 2022**



**PORT OF GUAM**

ATURIDAT I PUETTON GUAHAN

Jose D. Leon Guerrero Commercial Port

1026 Cabras Highway, Suite 201, Piti, Guam 96925

Telephone: 671-477-5931/35 Facsimile: 671-477-2689/4445

Website: [www.portofguam.com](http://www.portofguam.com)



Lourdes A. Leon Guerrero  
Governor of Guam

Joshua F. Tenorio  
Lieutenant Governor

**Bid No. IFB PAG-015-022**

**INSURANCE COVERAGE FOR THE PORT AUTHORITY OF GUAM**

The Port Authority of Guam (PAG), a public corporation and autonomous agency of the Government of Guam, will receive sealed bids for **INSURANCE COVERAGE FOR THE PORT AUTHORITY OF GUAM**

The deadline for all **QUESTIONS & CONCERNS (Q&C)** will be on **WEDNESDAY, August 24, 2022, at 4:00 P.M. Chamorro Standard Time (Guam Time)** at the close of business.

**BID SUBMITTALS** will be received, as described in the bid and contract documents on **FRIDAY, SEPTEMBER 2, 2022, no later than 2:00 P.M. Chamorro Standard Time (Guam Time)**, at the Procurement Office, located on the 1<sup>st</sup> Floor of the PAG Administration Building, after which time all bids will be publicly opened, and read aloud, at the PAG Board of Directors Conference Room. Late bid submittals will not be considered.

All bids must be accompanied by a bid security in the amount of 15% of the total bid price. Bid Security may be in a form of a bid bond, certified check or cashier's check made payable to PAG. An electronic copy, in PDF, can be downloaded from the Port's website: <https://portofguam.com/bids-and-rfps>. All interested bidders must completely fill out the Bid Registration information. A hard copy may also be picked up at the Port's Procurement Office located on the 1<sup>st</sup> floor of the PAG Administration Building.

The PAG reserves the right to reject any and all bids and to waive any and all informalities, and to disregard all nonconforming or conditional bids or counter proposals when in PAG's opinion, such rejection or waiver will be in the Authority's best interest.

For Additional information, contact Annie L.G. Sablan, Acting Procurement & Supply Manager at 477-5931 ext. 340 OR 276; or via email at [algsablan@portofguam.com](mailto:algsablan@portofguam.com), Mark A. Cabrera at [macabrera@portofguam.com](mailto:macabrera@portofguam.com), or Pia Castro at [pacastro@portofguam.com](mailto:pacastro@portofguam.com)

**RORY J. RESPICIO**

General Manager

**This Advertisement is paid with Government funds by the PORT OF AUTHORITY OF GUAM**



**Accountability \* Impartiality \* Competence \* Openness \* Value**

**INVITATION FOR BID NO.: IFB-PAG-015-22**

**DESCRIPTION:**

**INSURANCE COVERAGE FOR THE PORT AUTHORITY OF GUAM**

**SPECIAL REMINDER TO PROSPECTIVE BIDDERS**

Bidders are reminded to read the Sealed Bid Solicitation and Instructions, and General Terms and Conditions attached to the IFB to ascertain that all of the following requirements checked below are submitted in the bid envelope. One (1) original, two (2) copies and one (1) CD or USB containing an electronic file copy (in PDF format) of the complete bid proposal shall be enclosed in a sealed package or envelope at the date and time for bid opening.

- [X] **BID GUARANTEE (15% of Bid Amount) may be in the form of;**  
**Reference #11 on the General Terms and Conditions**
  - a. **Cashier's Check or Certified Check**
  - b. **Letter of Credit**
  - c. **Surety Bond - Valid only if accompanied by:**
    - 1. **Current Certificate of Authority issued by the Insurance Commissioner;**
    - 2. **Power of Attorney issued by the Surety to the Resident General Agent;**
    - 3. **Power of Attorney issued by two (2) major officers of the Surety to whoever is signing on their behalf.**
- [X] **BROCHURES/DESCRIPTIVE LITERATURE;**
- [X] **AFFIDAVIT DISCLOSING OWNERSHIP and COMMISSION**
  - a. **Date of signature of the person authorized to sign the bid and the notary date must be the same.**
- [X] **OTHER REQUIREMENTS:**  
Non-Collusion Affidavit, D.O.L. Wage Determination Affidavit, Restriction against Sexual Offenders Affidavit, No Kickbacks or Gratuities Affidavit and Ethical Standards Affidavit, and Affidavit re Contingent Fees, and Current Business License.

**This reminder must be signed and returned in the bid envelope together with the bid. Failure to comply with the above requirements may be cause for disqualification and rejection of the bid.**

On this \_\_\_\_\_ day of \_\_\_\_\_, 2022, I, \_\_\_\_\_, authorized representative of \_\_\_\_\_ acknowledge receipt of this special reminder to prospective bidders with the above referenced IFB.

\_\_\_\_\_  
 Bidder Representative's Signature

**Invitation for Bid: IFB-PAG-015-22**

**INSURANCE COVERAGE FOR THE PORT AUTHORITY OF GUAM**

**ACKNOWLEDGEMENT RECEIPT FORM**

Please be advised that to be considered a prospective bidder you must fill out this Acknowledgement receipt form.

Please submit by fax to (671) 472-1439 or email to: spmuna01@portofguam.com , macabrera@portofguam.com, and pagprocurement@portofguam.com.

**Acknowledgement Receipt Form must be submitted no later than three (3) days upon receipt of the IFB package.**

**Name** \_\_\_\_\_

**Date** \_\_\_\_\_

**Time** \_\_\_\_\_

**Contact Number** \_\_\_\_\_

**Fax Number** \_\_\_\_\_

**Contact Person regarding IFB** \_\_\_\_\_

**Title** \_\_\_\_\_

**E-Mail Address** \_\_\_\_\_

**Company/Firm** \_\_\_\_\_

**Address** \_\_\_\_\_

Note: IFB recommends that prospective bidders register current contact information with IFB to ensure they receive any notices regarding any changes or updates to the IFB. The procuring agency and IFB will not be liable for failure to provide notice to any party who did not register current contact information.

All questions and concerns in regards to this bid must be addressed to the Port Authority of Guam's General Manager: RORY J. RESPICIO, Attention: Procurement Division, via email to pagprocurement@portofguam.com, Mark A. Cabrera macabrera@portofguam.com, and Denise J. Calvo dicalvo@portofguam.com, no later than **4:00 pm Wednesday, August 24, 2022.**

**No Entitlement to Preparation Costs** – the bidder expressly waives any right it may have against the government for any expenses incurred in connection with the preparation of its bid.

**Signature** \_\_\_\_\_

**INVITATION FOR BID**

  
RORY J. RESPICIO  
General Manager

**ISSUING OFFICE:** Port Authority of Guam  
Government of Guam  
1026 Cabras Highway, Ste. 201,  
Piti, Guam 96925

DATE ISSUED: August 19, 2022      BID INVITATION NO: **IFB-PAG-015-22**

BID FOR: **INSURANCE COVERAGE FOR THE PORT AUTHORITY OF GUAM**

SPECIFICATION:      **SEE ATTACHED**

DESTINATION:      **PORT AUTHORITY OF GUAM**

REQUIRED DELIVERY DATE: **To be effective on October 1, 2022 for a period of five consecutive years upon the availability of funds, and will be awarded on an annual basis.**

**INSTRUCTION TO BIDDERS:**

INDICATE WHETHER:  INDIVIDUAL     PARTNERSHIP     CORPORATION

INCORPORATED IN: \_\_\_\_\_

**This bid shall be submitted in duplicate with one electronic copy and sealed to the issuing office above no later than 2:00 pm, Friday, September 02, 2022, and shall be publicly opened. Bid submitted after the time and date specified above shall be rejected. See attached General Terms and Conditions, and Sealed Bid Solicitation for details.**

**The undersigned offers and agrees to furnish within the time specified, the articles and services at the price stated opposite the respective items listed on the schedule provided unless otherwise specified by the bidder. In consideration of the expense of the Government in the opening, tabulating, and evaluating this and other bids, and other considerations, the undersigned agrees that this bid remains firm and irrevocable within 90 calendar days from the date of opening to supply any or all the items which prices are quoted.**

NAME AND ADDRESS OF BIDDER:

SIGNATURE AND TITLE OF PERSON  
AUTHORIZED TO SIGN THIS BID:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_

AWARD: CONTRACT NO.: \_\_\_\_\_ AMOUNT: \_\_\_\_\_ DATE: \_\_\_\_\_

ITEM NO(S). AWARDED: \_\_\_\_\_

NAME AND ADDRESS OF CONTRACTOR:

CONTRACTING OFFICER:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
RORY J. RESPICIO  
GENERAL MANAGER

SIGNATURE AND TITLE OF PERSON  
AUTHORIZED TO SIGN THIS CONTRACT:

Name: \_\_\_\_\_

Title: \_\_\_\_\_ Date: \_\_\_\_\_

## **SPECIAL PROVISIONS**

### **Fixed-Price Contract with Price Adjustment**

This IFB is for a Fixed-Price Contract with Price Adjustment 2 GAR DIV. 4 (3). At the annual renewal of insurance coverage for the PAG, cost may be adjusted, due to changes in required coverage or changes in the current market conditions so long as both parties agree. However, the Port equally reserves the right to terminate such contract before the renewal date if new cost is not agreed upon by both parties.

### **Hold Over Clause**

In the event that the Port Authority of Guam requires an extension at the end of the contract term with the contractor, the agency may elect to renew on a month to month basis at an agreed upon monthly rate until a new contract for the PAG Insurance Coverage is issued.

**GOVERNMENT OF GUAM**  
**THE PORT AUTHORITY OF GUAM**  
1026 Cabras Highway, Suite 201  
Piti, Guam 96925

**BID BOND**

NO. \_\_\_\_\_

KNOW ALL MEN BY THESE PRESENTS that \_\_\_\_\_, as Principal hereinafter called the Principal, and (Bonding Company), \_\_\_\_\_

A duly admitted insurer under the laws of the Territory of Guam, as Surety, hereinafter called the Surety is Held firmly bound unto the Territory of Guam for the sum of \_\_\_\_\_

\_\_\_\_\_ Dollars (\$ \_\_\_\_\_), for Payment of which sum will and truly to be made, the said Principal and the said Surety bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

WHEREAS, the Principal has submitted a bid for (identify project by number and brief description):

\_\_\_\_\_  
NOW, THEREFORE, if the Territory of Guam shall accept the bid of the Principal and the Principal shall enter into a Contract with the Territory of Guam in accordance with the terms of such bid, and give such bond or bonds as may be specified in bidding or Contract Documents with good and sufficient surety for the faithful performance of such Contract and for the prompt payment of labor and material furnished in the prosecution thereof, or in the event of the failure of the Principal to enter such Contract and give such bond or bonds, if the Principal shall pay to the Territory of Guam the difference not to exceed the penalty hereof between the amounts specified in said bid and such larger amount for which the Territory of Guam may in good faith contract with another party to perform work covered by said bid or an appropriate liquidated amount as specified in the Invitation for Bids then this obligation shall be null and void, otherwise to remain full force and effect.

Signed and sealed this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_.

\_\_\_\_\_  
(PRINCIPAL) (SEAL)

\_\_\_\_\_  
(WITNESS)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(MAJOR OFFICER OF SURETY)

\_\_\_\_\_  
(MAJOR OFFICER OF SURETY)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(TITLE)

\_\_\_\_\_  
(RESIDENT GENERAL AGENT)

## **INSTRUCTION TO PROVIDERS**

**NOTICE to all Insurance and Bonding Institutions:**

**The Bond requires the signatures of the Vendor, two (2) major Officers of the Surety and Resident**

**General Agent, if the Surety is a foreign or alien surety.**

**When the form is submitted to THE PORT AUTHORITY OF GUAM, it should be accompanied by with copies of**

**The following:**

- 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.**

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



**AFFIDAVIT DISCLOSING OWNERSHIP, INFLUENCE, COMMISSIONS  
AND CONFLICTS OF INTEREST**

(Required by 5 GCA § 5233 as amended by P.L. 36-13 (4/9/2021))

CITY OF \_\_\_\_\_ )  
 ) ss.  
 ISLAND OF GUAM )

Preface. As a condition of submitting a Bid/Offer/Proposal or responding to any method of source selection under Guam's Procurement Law for the purpose of entering into a contract with the government of Guam, this Affidavit requires all Bidders/Offerors/Prospective Contractors to make disclosures of ownership, influence, commissions, gratuities, kickbacks, and conflicts of interest occurring during the 365 calendar days preceding the publication of this solicitation and until award of a contract. This includes the duty to disclose any changes to the facts disclosed herein throughout the solicitation process; and if the entity submitting this Affidavit is awarded a contract, the duty to disclose any changes to the facts disclosed herein continues throughout the life of the contract, including any extensions or renewals.

A. I, the undersigned, being first duly sworn, depose and say that I am an authorized representative of the Bidder/Offeror/Prospective Contractor and that (please check and fill out all that apply):

The Bidder/Offeror/Prospective Contractor is an individual with a business license, and all decisions are by, and all profit is for, that same individual, with principal place of business street address being:

\_\_\_\_\_

The Bidder/Offeror/Prospective Contractor is a business or artificial person (as defined in 1 GCA § 715 or 5 GCA §§ 5030(n) or 5233(b)), and is a sole proprietorship owned entirely (100%) by \_\_\_\_\_, with principal place of business street address being:

\_\_\_\_\_

The Bidder/Offeror/Prospective Contractor is a business or artificial person (as defined in 1 GCA § 715 or 5 GCA §§ 5030(n) or 5233(b)), and is owned by the following multiple individuals. Note: owners of more than 10% are statutorily required to be listed below, but other owners of smaller percentage are encouraged to be listed as well.

Name of Owner	Principal Place of Business Street Address	% of Interest
---------------	--	---------------

_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

One or more of the more-than-10% owners listed above is a business or artificial person. Any more-than-25% owners of such a business or artificial person are listed below per 5 GCA § 5233. Note: any less-than-25% owners of such a business or artificial person is encouraged to also be listed below.

**Name of >10% Owner Business or Artificial Person:**

--

Names of owners of the >10% Owner Business or Artificial Person ("Second Tier Owner")	Owner's Principal Place of Business Street Address	% of Interest


**Name of other >10% Owner Business or Artificial Person:**

--

Names of owners of the >10% Owner Business or Artificial Person ("Second Tier Owner")	Owner's Principal Place of Business Street Address	% of Interest

**B. If any Second Tier Owner identified above is an artificial person, the natural or artificial owners of such Second Tier Owner who have held more than 49% of the shares or interest in the Bidder/Offeror/Prospective Contractor (Third Tier Owners) are as follows [if none, please so state]:**

Second Tier Owner Name \_\_\_\_\_

Name of Third Tier Own	Principal Place of Business Street Address	% of Interest
_____	_____	_____
_____	_____	_____
_____	_____	_____

**C. If the name of no natural person has been identified as an owner, or a Second or Third Tier Owner of the Bidder/Offeror/Prospective Contractor, please identify the name, position, address, and contact information of the natural person having the authority and responsibility for the Bid/Offer/Proposal/Prospective Contract, and the name of any natural person who has the authority and power to remove and replace the designated responsible person:**

Name of Natural Person	Position	Street Address of Principal Place of Business	Phone Number, Email Address, and other Contact Information

**D. Further, I say that the persons who have received or are entitled to receive a commission, gratuity, contingent fee or other compensation to solicit, secure, or assist in obtaining business related to the Bid/Offer/Proposal/Prospective Contract for which this Affidavit is submitted are as follows (if none, please so state):**

Name	Principal Place of Business Street Address	Amount of Compensation
_____	_____	_____

\_\_\_\_\_  
\_\_\_\_\_

E. Further, I say that the persons who have directly or indirectly participated in this solicitation and who are also employees of the government of Guam or the government of the United States, if federal funds are to be used in the payment of the contract related to the Bid/Offer/Proposal/Prospective Contract for which this Affidavit is submitted, are as follows (if none, please so state):

Name	Principal Place of Business Street Address
_____	_____
_____	_____

F. Regardless of any ownership interest, the following individuals have the power to control the performance of the contract or to control the Bidder/Offeror/Prospective Contractor, directly or indirectly:

Name	Principal Place of Business Street Address
_____	_____
_____	_____

G. Until award of the contract, and throughout the term of any contract awarded to the Bidder/Offeror/Prospective Contractor represented herein, I agree to promptly make any disclosures not made previously and update changes in ownership, identities of owners and other required information, interests, compensation or conflicts of the persons required to be disclosed. I understand that failure to comply with this requirement shall constitute a material breach of contract.

H. I hereby declare under penalty of perjury under the laws of Guam that the foregoing is true and correct.

Executed on: \_\_\_\_\_ (date)

\_\_\_\_\_  
Signature of one of the following:  
Bidder/Offeror/Prospective Contractor, if a licensed individual  
Owner of sole proprietorship Bidder/Offeror/Prospective  
Contractor  
Partner, if the Bidder/Offeror/Prospective Contractor is a  
partnership  
Officer, if the Bidder/Offeror/Prospective Contractor is a  
corporation

Subscribed and sworn to before me  
This \_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

Notary Public  
My commission expires: \_\_\_\_\_

**AFFIDAVIT re NON-COLLUSION**

CITY OF \_\_\_\_\_ )

) ss.

ISLAND OF GUAM )

\_\_\_\_\_ [state name of affiant signing below], being first duly sworn, deposes and says that:

1. The name of the offering company or individual is [state name of company] \_\_\_\_\_.

2. The proposal for the solicitation identified above is genuine and not collusive or a sham. The offeror has not colluded, conspired, connived or agreed, directly or indirectly, with any other offeror or person, to put in a sham proposal or to refrain from making an offer. The offeror has not in any manner, directly or indirectly, sought by an agreement or collusion, or communication or conference, with any person to fix the proposal price of offeror or of any other offeror, or to fix any overhead, profit or cost element of said proposal price, or of that of any other offeror, or to secure any advantage against the government of Guam or any other offeror, or to secure any advantage against the government of Guam or any person interested in the proposed contract. All statements in this affidavit and in the proposal are true to the best of the knowledge of the undersigned. This statement is made pursuant to 2 GAR Division 4 § 3126(b).

3. I make this statement on behalf of myself as a representative of the offeror, and on behalf of the offeror's officers, representatives, agents, subcontractors, and employees.

\_\_\_\_\_  
Signature of one of the following:

- Offeror, if the offeror is an individual;
- Partner, if the offeror is a partnership;
- Officer, if the offeror is a corporation.

Subscribed and sworn to before me

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

My commission expires \_\_\_\_\_, \_\_\_\_\_.

**AFFIDAVIT re NO GRATUITIES or KICKBACKS**

CITY OF \_\_\_\_\_ )

) ss.

ISLAND OF GUAM )

\_\_\_\_\_ [state name of affiant signing below], being first duly sworn, deposes and says that:

1. The name of the offering firm or individual is [state name of offeror company] \_\_\_\_\_. Affiant is \_\_\_\_\_ [state one of the following: *the offeror, a partner of the offeror, an officer of the offeror*] making the foregoing identified bid or proposal.

2. To the best of affiant's knowledge, neither affiant, nor any of the Offerors officers, representatives, agents, subcontractors, or employees have violated, are violating the prohibition against gratuities and kickbacks set forth in 2 GAR Division 4 § 11107(e). Further, affiant promises, on behalf of offeror, not to violate the prohibition against gratuities and kickbacks as set forth in 2 GAR Division 4 § 11107(e).

3. To the best of affiant's knowledge, neither affiant, nor any of the Offerors officers, representatives, agents, subcontractors, or employees have offered, given or agreed to give, any government of Guam employee or former government employee, any payment, gift, kickback, gratuity or offer of employment in connection with the Offerors proposal.

4. I make these statements on behalf of myself as a representative of the offeror, and on behalf of the Offerors officers, representatives, agents, subcontractors, and employees.

\_\_\_\_\_  
Signature of one of the following:

Offeror, if the offeror is an individual;  
Partner, if the offeror is a partnership;  
Officer, if the offeror is a corporation.

Subscribed and sworn to before me

this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC

My commission expires \_\_\_\_\_, \_\_\_\_\_.

**AFFIDAVIT RE ETHICAL STANDARDS**

CITY OF \_\_\_\_\_ )  
                                  ) ss.  
ISLAND OF GUAM         )

\_\_\_\_\_ [state name of affiant signing below], being first duly sworn, deposes and says that:

The affiant is \_\_\_\_\_ [state one of the following: the offeror, a partner of the offeror, an officer of the offeror] making the foregoing identified bid or proposal. To the best of affiant's knowledge, neither affiant nor any officers, representatives, agents, subcontractors or employees of offeror have knowingly influenced any government of Guam employee to breach any of the ethical standards set forth in 5 GCA Chapter 5, Article 11. Further, affiant promises that neither he or she, nor any officer, representative, agent, subcontractor, or employee of offeror will knowingly influence any government of Guam employee to breach any ethical standards set forth in 5 GCA Chapter 5, Article 11. These statements are made pursuant to 2 GAR Division 4 § 11103(b).

\_\_\_\_\_  
Signature of one of the following:  
Offeror, if the offeror is an individual;  
Partner, if the offeror is a partnership;  
Officer, if the offeror is a corporation.

Subscribed and sworn to before me  
this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
NOTARY PUBLIC  
My commission expires \_\_\_\_\_, \_\_\_\_\_.

**Special Provisions**  
**Restriction against Sex Offenders Employed by service providers to**  
**Government of Guam from working on Government Property.**

If a contract for services is awarded to the bidder or offeror, then the service provider must warrant that no person in its employment who has been convicted of a sex offense under the provisions of chapter 25 of Title 9 of Guam code Annotated or of an offense defined in Article 2 of chapter 28 of Title 9 of the Guam Code annotated, or who has been convicted in any other jurisdiction of an offense with the same elements as heretofore defined, or who is listed on the Sex Offender Registry, shall provide services on behalf of the service provider while on government of Guam property, with the exception of public highways. If any employee of a service provider is providing services on government property and is convicted subsequent to an award of a contract, then the service provider warrants that it will notify the Government of the conviction within twenty-four (24) hours of the conviction, and will immediately remove such convicted person from providing services on government property. If the service provider is found to be in violation of any of the provisions of this paragraph, then the government will give notice to the service provider to take corrective action. The service provider shall take corrective action within twenty-four (24) hours of notice from the Government, and the service provider shall notify the Government when action has been taken. If the service providers fail to take corrective steps within twenty-four (24) hours of notice from the Government, then the Government in its sole discretion may suspend temporarily and contract for services until corrective action has been taken.

Signature of Bidder	Date
Proposer, if an individual; Partner, if a partnership; Officer, if a corporation.	

Subscribed and sworn before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
Notary Public

**DECLARATION RE COMPLIANCE WITH U.S. D.O.L. WAGE DETERMINATION**  
**Procurement No: IFB-PAG-015-22**  
**INSURANCE COVERAGE FOR THE PORT AUTHORITY OF GUAM**

Name of Offeror Company: \_\_\_\_\_ hereby certifies under penalty of perjury:

(1) That I am \_\_\_\_\_ (the offeror, a partner of the offeror, an officer of the offeror) making the bid or proposal in the foregoing identified procurement;

(2) That I have read and understand the provisions of 5 GCA § 5801 and § 5802 which read:

**§ 5801. Wage Determination Established.**

In such cases where the government of Guam enters into contractual arrangements with a sole proprietorship, a partnership or a corporation ("contractor") for the provision of a service to the government of Guam, and in such cases where the contractor employs a person(s) whose purpose, in whole or in part, is the direct delivery of service contracted by the government of Guam, then the contractor shall pay such employee(s) in accordance with the Wage Determination for Guam and the Northern Mariana Islands issued and promulgated by the U.S. Department of Labor for such labor as is employed in the direct delivery of contract deliverables to the government of Guam.

The Wage Determination most recently issued by the U.S. Department of Labor at the time a contract is awarded to a contractor by the government of Guam shall be used to determine wages, which shall be paid to employees pursuant to this Article. Should any contract contain a renewal clause, then at the time of renewal adjustments, there shall be made stipulations contained in that contract for applying the Wage Determination, as required by this Article, so that the Wage Determination promulgated by the U.S. Department of Labor on a date most recent to the renewal date shall apply.

**§ 5802. Benefits.**

In addition to the Wage Determination detailed in this Article, any contract to which this Article applies shall also contain provisions mandating health and similar benefits for employees covered by this Article, such benefits having a minimum value as detailed in the Wage Determination issued and promulgated by the U.S. Department of Labor, and shall contain provisions guaranteeing a minimum of ten (10) paid holidays per annum per employee.

(3) That the offeror is in full compliance with 5 GCA § 5801 and § 5802, as may be applicable to the procurement referenced herein;

(4) That I have attached the most recent wage determination applicable to Guam issued by the U.S. Department of Labor. [INSTRUCTIONS – Please attach!]

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date



"REGISTER OF WAGE DETERMINATIONS UNDER | U.S. DEPARTMENT OF LABOR THE SERVICE CONTRACT ACT| EMPLOYMENT STANDARDS ADMINISTRATION | By direction of the Secretary of Labor | WAGE AND HOUR DIVISION

WASHINGTON D.C. 20210 | Wage Determination No.: 2015-5693 Daniel W. Simms Division of | Revision No.: 16  
 Director Wage Determinations| Date Of Last Revision: 03/15/2022

Note: Contracts subject to the Service Contract Act are generally required to pay at least the applicable minimum wage rate required under Executive Order 14026.

|If the contract is entered into on or |With certain exceptions Executive Order | |after January 30 2022 or the |14026 applies to the contract. | |contract is renewed or extended (e.g. |The contractor must pay all covered workers | |an option is exercised) on or after|at least \$15.00 per hour (or the applicable | |January 30 2022: |wage rate listed on this wage determination| | |if it is higher) for all hours spent| | |performing on the contract in 2022.

The applicable Executive Order minimum wage rate will be adjusted annually. Additional information on contractor requirements and worker protections under the Executive Orders is available at <https://www.dol.gov/agencies/whd/government-contracts>.

States: Guam Northern Marianas Wake Island Area: Guam Statewide Northern Marianas Statewide Wake Island Statewide

**\*\*Fringe Benefits Required Follow the Occupational Listing\*\***

OCCUPATION CODE - TITLE	FOOTNOTE	RATE
<b>01000 - Administrative Support And Clerical Occupations</b>		
01011 - Accounting Clerk I		13.57***
01012 - Accounting Clerk II		15.23
01013 - Accounting Clerk III		17.04
01020 - Administrative Assistant		21.43
01035 - Court Reporter		17.40
01041 - Customer Service Representative I		11.51***
01042 - Customer Service Representative II		12.94***
01043 - Customer Service Representative III		14.12***
01051 - Data Entry Operator I		12.15***
01052 - Data Entry Operator II		13.25***
01060 - Dispatcher Motor Vehicle		17.39
01070 - Document Preparation Clerk		13.85***
01090 - Duplicating Machine Operator		13.85***
01111 - General Clerk I		10.35***
01112 - General Clerk II		11.29***
01113 - General Clerk III		12.68***
01120 - Housing Referral Assistant		19.39
01141 - Messenger Courier		11.37***
01191 - Order Clerk I		12.57***
01192 - Order Clerk II		13.71***
01261 - Personnel Assistant (Employment) I		15.95
01262 - Personnel Assistant (Employment) II		17.85
01263 - Personnel Assistant (Employment) III		19.89
01270 - Production Control Clerk		21.78
01290 - Rental Clerk		11.10***
01300 - Scheduler Maintenance		15.55
01311 - Secretary I		15.55
01312 - Secretary II		17.40
01313 - Secretary III		19.39
01320 - Service Order Dispatcher		15.40
01410 - Supply Technician		21.43
01420 - Survey Worker		16.96
01460 - Switchboard Operator/Receptionist		10.36***
01531 - Travel Clerk I		13.01***
01532 - Travel Clerk II		14.12***
01533 - Travel Clerk III		15.09
01611 - Word Processor I		14.53***
01612 - Word Processor II		16.31
01613 - Word Processor III		18.26
<b>05000 - Automotive Service Occupations</b>		
05005 - Automobile Body Repairer Fiberglass		35.46
05010 - Automotive Electrician		14.52***
05040 - Automotive Glass Installer		13.58***
05070 - Automotive Worker		13.58***
05110 - Mobile Equipment Servicer		11.65***
05130 - Motor Equipment Metal Mechanic		15.46
05160 - Motor Equipment Metal Worker		13.58***
05190 - Motor Vehicle Mechanic		15.46
05220 - Motor Vehicle Mechanic Helper		10.66***
05250 - Motor Vehicle Upholstery Worker		12.64***
05280 - Motor Vehicle Wrecker		13.58***
05310 - Painter Automotive		14.52***
05340 - Radiator Repair Specialist		13.58***
05370 - Tire Repairer		12.67***
05400 - Transmission Repair Specialist		15.46
<b>07000 - Food Preparation And Service Occupations</b>		
07010 - Baker		10.47***
07041 - Cook I		13.26***
07042 - Cook II		15.46
07070 - Dishwasher		9.31***
07130 - Food Service Worker		9.45***
07210 - Meat Cutter		12.13***
07260 - Waiter/Waitress		9.27***
<b>09000 - Furniture Maintenance And Repair Occupations</b>		

09010 - Electrostatic Spray Painter	18.04	
09040 - Furniture Handler	10.95***	
09080 - Furniture Refinisher	18.04	
09090 - Furniture Refinisher Helper	13.27***	
09110 - Furniture Repairer Minor	15.70	
09130 - Upholsterer	18.04	
11000 - General Services And Support Occupations		
11030 - Cleaner Vehicles	9.35***	
11060 - Elevator Operator	9.54***	
11090 - Gardener	13.00***	
11122 - Housekeeping Aide	9.54***	
11150 - Janitor	9.54***	
11210 - Laborer Grounds Maintenance	9.82***	
11240 - Maid or Houseman	9.32***	
11260 - Pruner	8.79***	
11270 - Tractor Operator	11.90***	
11330 - Trail Maintenance Worker	9.82***	
11360 - Window Cleaner	10.66***	
12000 - Health Occupations		
12010 - Ambulance Driver	18.23	
12011 - Breath Alcohol Technician	18.23	
12012 - Certified Occupational Therapist Assistant	25.01	
12015 - Certified Physical Therapist Assistant	25.01	
12020 - Dental Assistant	16.32	
12025 - Dental Hygienist	36.12	
12030 - EKG Technician	25.99	
12035 - Electroneurodiagnostic Technologist	25.99	
12040 - Emergency Medical Technician	18.23	
12071 - Licensed Practical Nurse I	16.30	
12072 - Licensed Practical Nurse II	18.23	
12073 - Licensed Practical Nurse III	20.32	
12100 - Medical Assistant	12.26***	
12130 - Medical Laboratory Technician	18.82	
12160 - Medical Record Clerk	13.61***	
12190 - Medical Record Technician	17.77	
12195 - Medical Transcriptionist	16.30	
12210 - Nuclear Medicine Technologist	40.06	
12221 - Nursing Assistant I	11.34***	
12222 - Nursing Assistant II	12.75***	
12223 - Nursing Assistant III	13.91***	
12224 - Nursing Assistant IV	15.61	
12235 - Optical Dispenser	18.23	
12236 - Optical Technician	16.30	
12250 - Pharmacy Technician	15.49	
12280 - Phlebotomist	16.30	
12305 - Radiologic Technologist	25.33	
12311 - Registered Nurse I	23.18	
12312 - Registered Nurse II	28.36	
12313 - Registered Nurse II Specialist	28.36	
12314 - Registered Nurse III	34.32	
12315 - Registered Nurse III Anesthetist	34.32	
12316 - Registered Nurse IV	41.13	
12317 - Scheduler (Drug and Alcohol Testing)	22.58	
12320 - Substance Abuse Treatment Counselor	22.58	
13000 - Information And Arts Occupations		
13011 - Exhibits Specialist I	21.20	
13012 - Exhibits Specialist II	26.27	
13013 - Exhibits Specialist III	32.13	
13041 - Illustrator I	21.20	
13042 - Illustrator II	26.27	
13043 - Illustrator III	32.13	
13047 - Librarian	29.09	
13050 - Library Aide/Clerk	16.88	
13054 - Library Information Technology Systems Administrator	26.27	
13058 - Library Technician	16.64	
13061 - Media Specialist I	18.96	
13062 - Media Specialist II	21.20	
13063 - Media Specialist III	23.63	
13071 - Photographer I	18.96	
13072 - Photographer II	21.20	
13073 - Photographer III	26.27	
13074 - Photographer IV	32.13	
13075 - Photographer V	38.88	
13090 - Technical Order Library Clerk	21.20	
13110 - Video Teleconference Technician	18.96	
14000 - Information Technology Occupations		
14041 - Computer Operator I	15.71	
14042 - Computer Operator II	17.22	
14043 - Computer Operator III	19.19	
14044 - Computer Operator IV	21.33	
14045 - Computer Operator V	23.62	
14071 - Computer Programmer I	(see 1)	15.73
14072 - Computer Programmer II	(see 1)	19.50
14073 - Computer Programmer III	(see 1)	23.84
14074 - Computer Programmer IV	(see 1)	
14101 - Computer Systems Analyst I	(see 1)	24.23
14102 - Computer Systems Analyst II	(see 1)	

14103 - Computer Systems Analyst III	(see 1)	
14150 - Peripheral Equipment Operator		15.71
14160 - Personal Computer Support Technician		21.33
14170 - System Support Specialist		21.24
15000 - Instructional Occupations		
15010 - Aircrew Training Devices Instructor (Non-Rated)		24.23
15020 - Aircrew Training Devices Instructor (Rated)		29.32
15030 - Air Crew Training Devices Instructor (Pilot)		34.91
15050 - Computer Based Training Specialist / Instructor		24.23
15060 - Educational Technologist		27.61
15070 - Flight Instructor (Pilot)		34.91
15080 - Graphic Artist		20.47
15085 - Maintenance Test Pilot Fixed Jet/Prop		34.91
15086 - Maintenance Test Pilot Rotary Wing		34.91
15088 - Non-Maintenance Test/Co-Pilot		34.91
15090 - Technical Instructor		17.67
15095 - Technical Instructor/Course Developer		23.78
15110 - Test Proctor		15.70
15120 - Tutor		15.70
16000 - Laundry Dry-Cleaning Pressing And Related Occupations		
16010 - Assembler		10.12***
16030 - Counter Attendant		10.12***
16040 - Dry Cleaner		11.56***
16070 - Finisher Flatwork Machine		10.12***
16090 - Presser Hand		10.12***
16110 - Presser Machine Drycleaning		10.12***
16130 - Presser Machine Shirts		10.12***
16160 - Presser Machine Wearing Apparel Laundry		10.12***
16190 - Sewing Machine Operator		12.04***
16220 - Tailor		12.52***
16250 - Washer Machine		10.60***
19000 - Machine Tool Operation And Repair Occupations		
19010 - Machine-Tool Operator (Tool Room)		19.46
19040 - Tool And Die Maker		24.46
21000 - Materials Handling And Packing Occupations		
21020 - Forklift Operator		13.96***
21030 - Material Coordinator		21.78
21040 - Material Expediter		21.78
21050 - Material Handling Laborer		11.37***
21071 - Order Filler		9.76***
21080 - Production Line Worker (Food Processing)		13.96***
21110 - Shipping Packer		17.12
21130 - Shipping/Receiving Clerk		17.12
21140 - Store Worker I		15.22
21150 - Stock Clerk		21.40
21210 - Tools And Parts Attendant		13.96***
21410 - Warehouse Specialist		13.96***
23000 - Mechanics And Maintenance And Repair Occupations		
23010 - Aerospace Structural Welder		25.04
23019 - Aircraft Logs and Records Technician		19.47
23021 - Aircraft Mechanic I		23.84
23022 - Aircraft Mechanic II		25.04
23023 - Aircraft Mechanic III		26.30
23040 - Aircraft Mechanic Helper		16.58
23050 - Aircraft Painter		22.39
23060 - Aircraft Servicer		19.47
23070 - Aircraft Survival Flight Equipment Technician		22.39
23080 - Aircraft Worker		21.03
23091 - Aircrew Life Support Equipment (ALSE) Mechanic I		21.03
23092 - Aircrew Life Support Equipment (ALSE) Mechanic II		23.84
23110 - Appliance Mechanic		19.46
23120 - Bicycle Repairer		15.61
23125 - Cable Splicer		19.59
23130 - Carpenter Maintenance		16.07
23140 - Carpet Layer		18.20
23160 - Electrician Maintenance		18.05
23181 - Electronics Technician Maintenance I		18.20
23182 - Electronics Technician Maintenance II		19.46
23183 - Electronics Technician Maintenance III		20.72
23260 - Fabric Worker		16.94
23290 - Fire Alarm System Mechanic		16.77
23310 - Fire Extinguisher Repairer		15.61
23311 - Fuel Distribution System Mechanic		20.72
23312 - Fuel Distribution System Operator		15.61
23370 - General Maintenance Worker		12.01***
23380 - Ground Support Equipment Mechanic		23.84
23381 - Ground Support Equipment Servicer		19.47
23382 - Ground Support Equipment Worker		21.03
23391 - Gunsmith I		15.61
23392 - Gunsmith II		18.20
23393 - Gunsmith III		20.72
23410 - Heating Ventilation And Air-Conditioning Mechanic		17.50
23411 - Heating Ventilation And Air Contidioning Mechanic (Research Facility)		18.61
23430 - Heavy Equipment Mechanic		19.27
23440 - Heavy Equipment Operator		17.76
23460 - Instrument Mechanic		20.72

23465 - Laboratory/Shelter Mechanic	19.46
23470 - Laborer	11.37***
23510 - Locksmith	19.46
23530 - Machinery Maintenance Mechanic	23.13
23550 - Machinist Maintenance	20.72
23580 - Maintenance Trades Helper	10.67***
23591 - Metrology Technician I	20.72
23592 - Metrology Technician II	22.03
23593 - Metrology Technician III	23.33
23640 - Millwright	20.72
23710 - Office Appliance Repairer	19.46
23760 - Painter Maintenance	14.08***
23790 - Pipefitter Maintenance	18.39
23810 - Plumber Maintenance	17.27
23820 - Pneudraulic Systems Mechanic	20.72
23850 - Rigger	20.72
23870 - Scale Mechanic	18.20
23890 - Sheet-Metal Worker Maintenance	17.35
23910 - Small Engine Mechanic	18.20
23931 - Telecommunications Mechanic I	19.76
23932 - Telecommunications Mechanic II	21.01
23950 - Telephone Lineman	18.24
23960 - Welder Combination Maintenance	18.31
23965 - Well Driller	21.13
23970 - Woodcraft Worker	20.71
23980 - Woodworker	15.61
24000 - Personal Needs Occupations	
24550 - Case Manager	15.01
24570 - Child Care Attendant	10.09***
24580 - Child Care Center Clerk	13.25***
24610 - Chore Aide	12.78***
24620 - Family Readiness And Support Services Coordinator	15.01
24630 - Homemaker	16.12
25000 - Plant And System Operations Occupations	
25010 - Boiler Tender	20.72
25040 - Sewage Plant Operator	21.59
25070 - Stationary Engineer	20.72
25190 - Ventilation Equipment Tender	14.29***
25210 - Water Treatment Plant Operator	21.59
27000 - Protective Service Occupations	
27004 - Alarm Monitor	10.90***
27007 - Baggage Inspector	9.48***
27008 - Corrections Officer	12.05***
27010 - Court Security Officer	12.05***
27030 - Detection Dog Handler	10.90***
27040 - Detention Officer	12.05***
27070 - Firefighter	12.05***
27101 - Guard I	9.48***
27102 - Guard II	10.90***
27131 - Police Officer I	12.05***
27132 - Police Officer II	13.40***
28000 - Recreation Occupations	
28041 - Carnival Equipment Operator	13.24***
28042 - Carnival Equipment Repairer	14.46***
28043 - Carnival Worker	9.78***
28210 - Gate Attendant/Gate Tender	13.18***
28310 - Lifeguard	11.01***
28350 - Park Attendant (Aide)	14.74***
28510 - Recreation Aide/Health Facility Attendant	11.84***
28515 - Recreation Specialist	18.26
28630 - Sports Official	11.74***
28690 - Swimming Pool Operator	17.71
29000 - Stevedoring/Longshoremen Occupational Services	
29010 - Blocker And Bracer	25.98
29020 - Hatch Tender	25.98
29030 - Line Handler	25.98
29041 - Stevedore I	24.18
29042 - Stevedore II	27.79
30000 - Technical Occupations	
30010 - Air Traffic Control Specialist Center (HFO) (see 2)	40.29
30011 - Air Traffic Control Specialist Station (HFO) (see 2)	27.78
30012 - Air Traffic Control Specialist Terminal (HFO) (see 2)	30.59
30021 - Archeological Technician I	17.49
30022 - Archeological Technician II	19.56
30023 - Archeological Technician III	24.21
30030 - Cartographic Technician	23.18
30040 - Civil Engineering Technician	23.08
30051 - Cryogenic Technician I	25.57
30052 - Cryogenic Technician II	28.24
30061 - Drafter/CAD Operator I	17.49
30062 - Drafter/CAD Operator II	19.56
30063 - Drafter/CAD Operator III	20.77
30064 - Drafter/CAD Operator IV	25.57
30081 - Engineering Technician I	14.84***
30082 - Engineering Technician II	16.66
30083 - Engineering Technician III	18.64
30084 - Engineering Technician IV	23.08

30085 - Engineering Technician V		28.24
30086 - Engineering Technician VI		34.16
30090 - Environmental Technician		23.08
30095 - Evidence Control Specialist		23.08
30210 - Laboratory Technician		20.77
30221 - Latent Fingerprint Technician I		25.57
30222 - Latent Fingerprint Technician II		28.24
30240 - Mathematical Technician		23.34
30361 - Paralegal/Legal Assistant I		19.54
30362 - Paralegal/Legal Assistant II		24.21
30363 - Paralegal/Legal Assistant III		29.61
30364 - Paralegal/Legal Assistant IV		35.83
30375 - Petroleum Supply Specialist		28.24
30390 - Photo-Optics Technician		21.93
30395 - Radiation Control Technician		28.24
30461 - Technical Writer I		23.08
30462 - Technical Writer II		28.24
30463 - Technical Writer III		34.16
30491 - Unexploded Ordnance (UXO) Technician I		25.60
30492 - Unexploded Ordnance (UXO) Technician II		30.98
30493 - Unexploded Ordnance (UXO) Technician III		37.13
30494 - Unexploded (UXO) Safety Escort		25.60
30495 - Unexploded (UXO) Sweep Personnel		25.60
30501 - Weather Forecaster I		25.57
30502 - Weather Forecaster II		31.09
30620 - Weather Observer Combined Upper Air Or	(see 2)	20.77
Surface Programs		
30621 - Weather Observer Senior	(see 2)	23.08
31000 - Transportation/Mobile Equipment Operation Occupations		
31010 - Airplane Pilot		30.98
31020 - Bus Aide	8.15***	
31030 - Bus Driver	10.66***	
31043 - Driver Courier	9.69***	
31260 - Parking and Lot Attendant	9.91***	
31290 - Shuttle Bus Driver	11.65***	
31310 - Taxi Driver	11.41***	
31361 - Truckdriver Light	10.59***	
31362 - Truckdriver Medium	11.61***	
31363 - Truckdriver Heavy	14.64***	
31364 - Truckdriver Tractor-Trailer	14.64***	
99000 - Miscellaneous Occupations		
99020 - Cabin Safety Specialist		15.10
99030 - Cashier	9.63***	
99050 - Desk Clerk	9.70***	
99095 - Embalmer		25.60
99130 - Flight Follower		25.60
99251 - Laboratory Animal Caretaker I		23.38
99252 - Laboratory Animal Caretaker II		25.54
99260 - Marketing Analyst		21.54
99310 - Mortician	25.60	
99410 - Pest Controller	14.61***	
99510 - Photofinishing Worker	13.45***	
99710 - Recycling Laborer		17.32
99711 - Recycling Specialist		23.38
99730 - Refuse Collector		16.40
99810 - Sales Clerk	9.87***	
99820 - School Crossing Guard		17.27
99830 - Survey Party Chief		23.01
99831 - Surveying Aide	13.08***	
99832 - Surveying Technician		17.00
99840 - Vending Machine Attendant		23.38
99841 - Vending Machine Repairer		29.78
99842 - Vending Machine Repairer Helper		23.38

\*\*\*Workers in this classification may be entitled to a higher minimum wage under Executive Order 14026 (\$15.00 per hour). Please see the Note at the top of the wage determination for more information. Please also note that the minimum wage requirements of Executive Order 14026 are not currently being enforced as to contracts or contract-like instruments entered into with the federal government in connection with seasonal recreational services or seasonal recreational equipment rental for the general public on federal lands.

ALL OCCUPATIONS LISTED ABOVE RECEIVE THE FOLLOWING BENEFITS: HEALTH & WELFARE: \$4.60 per hour up to 40 hours per week or \$184.00 per week or \$797.33 per month HEALTH & WELFARE EO 13706: \$4.23 per hour up to 40 hours per week or \$169.20 per week or \$733.20 per month\*\*This rate is to be used only when compensating employees for performance on an SCA-covered contract also covered by EO 13706 Establishing Paid Sick Leave for Federal Contractors. A contractor may not receive credit toward its SCA obligations for any paid sick leave provided pursuant to EO 13706.VACATION: 2 weeks paid vacation after 1 year of service with a contractor or successor; and 4 weeks after 3 years. Length of service includes the whole span of continuous service with the present contractor or successor wherever employed and with the predecessor contractors in the performance of similar work at the same Federal facility. (Reg. 29 CFR 4.173)

HOLIDAYS: A minimum of eleven paid holidays per year: New Year's Day Martin Luther King Jr.'s Birthday Washington's Birthday Memorial Day Juneteenth National Independence Day Independence Day Labor Day Columbus Day Veterans' Day Thanksgiving Day and Christmas Day. (A contractor may substitute for any of the named holidays another day off with pay in accordance with a plan communicated to the employees involved.) (See 29 CFR 4.174)

THE OCCUPATIONS WHICH HAVE NUMBERED FOOTNOTES IN PARENTHESES RECEIVE THE FOLLOWING: 1) COMPUTER EMPLOYEES: Under the SCA at section 8(b) this wage determination does not apply to any employee who individually qualifies

as a bona fide executive administrative or professional employee as defined in 29 C.F.R. Part 541. Because most Computer System Analysts and Computer Programmers who are compensated at a rate not less than \$27.63 (or on a salary or fee basis at a rate not less than \$455 per week) an hour would likely qualify as exempt computer professionals (29 C.F.R. 541.400) wage rates may not be listed on this wage determination for all occupations within those job families. In addition because this wage determination may not list a wage rate for some or all occupations within those job families if the survey data indicates that the prevailing wage rate for the occupation equals or exceeds \$27.63 per hour conformances may be necessary for certain nonexempt employees. For example if an individual employee is nonexempt but nevertheless performs duties within the scope of one of the Computer Systems Analyst or Computer Programmer occupations for which this wage determination does not specify an SCA wage rate then the wage rate for that employee must be conformed in accordance with the conformance procedures described in the conformance note included on this wage determination. Additionally because job titles vary widely and change quickly in the computer industry job titles are not determinative of the application of the computer professional exemption. Therefore the exemption applies only to computer employees who satisfy the compensation requirements and whose primary duty consists of: (1) The application of systems analysis techniques and procedures including consulting with users to determine hardware software or system functional specifications;(2) The design development documentation analysis creation testing or modification of computer systems or programs including prototypes based on and related to user or system design specifications;(3) The design documentation testing creation or modification of computer programs related to machine operating systems; or (4) A combination of the aforementioned duties the performance of which requires the same level of skills. (29 C.F.R. 541.400) 2) AIR TRAFFIC CONTROLLERS AND WEATHER OBSERVERS - NIGHT PAY & SUNDAY PAY: If you work at night as part of a regular tour of duty you will earn a night differential and receive an additional 10% of basic pay for any hours worked between 6pm and 6am. If you are a full-time employed (40 hours a week) and Sunday is part of your regularly scheduled workweek you are paid at your rate of basic pay plus a Sunday premium of 25% of your basic rate for each hour of Sunday work which is not overtime (i.e. occasional work on Sunday outside the normal tour of duty is considered overtime work).\*\* HAZARDOUS PAY DIFFERENTIAL \*\* An 8 percent differential is applicable to employees employed in a position that represents a high degree of hazard when working with or in close proximity to ordnance explosives and incendiary materials. This includes work such as screening blending drying mixing and pressing of sensitive ordnance explosives and pyrotechnic compositions such as lead azide black powder and photoflash powder. All dry-house activities involving propellants or explosives. Demilitarization modification renovation demolition and maintenance operations on sensitive ordnance explosives and incendiary materials. All operations involving re-grading and cleaning of artillery ranges.A 4 percent differential is applicable to employees employed in a position that represents a low degree of hazard when working with or in close proximity to ordnance (or employees possibly adjacent to) explosives and incendiary materials which involves potential injury such as laceration of hands face or arms of the employee engaged in the operation irritation of the skin minor burns and the like; minimal damage to immediate or adjacent work area or equipment being used. All operations involving unloading storage and hauling of ordnance explosive and incendiary ordnance material other than small arms ammunition. These differentials are only applicable to work that has been specifically designated by the agency for ordnance explosives and incendiary material differential pay.\*\* UNIFORM ALLOWANCE \*\*If employees are required to wear uniforms in the performance of this contract (either by the terms of the Government contract by the employer by the state or local law etc.) the cost of furnishing such uniforms and maintaining (by laundering or dry cleaning) such uniforms is an expense that may not be borne by an employee where such cost reduces the hourly rate below that required by the wage determination. The Department of Labor will accept payment in accordance with the following standards as compliance:The contractor or subcontractor is required to furnish all employees with an adequate number of uniforms without cost or to reimburse employees for the actual cost of the uniforms. In addition where uniform cleaning and maintenance is made the responsibility of the employee all contractors and subcontractors subject to this wage determination shall (in the absence of a bona fide collective bargaining agreement providing for a different amount or the furnishing of contrary affirmative proof as to the actual cost) reimburse all employees for such cleaning and maintenance at a rate of \$3.35 per week (or \$.67 cents per day). However in those instances where the uniforms furnished are made of "wash and wear" materials may be routinely washed and dried with other personal garments and do not require any special treatment such as dry cleaning daily washing or commercial laundering in order to meet the cleanliness or appearance standards set by the terms of the Government contract by the contractor by law or by the nature of the work there is no requirement that employees be reimbursed for uniform maintenance costs.\*\* SERVICE CONTRACT ACT DIRECTORY OF OCCUPATIONS \*\*The duties of employees under job titles listed are those described in the "Service Contract Act Directory of Occupations" Fifth Edition (Revision 1) dated September 2015 unless otherwise indicated. \*\* REQUEST FOR AUTHORIZATION OF ADDITIONAL CLASSIFICATION AND WAGE RATE Standard Form 1444 (SF-1444) \*\*Conformance Process:The contracting officer shall require that any class of service employee which is not listed herein and which is to be employed under the contract (i.e. the work to be performed is not performed by any classification listed in the wage determination) be classified by the contractor so as to provide a reasonable relationship (i.e. appropriate level of skill comparison) between such unlisted classifications and the classifications listed in the wage determination (See 29 CFR 4.6(b)(2)(i)). Such conforming procedures shall be initiated by the contractor prior to the performance of contract work by such unlisted class(es) of employees (See 29 CFR 4.6(b)(2)(ii)). The Wage and Hour Division shall make a final determination of conformed classification wage rate and/or fringe benefits which shall be paid to all employees performing in the classification from the first day of work on which contract work is performed by them in the classification. Failure to pay such unlisted employees the compensation agreed upon by the interested parties and/or fully determined by the Wage and Hour Division retroactive to the date such class of employees commenced contract work shall be a violation of the Act and this contract. (See 29 CFR 4.6(b)(2)(v)). When multiple wage determinations are included in a contract a separate SF-1444 should be prepared for each wage determination to which a class(es) is to be conformed.

The process for preparing a conformance request is as follows: 1) When preparing the bid the contractor identifies the need for a conformed occupation(s) and computes a proposed rate(s). 2) After contract award the contractor prepares a written report listing in order the proposed classification title(s) a Federal grade equivalency (FGE) for each proposed classification(s) job description(s) and rationale for proposed wage rate(s) including information regarding the agreement or disagreement of the authorized representative of the employees involved or where there is no authorized representative the employees themselves. This report should be submitted to the contracting officer no later than 30 days after such unlisted class(es) of employees performs any contract work. 3) The contracting officer reviews the proposed action and promptly submits a report of the action together with the agency's recommendations and pertinent information including the position of the contractor and the employees to the U.S. Department of Labor Wage and Hour Division for review (See 29 CFR 4.6(b)(2)(ii)). 4) Within 30 days of receipt the Wage and Hour Division approves modifies or disapproves the action via transmittal to the agency contracting officer

or notifies the contracting officer that additional time will be required to process the request. 5) The contracting officer transmits the Wage and Hour Division's decision to the contractor. 6) Each affected employee shall be furnished by the contractor with a written copy of such determination or it shall be posted as a part of the wage determination (See 29 CFR 4.6(b)(2)(iii)). Information required by the Regulations must be submitted on SF-1444 or bond paper. When preparing a conformance request the "Service Contract Act Directory of Occupations" should be used to compare job definitions to ensure that duties requested are not performed by a classification already listed in the wage determination. Remember it is not the job title but the required tasks that determine whether a class is included in an established wage determination. Conformances may not be used to artificially split combine or subdivide classifications listed in the wage determination (See 29 CFR 4.152(c)(1))."

**AFFIDAVIT re CONTINGENT FEES**

CITY OF \_\_\_\_\_ )

) ss.

ISLAND OF GUAM )

I, \_\_\_\_\_ [state name of affiant signing below], being first sworn, deposes and says that:

1. The name of the offering company or individual is [state name of company]:  
\_\_\_\_\_;
2. As a part of the offering company's bid or proposal, to the best of my knowledge, the offering company has not retained any person or agency on a percentage, commission, or other contingent arrangement to secure this contract. This statement is made pursuant to 2 GAR Division 4 § 11108(f)
3. As a part of the offering company's bid or proposal, to the best of my knowledge, the offering company has not retained a person to solicit or secure a contract with the government of Guam upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business. This statement is made pursuant to 2 GAR Division 4 § 11108(f).
4. I make these statements on behalf of myself as a representative of the offeror, and on behalf of the offeror's officers, representatives, agents, subcontractors, and employees.

\_\_\_\_\_  
 Signature of one of the following:  
 Offeror, if the offeror is an individual;  
 Partner, if the offeror is a partnership;  
 Officer, if the offeror is a corporation.

Subscribed and sworn to before me  
 this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_  
 NOTARY PUBLIC  
 My commission expires \_\_\_\_\_, \_\_\_\_\_.



**GOVERNMENT OF GUAM**  
**GENERAL TERMS AND CONDITIONS**  
**SEALED BID SOLICITATION AND AWARD**

**Only those Boxes checked below are applicable to this bid.**

- 1. **AUTHORITY:** This solicitation is issued subject to all the provision of the Guam Procurement Act (SGCA, Chapter 5) and the Guam Procurement Regulations (copies of both are available at the Office of the Complier of laws, Department of Law, copies available for inspection at THE PORT AUTHORITY OF GUAM). It requires all parties involved in the Preparation, negotiation, performance, or administration of contracts to act in good faith.
- 2. **GENERAL INTENTION:** Unless otherwise specified, it is the declared and acknowledged intention and meaning of these General Terms and conditions for the bidder to provide the Government of Guam (Government) with specified services or with materials, supplies or equipment completely assembled and ready for use.
- 3. **TAXES:** Bidders are cautioned that they are subject to Guam Income Taxes as well as all other taxes on Guam Transactions. Specific information on taxes may be obtained from the Director of Revenue and Taxation.
- 4. **LICENSING:** Bidders are cautioned that the Government will not consider for award any offer submitted by a bidder who has not complied with the Guam Licensing Law. Specific information on licenses may be obtained from the Director of Revenue and Taxation.
- 5. **LOCAL PROCUREMENT PREFERENCE:** All procurement of supplies and services where possible, will be made from among businesses licensed to do business on Guam in accordance with section 5008 of the Guam Procurement Act (SGCA, Chapter 5) and Section 1-104 of the Guam Procurement Regulations.
- 6. **COMPLIANCE WITH SPECIFICATIONS AND OTHER SOLICITATION REQUIREMENTS:** Bidders shall comply with all specifications and other requirements of the Solicitation.
- 7. **"ALL OR NONE" BIDS:** NOTE: By checking this item, the Government is requesting all of the bid items to be bid or none at all.

**The Government will not award on an itemized basis.**

- 8. **INDEPENDENT PRICE DETERMINATION:** The bidder, upon signing the Invitation for Bid, certifies that the prices in his bid were derived at without collusion, and acknowledge that collusion and anti-competitive practices are prohibited by law. Violations will be subject to the provision of Section 5651 of that of the Guam Procurement Act. Other existing civil, criminal or administrative remedies are not impaired and may be in addition to the remedies in Section 5651 of the Government code.
- 9. **BIDDER'S PRICE:** The Government will consider not more than two (2) (Basic and Alternate) item prices and the bidder shall explain fully each price if supplies, materials, equipment, and/or specified services offered comply with specifications and the products origin. Where basic or alternate bid meets the minimum required specification, cost and other factors will be considered. Failure to explain this requirement will result in rejection of the bid.
- 10. **BID ENVELOPE:** Envelope shall be sealed and marked with the bidder's name, Bid number, time, date and place of Bid Opening.
- 11. **BID GUARANTEE REQUIREMENT:** Bidder is required to submit a Bid Guarantee Bond or standby irrevocable Letter of Credit or Certified Check or Cashier's Check in the same bid envelope to be held by the Government pending award. The Bid Guarantee Bond, Letter of Credit, Certified Check or Cashier's Check must be issued by any local surety or banking institution licensed to do business on Guam and made payable to the Treasure of Guam in the amount of fifteen percent (15%) of his highest total bid offer. The Bid Bond must be submitted on Government Standard Form BB-1 (copy enclosed). Personal Checks will not be accepted as Bid Guarantee. If a successful Bidder (contractor) withdraws from the bid or fails to enter into contract within the prescribed time, such Bid guarantee will be forfeited to the Government of Guam. Bids will be disqualified if not accompanied by Bid Bond, Letter of Credit, Certified Check or Cashier's check. Bidder must include in his/her bid, valid copies of a Power of Attorney from the Surety and a Certificate of Authority from the Government of Guam to show proof that the surety company named on the bond instrument is authorized by the Government of Guam and qualified to do business on Guam. For detailed information on bonding matters, contact the Department of Revenue and Taxation. Failure to submit a valid Power of Attorney and Certificate of Authority on the surety is cause for rejection of bid. Pursuant to 5 GCA § 5212, all competitive sealed bidding for the procurement of supplies or services exceeding \$25,000.00 a 15% Bid

**Security of the total bid price must accompany the bid package. The bid bond, Letter of Credit, Certified Check or Cashier's Check will serve as Bid Security for this procurement.**

- [X] 12. **PERFORMANCE GUARANTEE:** Bidders who are awarded a contract under this solicitation, guarantee that goods will be delivered or required services performed within the time specified. Failure to perform the contract in a satisfactory manner may be cause for suspension or debarment from doing business with the Government of Guam. In addition, the Government will hold the Vendor liable and will enforce the requirements as set forth in Section 40 of these General Terms and Conditions.
- [X] 13. **SURETY BONDS:** Bid and Bid Bonds coverage must be signed or countersigned in Guam by a foreign or alien surety's resident general agent. The surety must be an Insurance Company, authorized by the government of Guam and qualified to do business in Guam. Bids will be disqualified if the Surety Company does not have a valid Certificate of Authority from the Government of Guam to conduct business in Guam.
- [X] 14. **COMPETENCY OF BIDDERS:** Bids will be considered only from such bidders who, in the opinion of the Government, can show evidence of their ability, experience, equipment, and facilities to render satisfactory service.
- [X] 15. **DETERMINATION OF RESPONSIBILITY OF BIDDERS:** The GENERAL MANAGER reserves the right for securing from bidder's information to determine whether or not they are responsible and to inspect plant site, place of business; and supplies and services as necessary to determine their responsibility in accordance with Section 15 of these General Terms and Conditions. (2 GAR, Div. 4 § 3116)
- [X] 16. **STANDARD FOR DETERMINATION OF LOWEST RESPONSIBLE BIDDER:**  
In determining the lowest responsible offer, the GENERAL MANAGER shall be guided by the following:
- a) Price of items offered.
  - b) The ability, capacity, and skill of the Bidder to perform.
  - c) Whether the Bidder can perform promptly or within the specified time.
  - d) The quality of performance of the Bidder with regards to awards previously made to him.
  - e) The previous and existing compliance by the Bidder with laws and regulations relative to procurement.
  - f) The sufficiency of the financial resources and ability of the Bidder to perform.
  - g) The ability of the bidder to provide future maintenance and services for the subject of the award.
  - h) The compliance with all of the conditions to the Solicitation.
- [X] 17. **TIE BIDS:** If the bids are for the same unit price or total amount in the whole or in part, the GENERAL MANAGER will determine award based on 2 GAR, Div. 4, § 3109(o) (2) or to reject all such bids.
- [X] 18. **BRAND NAMES:** Any reference in the Solicitation to manufacturer's Brand Names and number is due to lack of a satisfactory specification of commodity description. Such preference is intended to be descriptive, but not restrictive and for the sole purpose of indicating prospective bidders a description of the article or services that will be satisfactory. Bids on comparable items will be considered provided the bidder clearly states in his bid the exact articles he is offering and how it differs from the original specification.
- [ ] 19. **DESCRIPTIVE LITERATURE:** Descriptive literature(s) as specified in this solicitation must be furnished as a part of the bid and must be received at the date and time set for opening Bids. The literature furnished must clearly identify the item(s) in the Bid. The descriptive literature is required to establish, for the purpose of evaluation and award, details of the product(s) the bidder proposes to furnish including design, materials, components, performance characteristics, methods of manufacture, construction, assembly or other characteristics which are considered appropriate. Rejection of the Bid will be required if the descriptive literature(s) do not show that the product(s) offered conform(s) to the specifications and other requirements of this solicitation. Failure to furnish the descriptive literature(s) by the time specified in the Solicitation will require rejection of the bid.
- [ ] 20. **SAMPLES:** Sample(s) of item(s) as specified in this solicitation must be furnished as a part of the bid and must be received at the date and time set for opening Bids. The sample(s) should represent exactly what the bidder proposes to furnish and will be used to determine if the item(s) offered complies with the specifications. Rejection of the Bid will be required if the sample(s) do not show that the product(s) offered conform(s) to the specifications and other requirements of this solicitation. Failure to furnish the sample(s) by the time specified in the Solicitation will require rejection of the Bid.
- [ ] 21. **LABORATORY TEST:** Successful bidder is required to accompany delivery of his goods with a Laboratory Test Report indicating that the product he is furnishing the Government meets with the specifications. This report is on the bidder's account and must be from a certified Testing Association.
- [X] 22. **AWARD, CANCELLATION, & REJECTION:** Award shall be made to the lowest responsible and responsive bidder, whose bid is determined to be the most advantageous to the Government, taking into consideration the evaluation factors set forth in this solicitation. No other factors or criteria shall be used in the evaluation. The right is reserved as the interest of the Government may require to waive

any minor irregularity in bid received. The GENERAL MANAGER shall have the authority to award, cancel, or reject bids, in whole or in part for any one or more items if he determines it is in the public interest. Award issued to the lowest responsible bidder within the specified time for acceptance as indicated in the solicitation, results in a bidding contract without further action by either party. In case of an error in the extension of prices, unit price will govern. It is the policy of the Government to award contracts to qualified local bidders. The Government reserves the right to increase or decrease the quantity of the items for award and make additional awards for the same type items and the vendor agrees to such modifications and additional awards based on the bid prices for a period of thirty (30) days after original award. No award shall be made under this solicitation which shall require advance payment or irrevocable letter of credit from the government (2 GAR, Div.4 §1103).

23. **MARKING:** Each outside container shall be marked with the Purchase Order number, item number, brief item description and quantity. Letter marking shall not be less than 3/4" in height.
24. **SCHEDULE FOR DELIVERY:** Successful bidder shall notify the PORT AUTHORITY OF GUAM, Telephone No. (671) 477-5931 at least twenty-four (24) hours before delivery of any item under this solicitation.
25. **BILL OF SALE:** Successful supplier shall render Bills of Sale for each item delivered under this contract. Failure to comply with this requirement will result in rejection of delivery. The Bill of Sale must accompany the items delivered but will not be considered as an invoice for payment. Supplier shall bill the Government in accordance with billing instructions as indicated on the Purchase Order.
26. **MANUFACTURER'S CERTIFICATE:** Successful bidder is required, upon delivery of any item under this contract, to furnish a certificate from the manufacturer indication that the goods meet the specifications. Failure to comply with this request will result in rejection of delivery payment. Supplier shall bill the Government in accordance with billing instructions as indicated on the Purchase Order.
27. **INSPECTION:** All supplies, materials, equipment, or services delivered under this contract shall be subject to the inspection and/or test conducted by the Government at destination. If in any case the supplies, materials, equipment, or services are found to be defective in material, workmanship, performance, or otherwise do not conform with the specifications, the Government shall have the right to reject the items or require that they be corrected. The number of days required for correction will be determined by the Government.
28. **MOTOR VEHICLE SAFETY REQUIREMENTS:** The Government will only consider Bids on motor vehicles which comply with the requirements of the National Traffic and Motor Vehicle Safety Act of 1966 (Public Law 89-563) and Clean Air Act as amended (Public Law 88-206), that are applicable to Guam. Bidders shall state if the equipment offered comply with these aforementioned Federal Laws.
29. **SAFETY INSPECTION:** All motor vehicles delivered under this contract must pass the Government of Guam Vehicle Inspection before delivery at destination.
30. **GUARANTEE:**
- a) **Guarantee of Vehicle Type of Equipment:**  
The successful bidder shall guarantee vehicular type of equipment offered against defective parts, workmanship, and performance, for a period of not less than one (1) year after date of receipt of equipment. Bidder shall also provide service to the equipment for at least one (1) year. Service to be provided shall include, but will not be limited to tune ups (change of spark plugs, contact points and condensers) and lubrication (change of engine and transmission oil). All parts and labor shall be at the expense of the bidder. All parts found defective and not caused by misuse, negligence or accident within the guarantee period shall be repaired, replaced, or adjusted within six (6) working days after notice from the Government and without cost to the Government. Vehicular type of equipment as used in this context shall include equipment used for transportation as differentiated from tractors, backhoes, etc.
- b) **Guarantee of Other Type of Equipment:**  
The successful bidder shall guarantee all other types of equipment offered, except those mentioned in 30a, above, against defective parts, workmanship, and performance for a period of not less than three (3) months after date of receipt of equipment. Bidder shall also provide service to the equipment for at least three (3) months. All parts found defective within that period shall be repaired or replaced by the Contractor without cost to the Government. Repairs, adjustments or replacements of defective parts shall be completed by the contractor within six (6) working days after notice from the Government.
- (c) **Compliance with this Section is a condition of this Bid.**
31. **REPRESENTATION REGARDING ETHICS IN PUBLIC PROCUREMENT:** The bidder or contractor represents that it has not knowingly influenced and promises that it will not knowingly influence a Government employee to breach any of the ethical standards and represents that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities and kickbacks set

forth on Chapter 11 (Ethics in Public Contracting) of the Guam Procurement Act and in Chapter 11 of the Guam Procurement Regulations.

- [X] 32. **REPRESENTATION REGARDING CONTINGENT FEES:** The contractor represents that it has not retained a person to solicit or secure a Government contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business (GPR Section 11-207).
- [X] 33. **EQUAL EMPLOYMENT OPPORTUNITY:** Contractors shall not discriminate against any employee or applicant of employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that employees are treated equally during employment without regards to their race, color, religion, sex, or national origin.
- [X] 34. **COMPLIANCE WITH LAWS:** Bidders awarded a contract under this Solicitation shall comply with the applicable standard, provisions, and stipulations of all pertinent Federal and/or local laws, rules, and regulations relative to the performance of this contract and the furnishing of goods.
- [ ] 35. **CHANGE ORDER:** Any order issued relative to awards made under this solicitation will be subject to and in accordance with the provisions of Section 6-101-03.1 of the Guam Procurement Regulations.
- [X] 36. **STOP WORK ORDER:** Any stop work order issued relative to awards made under this solicitation will be subject to and in accordance with the provisions of Section 6-101-04.1 of the Guam Procurement Regulations.
- [X] 37. **CANCELLATION OF INVITATION FOR BIDS OR REQUEST FOR PROPOSALS:** Any Invitation for Bid may be cancelled, or any or all bids or proposals may be rejected in whole or in part as may be specified in the solicitation, when it is in the best interests of the Territory in accordance with regulations promulgated by the Policy Office. The reasons therefor shall be made part of the contract file.
- [X] 38. **TIME FOR COMPLETION:** It is hereby understood and mutually agreed by and between the contractor and the Government that the time for delivery to final destination or the timely performance of certain services is an essential condition of this contract. If the contractor refuses or fails to perform any of the provisions of this contract within the time specified in the Purchase Order (from the date Purchase Order is acknowledged by vendor), then the contractor is in default. Defaults will be treated subject to and in accordance with the provisions of 2 GAR, Div. 4 § 6101(8)
- [X] 39. **JUSTIFICATION OF DELAY:** Bidders who are awarded contracts under this Solicitation, guarantee that the goods will be delivered to their destination or required services rendered within the time specified. If the bidder is not able to meet the specified delivery date, he is required to notify the GENERAL MANAGER of such delay. Notification shall be in writing and shall be received by the GENERAL MANAGER at least twenty-four (24) hours before the specified delivery date. Notification of delay shall include an explanation of the causes and reasons for the delay including statement(s) from supplier or shipping company causing the delay. The Government reserves the right to reject delay justification if, in the opinion of the GENERAL MANAGER, such justification is not adequate.
- [X] 40. **SERVICE-DISABLED VETERAN OWNED BUSINESS PREFERENCE:** Bidding is subject to the policy in favor of Service-Disabled Veteran Owned Business as defined in 5 GCA sections 5011 and 5012.
- [X] 41. **LIQUIDATED DAMAGES:** When the contractor is given notice of delay or nonperformance as specified in Paragraph 1 (Default) of the Termination for Default Clause of this contract and fails to cure in the time specified, the contractor shall be liable for damages for delay in the amount of one-fourth of one percent (1%) of outstanding order per calendar day from date set for cure until either the territory reasonable obtains similar supplies or services if the contractor is terminated for default, or until the contractor provides the supplies or services if the contractor is not terminated for default. To the extent that the contractor's delay or nonperformance is excused under Paragraph 40 (Excuse for Nonperformance or Delayed Performance) of the Termination for Default Clause of this contract, liquidated damages shall not be due the territory. The contractor remains liable for damages caused other than by delay. 2 GAR, Div. 4 §6101(d).
- [X] 42. **PHYSICAL LIABILITY:** If it becomes necessary for the Vendor, either as principal, agent or employee, to enter upon the premises or property of the Government of Guam in order to construct, erect, inspect, make delivery or remove property hereunder, the Vendor hereby covenants and agrees to take, use, provide and make all proper, necessary and sufficient precautions, safeguards and protections against the occurrence of any accidents, injuries or damages to any person or property during the progress of the work herein covered, and to be responsible for, and to indemnify and save harmless the Government of Guam from the payment of all sums of money by reason of all or any such accidents, injuries or damages that may occur upon or about such work, and fines, penalties and loss incurred for or by reasons of the violations of any territorial ordinance, regulations, or the laws of Guam or the United States, while the work is in progress. Contractor will carry insurance to indemnify the Government of Guam against any claim for loss, damage or injury to property or persons arising out of the performance of the Contractor or his employees and agents of the services covered by the

contract and the use, misuse or failure of any equipment used by the contractor or his employees or agents, and shall provide certificates of such insurance to the Government of Guam when required.

**[ ] 43. INSURANCE COVERAGE REQUIRED:**

The amount of insurance required shall be determined by the Port's General Manager depending upon the type of activity conducted, or to be conducted by the owners or operators of vehicles entering the Port's facilities other service providers accessing on foot.

- A. Commercial General Liability including Broad Form Property Damage and Contractual Liability \$1,000,000.00 combined single limit of liability
- B. Worker's Compensation - Statutory
- C. Automobile Liability - \$1,000,000.00 combined single limit of liability

**Insurance Company:** The insurance coverage(s) must be issued by those insurance companies who are licensed to do business on Guam, as determined by the Insurance Commissioner of the Department of Revenue and Taxation.

**Additional Insurance Provision:** All Commercial insurance policies possessed by owners or operators of vehicles entering or using the Port's facilities and/or grounds must name the Port as an additional Insured in their policies and specify that the Port shall be given at least thirty (30 days' prior written notice of any cancellation, material change or reduction in coverage.

**Proof of Insurance:** An Insurance Certificate must be issued listing all the vehicles, equipment, trucks covered under the insurance policy and filed with the Port Police Division. The insurance should include;

**Name of the Insured (The Port must be shown as an Additional Insured on all Commercial insurance policies):**

**Policy Number**

- Effective Date of Policy
- Limits of Insurance
- Description of Coverage Provided; and
- Name of Issuing Company

A certified copy of the Insurance Certificate must be carried in each vehicle, equipment and/or truck entering the Port facilities. This proof of insurance must be provided to the Port Police Division on an annual basis at least ten (10) days before the insurance policy expires.

**Notice of Loss:** In the event a Port tenant or user is involved in an accident within the Port's facilities or while on Routes 11A or 11B (Cabras Highway) and results in bodily injury or property damage, the Port Police Division must be immediately notified.

**Workers' Compensation:** All business entities entering or using the Port's facilities must also possess Workers' Compensation Insurance coverage as prescribed by Guam laws and copies of such Certificate of Insurance are to be filed with the Port Police Division. Each certification shall specify that the Port shall be given at least thirty (30) days prior written notice of any cancellation, material change or reduction in coverage.

**Interchange Agreement:** In lieu of fulfilling the maximum the maximum insurance requirements listed herein, the Port user must provide to the Port a current Interchange Agreement. The primary company must have fulfilled the maximum insurance requirements listed above. The Interchange Agreement must specifically state and name the Port user as additional insured and the duration of coverage. The Port must be notified thirty (30) days prior written notice of any cancellation, materials change or reduction in coverage.

**[X] 44. Contract will be cancelled if funds not appropriated or insufficient, and that government will timely inform contractor. 2 GAR, Div.4 §3121(e) (1) (C) and 2 GAR, Div.4 § 3121(e)(1)(D).**

**[ ] 45. If cancelled, contractor will be reimbursed unamortized reasonably incurred non-recurring costs. 2 GAR, Div.4 § 3121(e) (1) (G).**

**[X]46. CONTACT FOR CONTRACT ADMINISTRATION:** If your firm receives a contract as a result of this Solicitation, please designate a person whom we may contact for prompt administration.

Name: \_\_\_\_\_ Title: \_\_\_\_\_

Address: \_\_\_\_\_ Telephone: \_\_\_\_\_

**GOVERNMENT OF GUAM**  
**SEALED BID SOLICITATION INSTRUCTIONS**

1. **BID FORMS:** Each bidder shall be provided with one (1) sets of Solicitation forms. Additional copies may be provided upon request. Bidders requesting additional copies of said forms will be charged per page in accordance with 5 GCA § 10203 of the Government Code of Guam. All payments for this purpose shall be by cash, certified check or money order and shall be made payable to the PORT AUTHORITY OF GUAM (EO 86-24).
  
2. **PREPARATIONS OF BIDS:**
  - 2.0 Bidders are required to examine the drawings, specifications, schedule, and all instructions. Failure to do so will be at bidder's risk.
  
  - 2.1 Each bidder shall furnish the information required by the Solicitation. The bidder shall sign the Solicitation and print or type his name on the Schedule. Erasures or other changes must be initialed by the person signing the bid. Bids signed by an agent are to be accompanied by evidence of this authority unless such evidence has been previously furnished to the issuing office.
  
  - 2.2 Unit price for each unit offered shall be shown and such price shall include packing unless otherwise specified. A total shall be entered in the amount column of the Schedule for each item offered. In case of discrepancies between a unit price and the extended price, the unit price will be presumed to be correct.
  
  - 2.3 Bids for supplies or services other than those specified will not be considered. Time, if stated as a number of days, means calendar days and will include Saturdays, Sundays, and holidays beginning the day after the issuance of a Notice to Proceed. Time stated ending on a Saturday, Sunday or Government of Guam legal holiday will end at the close of the next business day.
  
3. **EXPLANATION TO BIDDERS:** Any explanation desired by a bidder regarding the meaning or interpretation of the Solicitation, drawings, specifications, etc., must be submitted in writing and with sufficient time allowed for a written reply to reach all bidders before the submission of their bids. Oral explanations or instructions given before the award of the contract will not be binding. Any information given to a prospective bidder concerning a Solicitation will be furnished to all prospective bidders in writing as an amendment to the Solicitation if such information would be prejudicial to informed bidders.
  
4. **ACKNOWLEDGEMENT OF AMENDMENTS TO SOLICITATIONS:** Receipt of an amendment to a Solicitation by a bidder must be acknowledged by signing an acknowledgement of receipt of the amendment. Such acknowledgement must be received prior to the hour and date specified for receipt of bids.
  
5. **SUBMISSION OF BIDS:**
  - a) Bids and modifications thereof shall be enclosed in sealed envelopes and addressed to the office specified in the Solicitation. The bidder shall show the hour and date specified in the Solicitation for receipt, the Solicitation number, and the name and address of the bidder on the face of the envelope.
  
  - b) Telegraphic bids will not be considered unless authorized by the Solicitation. However, bids may be modified or withdrawn by written or telegraphic notice, provided such notice is received prior to the hour and date specified for receipt (see paragraph 6 of these instructions).
  
  - c) Samples of items, when required, must be submitted within the time specified, unless otherwise specified by the Government, at no expense to the Government. If not destroyed by testing, samples will be returned at bidder's request and expense, unless otherwise specified by the Solicitation.
  
  - d) Samples or descriptive literature should not be submitted unless it is required on this solicitation. Regardless of any attempt by a bidder to condition the bid, unsolicited samples or descriptive literature will not be examined or tested at the bidder's risk, and will not be deemed to vary any of the provisions of this Solicitation.
  
6. **FAILURE TO SUBMIT BID:** If no bid is to be submitted, do not return the solicitation unless otherwise specified. A letter or postcard shall be sent to the issuing office advising whether future Solicitations for the type of supplies or services covered by this Solicitation are desired.

7. **LATE BID, LATE WITHDRAWALS, AND LATE MODIFICATIONS:**

- a) **Definition:** Any bid received after the time and date set for receipt of bids is late. Any withdrawal or modification of a bid received after the time and date set for opening of bids at the place designated for opening is late (Guam Procurement Regulations 2 GAR, Div.4 §3109(k)).
- b) **Treatment:** No late bid, late modification, or late withdrawal will be considered unless received before contract award, and the bid, modification, or withdrawal would have been timely but for the action or inaction of territorial personnel directly serving the procurement activity.

8. **DISCOUNTS:**

- a) Notwithstanding the fact that prompt payment discounts may be offered, such offer will not be considered in evaluating bids for award unless otherwise specified in the Solicitation. However, offered discounts will be taken if payment is made within the discount period, even though not considered in the evaluation of bids.
- b) In connection with any discount offered, time will be computed from date of delivery and acceptance of the supplies to the destination as indicated in the purchase order or contract. Payment is deemed to be made for the purpose of earning the discount on the date of mailing of the Government check.

9. **GOVERNMENT FURNISHED PROPERTY:** No material, labor or facilities will be furnished by the Government unless otherwise provided for in the Solicitation.

10. **SELLER' INVOICES:** Invoices shall be prepared and submitted in quadruplicate (one copy shall be marked "original") unless otherwise specified. Invoices shall be "certified true and correct" and shall contain the following information: Contract and order number (if any), item numbers, description of supplies or services, sizes, quantities, unit prices, and extended total. Bill of lading number and weight of shipment will be shown for shipments made on Government bills of lading.

11. **RECEIPT, OPENING AND RECORDING OF BIDS:** Bids and modifications shall be publicly opened in the presence of one or more witnesses, at the time, date, and place designated in the Invitation for Bids. The name of each bidder, the bid price, and such other information as is deemed appropriate by the Procurement Officer, shall be read aloud and recorded, or otherwise made available. The names and addresses of required witnesses shall be recorded at the opening. The opened bids shall be available for public inspection except to the extent the bidder designates trade secrets or other proprietary data to be confidential as set forth in accordance with Section 12, below. Material so designated shall accompany the bid and shall be readily separable from the bid in order to facilitate public inspection of the non-confidential portion of the bid. Prices, makes and models or catalogue numbers of the items offered, deliveries, and terms of payment shall be publicly available at the time of bid opening regardless of any designation to the contrary (Guam Procurement Regulations 2 GAR, Div.4 §3109(k)).

12. **CONFIDENTIAL DATA:** If a bidder considers any information submitted in its bid to be confidential, the bidder must identify in writing to the Government those portions which it considers confidential, and must request in writing that those portions be kept confidential. Only trade secrets and proprietary data will be considered confidential. If there is a request for confidentiality, the Government will render a decision on the request as soon as practicable after bids are opened. The Government will advise any bidder requesting confidentiality, of the Government's decision in writing. If the Government does not agree with a bidder's request, then the Government will inform the bidder that it may lodge a protest regarding any part of the Government's decision by following the procedure for protests outlined in Chapter 9 of the Guam Procurement Regulations.

13. **PROHIBITION AGAINST GRATUITIES AND KICKBACKS:** With respect to this procurement and any other contract that bidder may have or wish to enter into with the Government, the bidder represents that he/she has not violated, is not violating, and promises that he will not violate the prohibition against gratuities and kickbacks set forth in the Guam Procurement Regulations.

14. **STATEMENT OF QUALIFICATIONS:** The ability capacity and skill of the Bidders to perform; Whether the bidder can perform promptly or within the specified time; The quality of performance of the Bidder with regards to awards previously made to him; The sufficiency of the financial resources and ability of the bidders to perform; and the compliance with all of the conditions to the solicitation.

15. **WAGE AND BENEFIT COMPLIANCE-CONTRACTORS PROVIDING SERVICES**

- a) Contractor with regard to all person its employs whose purpose in whole or in part is the direct delivery of services contracted for with the Government of Guam in this procurement, shall pay such employees in accordance with the Wage Determination for Guam and the Northern Marianas Islands issued and promulgated by the U.S. Department of Labor for such labor as is employed in the direct deliverance of deliverables to the government of Guam. 5 GCA § 5801 Contractor shall be responsible for flowing down this obligation to its subcontractors.
- b) The Wage Determination most recently issued by the U.S. Department of Labor at the time this Agreement was awarded to Contractor shall be used to determine wages and benefits which shall be paid to employees pursuant to this clause. 5 GCA § 5801
- c) Should any contract contain a renewal clause, then at the time of renewal adjustments there shall be stipulations contained in that contract for applying the Wage Determination, so that the Wage Determination promulgated by the U.S Department of Labor on a date most recent to the renewal date shall apply. 5 GCA § 5801
- d) In addition to the Wage Determination detailed above, health and similar benefits for employees having a minimum value as detailed in the Wage Determination issued and promulgated by the U.S. Department of Labor shall apply. Contractor shall pay a minimum of ten (10) paid holidays per annum per employee. 5 GCA § 5802
- e) Any violation of Contractor or its subcontractor's obligations of this section shall be investigated by the Guam Department of Labor and may include a monetary penalty assessment by the Guam Department of Labor of no less than One Hundred Dollars (\$100.00) per day, and no more than One Thousand Dollars (\$1,000.00) per day, until such time as a violation has been corrected, as well as the payment of all back wages and benefits due. 5 GCA § 5803
- f) In addition to any and all other breach of contract actions the Government of Guam may have under this procurement, in the event there is a violation in the process set forth in subsection (e) above, Contractor may be placed on probationary status by the GENERAL MANAGER of the General Service Agency, or its successor, for a period of one (1) year.

During the probationary status, a Contractor shall not be awarded any contract by any instrumentality of the Government of Guam. A Contractor who has been placed on probationary status, or has been assessed a monetary penalty pursuant to 5 G.C.A. Article 13 Title 5 may appeal such penalty or probationary status to the Superior Court of Guam. 5 GCA § 5804

- g) Contractor along with all proposed Offerors and submitter under this procurement were required to submit a Declaration of Compliance with Wage Determination laws as part of this procurement with a copy of the most recent Wage Determination for Guam and the Northern Marianas Islands issued and promulgated by the U.S. Department of Labor. 5 GCA §5805
  - h) The applicable USDOL Wage Determination Rate Revision (as defined by subsections (b) and (c)) is to this Agreement. Contractor agrees to provide upon written request by the Government of Guam written certification of its compliance with its obligations as part of each invoice, along with the names of any employees, their positions, and detailed wage and benefits paid in keeping with this section. Additionally, upon request by Government of Guam the Contractor shall submit source documents as to those individuals provide direct services in part or whole under this Agreement and its payments to them of such wages and benefits.
16. **ETHICAL STANDARDS:** With respect to this procurement and any other contract that the Contractor may have, or wish to enter into, with any government of Guam agency, the Contractor represents that it has not knowingly influenced, and promises that it will not knowingly influence, any government employee to breach any of the ethical standards set forth in the Guam Procurement Law and in any of the Guam Procurement Regulations.
17. **PROHIBITION AGAINST CONTINGENT FEES:** The Contractor represents that he has not retained any person or agency upon an agreement or understanding for a percentage, commission, brokerage, or other contingent arrangement, except for retention of bona fide employees or bona fide established commercial selling agencies, to solicit or secure this Agreement or any other contract with the government of Guam or its agencies.



18. **CONTRACTOR'S WARRANTY AS TO EMPLOYEES AND SEX OFFENSES.** *Reference 5 GCA 5253*

***(b)***

Contractor warrants that no person providing services on behalf of the Contractor has been convicted of a sex offense under the provisions of Chapter 25 of Title 9 of 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.

Contractor warrants that if any person providing services on behalf of Contractor 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. Any contractor found in violation of this section, after notice from the Government of Guam, after notice from the contracting authority of such violation, shall within twenty-four (24) hours, take corrective action and shall report such action to the contracting authority. Failure to take corrective action with the stipulated period may result in the temporary suspension of the contract at the discretion of the Government of Guam.

19. **POLICY IN FAVOR OF SERVICE-DISABLED VETERAN OWNED BUSINESSES** P.L. 31-115

(September 20, 2011) 5 GCA § 5011 and § 5012 In the procurement of any supply or service, (except for professional services), if such supply or service is offered by a Service-Disabled Veteran Owned Business "SDVOB", as defined in 5 GCA § 5012, that is at least fifty one percent (51%) owned by service-disabled veteran(s), and if the supply or service is available within the period that is required for the procurement, and the price for the supply or service does not exceed one hundred five percent (105%) of the lowest bidder price, a preference shall be given to that SDVOB by the Government of Guam, and the supply or service shall be purchased from said SDVOB. This shall be in addition to any other procurement benefit the SDVOB may qualify for under Guam law. A business concern is a qualified SDVOB if: (a) the business concern is licensed to do business on Guam; (b) the business concern maintains its headquarters on Guam; (c) the business concern is at least fifty-one (51%) owned by a service-disabled veteran(s) who served in the active U.S. military service, was discharged or released under honorable conditions and whose disability is service-connected as demonstrated by a DD214, and certified by an award letter from the U.S. Department of Veterans Affairs; the DD214 and Disability award letter from U.S. Department of Veterans Affairs are submitted to the Government of Guam procuring agency for every service offered; and the service disabled veteran(s) owner(s) of the business concern has filed individual tax returns on Guam for a period of at least three (3) consecutive years

## INSTRUCTIONS

1. **This is not an all-or nothing bid.** Bidders may offer quotes for any one or all coverages for the five year term. PAG, at its sole discretion, may elect to accept the lowest overall price for each insurance required, or select bundle whichever is less costly to the Port.
2. Bids must be in a sealed single package and delivered to the following address no later than the date and time set by the Port Authority of Guam

Port Authority of Guam  
1026 Cabras Highway  
Piti, GU 96925

3. Bid Package shall include:
  - a. Bid response forms for each coverage for which a bid is being submitted.
  - b. Complete specimen policies and required endorsement for each coverage for which a bid is being submitted.
  - c. Information on the claims reporting procedures for each carrier.
  - d. Copy of Broker's license(s) to transact insurance on Guam.
  - e. Proof of at least \$1,000,000 Professional Liability Insurance.
4. PAG will only purchase insurance from insurers licensed to transact business on Guam, and with financial strength ratings of at least A-IX (Excellent) by A.M. Best, AA-(Strong) by Standard and Poors, or Aa3 (Excellent) by Moody's.

**BID RESPONSE FORM**

**1.0 PROPERTY INSURANCE**

Limit	Deductible	Annual Premium
\$55,000,000.00	\$1,000,000	

Carrier	Carrier's Financial Rating

**2.0 LIABILITY INSURANCE**

Limit	Deductible	Annual Premium
\$50,000,000 CSL	Nil	

Carrier	Carrier's Financial Rating

**3.0 DIRECTOR'S & OFFICERS LIABILITY INSURANCE**

Limit	Deductible	Annual Premium
\$5,000,000 CSL \$2,000,000 EPL	Nil	

Carrier	Carrier's Financial Rating

**4.0 AUTOMOBILE INSURANCE**

Limit	Deductible	Annual Premium
\$2,000,000 CSL	\$1,000	

Carrier	Carrier's Financial Rating

**5.0 CRIME INSURANCE**

Limit	Deductible	Annual Premium
\$1,000,000	Nil	

Carrier	Carrier's Financial Rating

**6.0 BUNDLED COST TOTAL ANNUAL PREMIUM (1.0-5.0):** \$ \_\_\_\_\_

# **PLEASE REVIEW ALL** **ATTACHED DOCUMENTS**

1. **Renewal Proposal Form Directors and Officers Insurance and Independent Audit Report and Financial Statement.**
2. **Supplementary Questionnaire for Employee Practice Liability**
3. **Crime Insurance Application**
4. **Directors and Officers Insurance Application**
5. **Port Liability Insurance Application**
6. **Summary of Declared Values 2022**
7. **Property Schedule 2022**
8. **Automobile Listing**
9. **Equipment Listing**
10. **Construction Activities FY2023**

# Application Form

PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED

**RENEWAL PROPOSAL FORM FOR  
DIRECTORS & OFFICERS INSURANCE**

**PORT AUTHORITY OF GUAM**

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# Application Form

PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED

## Renewal Proposal Form For Directors Officers Liability and Company Reimbursement Insurance

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### Proposer Details

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1. Name of Proposer

PORT AUTHORITY OF GUAM

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2. Address of Head Office

1026 CABRAS HWY., STE. 201  
PITI, GUAM. 96915

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**N.B. Hereinafter the Proposer and its subsidiaries shall be known as the "Company."**

3. Has the Company changed its principal business activities within the past 12 months? .....  Yes  No

4. Limit(s) of Liability being requested:  
5,000,0000

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5. (a) Please provide total (consolidated) annual gross assets of the Company from the most recent year end report:  
FY21: \$238,288,834

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(b) Please provide total (consolidated) annual revenues of the Company from the most recent year end report:  
FY21: \$55,058,328

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(c) Please provide the total (consolidated) net worth of the Company for the past two years:  
FY20: \$16,036,248      FY21: \$13,803,428

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(d) Please provide the total (consolidated) net income of the Company for the past two years:  
FY20: \$682,047      FY21: (\$2,232,820)

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# Application Form

PLEASE COMPLETE ALL SECTIONS INCOMPLETE APPLICATIONS WILL BE REJECTED

## Renewal Proposal Form For Directors Officers Liability and Company Reimbursement Insurance

6. Did the Proposer acquire or create any new subsidiaries within the past 12 months?

Yes  No

If "yes," please provide the following information for each subsidiary:

Name of subsidiary	Country of formation or incorporation	Publicly Traded or Privately Held	If publicly held then each securities exchange/ market per country	Type of listing (Direct, ADR and level, OTC)

Is insurance being requested for the directors and officers of each new subsidiary?  
.....  Yes  No

7. During the last 12 months has any subsidiary been sold or ceased trading?  Yes  No

If "yes" to this question 7 please give details.

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8. If any of the below has changed for the Company during the last 12 months then please provide the amended numbers and/or information:

(a) Total number of shareholders:

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(b) Total number of shares issued:

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(c) Total number of shares (percentage) held by each director and officer of the Company (both direct and beneficial):

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(d) Total number of shares (percentage) held by institutional investors:

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# Application Form

PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED

## Renewal Proposal Form For Directors Officers Liability and Company Reimbursement Insurance

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- (e) All security holders, holding a 5% or more ownership interest in the Proposer, or any subsidiary that is publicly traded, giving the holder's name and the percentage held:

<u>Holder</u>	<u>Entity</u>	<u>Percentage of Ownership</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

- B. (a) Is the Proposer or any subsidiary considering any acquisition, tender offer, merger, buy-out or other change in equity structure?.....  Yes  No
- (b) Is the Proposer or any subsidiary aware of whether any other company or entity is considering an acquisition, tender offer, merger, buy-out or other change in equity structure of which the Proposer or any subsidiary would be a target?.....  Yes  No
- (c) Has either the Proposer or any of its subsidiaries undergone a new public offering of securities, or a change in the listing status of its existing securities, within the last 12 months?.....  Yes  No
- (d) Is the Proposer or any of its subsidiaries intending either a new public offering of securities, or a change in the listing status of its existing securities, within the next 12 months?  Yes  No

If "yes" to any of the above, please provide specific details.

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# Application Form

PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED

## Proposal Form For Directors Officers Liability and Company Reimbursement Insurance

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10. Please provide a list of all new directors and officers of the Proposer and of each subsidiary who became a director and/or officer of the Proposer and/or a subsidiary within the past 12 months.

<u>Name</u>	<u>Title</u>
<u>Francisco G. Santos</u>	<u>Chairman</u>
<u>Dorothy P. Harris</u>	<u>Vice Chairman</u>
<u>Dr. Judith Gutherz</u>	<u>Secretary</u>
<u>Conchita S.N. Taitano</u>	<u>Member</u>

Is insurance being requested for each new director and officer in their listed capacity?  
.....  Yes  No

11. (a) Have any Directors and / or Executive Officers of the Company resigned or been replaced in the past 12 months? .....  Yes  No

If "Yes," who, title and why?

Nathan Taimanglo and Isa Marie Kokl - Due to expiration of term.

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(b) Is the Company considering a replacement of or addition of any Directors and Executive Officers of the Company within the next 13 months? .....  Yes  No

If "Yes," who, title and why?

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12. Did the Company change its external auditing firm in the past 12 months.....  Yes  No

If "yes," why, when and to whom?

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# Application Form

PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED

## Proposal Form For Directors Officers Liability and Company Reimbursement Insurance

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13. Does the Company have any plans to remove or replace its external auditor in the next 12 months?.....X Yes No

If "Yes," why and to whom?

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14. (a) Have all revenue recognition practices of the Company been approved by your existing external auditor, without qualification?.....  Yes  No

If "no," please provide specific details.

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- (b) Have the Company's external auditors recommended changes to the revenue recognition or other significant accounting practices in the past 12 months?.....  Yes  No

- (c) Has the Company changed or considered changes to the revenue recognition or other significant accounting practices in the past 12 months?.....  Yes  No

- (d) Is the Company considering changes to the revenue recognition or other significant accounting practices?.....  Yes  No

If "yes," to (b), (c) or (d) please provide specific details.

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15. Did the Company or any of directors and/or officers thereof acquire any interests in any partnerships or Special Purpose Vehicles or Entities within the past 12 months?.....  Yes  No

If "yes," please provide details.

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# Application Form

PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED

## Renewal Proposal Form For Directors Officers Liability and Company Reimbursement Insurance

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16. Does the Company anticipate having to take a significant one time charge to earnings, or restate earnings, within the next 12 months? .....Yes No

If "yes," please provide details.

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If "yes" to question 16, it is agreed that the proposed policy shall not provide any coverage for loss in connection with any claim, investigation, proceeding or action alleging or arising from such event, unless an endorsement is added to the proposed policy specifically extending coverage to such arising.

17. Has the Company made any significant changes to its specific written corporate policies with respect to directors', officers' and employees' ability to purchase or sell the Company's stock, including the ability to exercise stock options? ..... Yes No

If "yes," please provide details.

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18. The directors or officers of the company, the General Counsel (or equivalent person) of the company and the risk manager of the company have no knowledge or information of any act, error or omission which could reasonably give rise to a claim, investigation or action under the proposed policy, except as follows: (Attach complete details.).....Yes No
-

# Application Form

PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED

## Renewal Proposal Form For Directors Officers Liability and Company Reimbursement Insurance

### Cover for the United States of America

Please complete questions 18-25 if the Proposer is requesting any coverage for claims brought in the United States of America or claims made elsewhere arising out of the Company's operations in the United States of America. NOT APPLICABLE

19. (a) Please provide the total gross assets of the Company in North America, if such assets have significantly changed in the last 12 months? NOT APPLICABLE
- (b) Please provide the total revenues of the Company derived from its activities in North America, if such revenues have significantly changed in the last 12 months? NOT APPLICABLE
- (c) Total number of employees in the United States of America and three US states with the largest number of such employees: NOT APPLICABLE
20. In the last 12 months, did the Company acquire any ownership interest of 50% or less in any entity located or incorporated in the United States of America? .....  Yes  No

If "yes":

- (a) Please provide in an attachment the name of the entity, type of industry, whether public or private, and if publicly traded, type of securities (equity or debt) and the name of exchange or market on which such securities are traded:
- (b) Does the Company have any representation on the Board of Directors, or as an Executive Officer, on any entity listed in question 20(a) above?.....  Yes  No
- If "yes" to 20(b), please provide name of entity, name of individual and position.

21. Has either the Proposer or any of its subsidiaries undergone a new public offering of securities (equity or debt) in the United States of America, or a change in the listing status of its existing securities (equity or debt) traded or sold in the United States of America, within the last 12 months  Yes  No

If "yes" to the above, please provide specific details, including;

- the name of the entity, and country of incorporation/formation  
\_\_\_\_\_
- US exchange on which securities are listed,  
\_\_\_\_\_
- type of security listing (ADR and Level, Direct listing etc.),  
\_\_\_\_\_
- percentage US securities represent to all Company securities traded worldwide.  
\_\_\_\_\_

# Application Form

PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED

## Renewal Proposal Form For Directors Officers Liability and Company Reimbursement Insurance

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22. Is the Proposer or any of its subsidiaries intending either a new public offering of securities in the United States of America, or a change in the listing status of its existing securities presently traded in the United States of America, within the next 12 months?.....  Yes  No

If "yes" to the above, please provide specific details.

23. Is the company required to follow U.S. Generally Accepted Accounting Principles (GAAP)? .....  Yes  No

If "Yes," are the company's financial statements generally in accordance with US GAAP?.....  Yes  No

25. Is the company or any director or officer presently the subject of a U.S. Securities and Exchange Commission (SEC) enforcement action or a U.S. Internal Revenue Service (IRS) enforcement action?.....  Yes  No

If "yes," please provide details.

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26. Is the SEC or IRS investigating or requesting information from the Company of any of the Company's directors, officers or employees?.....  Yes  No

If "yes," please provide details.

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27. Does the Company have an Internal Audit Committee pursuant to U.S. statutes, rules or regulations? .....  Yes  No

If "no," why?

CURRENT EXTERNAL AUDITOR, DELOITTE, IS ENGAGED AT THE BEGINNING OF EACH FISCAL YEAR TO AUDIT PREVIOUS FISCAL YEAR.

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(i) If "Yes," does the Audit Committee meet more than four times a year? .....  Yes  No

(ii) If "Yes," has any member of the audit committee resigned or been replaced within the past 12 months?.....  Yes  No

If "yes," who and why?

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# Application Form

PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED

## Renewal Proposal Form For Directors Officers Liability and Company Reimbursement Insurance

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### Documentation

25. Provide copies of the following for the Company.

- (a) Latest annual report. NOT APPLICABLE
- (b) Latest audited financials SEE ATTACHMENT 1
- (c) Latest interim financials available SEE ATTACHMENT 2
- (d) Copy (certified by organization's Secretary) of the indemnification provisions of the charter and the by-laws. Also attach a copy of organization's indemnification agreement.
- (e) Latest CPA management letter along with Proposer's responses to any recommendations made therein.

If the Company has any securities (equity or debt) listed or traded in the United States of America, then:

- (f) Latest 10K report filed with the Securities and Exchange Commission (SEC) (or similar state or foreign agency).
- (g) All registration statements filed with the SEC (or similar state or foreign agency) within the last twelve months.
- (h) Copies of financial statements certified by the CEO and CFO. All proxy statements and notices of annual meeting of stockholders within the last 12 months

It is agreed that the Proposer will file with the Insurer, as soon as it becomes available, a copy of each registration statement and annual or interim report which the Proposer or any subsidiary may from time to time file with any local or foreign governmental, regulatory body or agency that regulates securities (including but not limited to the US Securities and Exchange Commission).

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**SIGNING THIS PROPOSAL DOES NOT BIND THE PROPOSER TO COMPLETE THIS INSURANCE.**

### Consent Clause

"I agree and authorize the Company to use and disclose any information (collected or held) with regard to matters pertaining to this application, to enable the Company, its associated individuals/organizations or independent third parties, to provide advice or information covering products or services which the Company believes may be of interest to me or to communicate with me for any purpose."

PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED

## Declaration

I declare on behalf of all insureds, after inquiry, that the statements and particulars in this supplemental proposal are true and no material facts have been misstated or suppressed. I agree that this proposal forms, any attachment, any information submitted therewith and any and all other information supplied or requested, shall form the basis of any Contract of Insurance effected thereon. I further undertake to inform insureds of any material alteration to any information, statements, representations or facts presented in this proposal form occurring after the date this proposal form is signed and before the inception date of the proposed policy.

A material fact is one which would influence the acceptance or assessment of the risk.

All written statements and materials furnished to the insurer in conjunction with this application are hereby incorporated by reference into this application and made a part hereof.

Signing this proposal does not bind the proposer to complete this insurance.

Signed   
RORY J. RESPICIO

Title General Manager

Company PORT AUTHORITY OF GUAM

Date

AIG

**PORT AUTHORITY OF GUAM  
(A COMPONENT UNIT OF  
THE GOVERNMENT OF GUAM)**

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**FINANCIAL STATEMENTS, ADDITIONAL  
INFORMATION AND  
INDEPENDENT AUDITORS' REPORT**

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**YEARS ENDED SEPTEMBER 30, 2021 AND 2020**

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## **INDEPENDENT AUDITORS' REPORT**

The Board of Directors  
Port Authority of Guam:

### **Report on Financial Statements**

We have audited the accompanying financial statements of the Port Authority of Guam (the Authority), a component unit of the Government of Guam, which comprise the statements of net position as of September 30, 2021 and 2020, and the related statements of revenues, expenses and changes in net position and of cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Port Authority of Guam as of September 30, 2021 and 2020, and the changes in its net position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matters**

As discussed in Note 12 to the financial statements, the Authority determined that the COVID-19 pandemic may have negatively impact its business, results of operations and net position. Our opinion is not modified with respect to this matter.

As discussed in Note 11 to the financial statements, the 2020 financial statements have been restated to correct an error in capitalized interest.

## **Other Matters**

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 through 19 as well as the Schedules of Proportional Share of the Net Pension Liability on pages 56 through 58, the Schedule of Pension Contributions on page 59, the Schedule of Changes in the Proportional Share of the Total OPEB Liability and Related Ratios on page 60, the Schedule of Proportional Share of the Total OPEB Liability on page 61, and the Schedule of OPEB Contributions on page 62 be presented to supplement the financial statements. Such information, although not a part of the financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Financial Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The schedules of details of operating expenses and the summary of salaries and wages on pages 63 through 67 are presented for purposes of additional analysis and are not a required part of the financial statements.

The schedules of details of operating expenses and the summary of salaries and wages are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules of details of operating expenses and the summary of salaries and wages are fairly stated, in all material respects, in relation to the financial statements as a whole.

## Other Matters, Continued

### *Other Financial Information, Continued*

The schedule of employees by department on page 68 has not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated April 21, 2022 on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

*Deloitte & Touche LLP*

April 21, 2022

**PORT AUTHORITY OF GUAM**  
**(A Component Unit of the Government of Guam)**

Management's Discussion and Analysis  
September 30, 2021 and 2020

The Port Authority of Guam's (PAG, Port, Authority) Management Discussion and Analysis (MD&A) provides an overview of the financial performance and activities for the fiscal years (FY) ended September 30, 2021, and 2020. The information in this MD&A has been prepared by management and is integral to the data in the financial statements, which follow this section. It should be considered in conjunction with the financial statements and the accompanying notes.

**ABOUT THE AUTHORITY**

The Port Authority of Guam was established as a public corporation and an autonomous agency of the Government of Guam by Public Law 13-87 in October 1975. Port operates the only commercial seaport in the Territory of Guam and is the primary seaport in Micronesia. It serves the largest U.S. deep-water port in the region and currently handles about 1 - 2 million tons of cargo a year. Port owns five cargo-handling piers along with two fuel piers and three marinas. The cost of operations and capital improvements are funded largely from Port's own revenues.

Port is presided over by five board members appointed by the Governor of Guam with the advice and consent of the Guam Legislature. The Board of Directors appoints the General Manager and Deputy General Managers, who are responsible for the maintenance, operation, and development of the Port and the agency's business affairs.

With over 90% of the region's goods and supplies passing through its doorways, Port's impact on the quality and sustenance of life for residents of the region cannot be overstated. As Guam can produce only limited amounts of food and products on the island, Port is truly the life link between the region and the rest of the world.

Port is the main lifeline of consumer goods into the island and recognizes its responsibility to deliver these goods on time. Port is dedicated to providing full services to ocean vessels in support of loading and unloading cargo from Guam and Micronesia. In support of this mission, Port also provides land and infrastructure to private interests to further develop the maritime industries in Guam. As a public corporation, Port dedicates all of its profits to upgrading equipment and facilities and the continued growth of the island's seaport.

Our objective is to modernize Port as a first-class facility in the region, providing cargo-handling services safely, efficiently, and sustainably. To achieve this, Port must increase capacity, execute infrastructure development, expand to meet the community's organic growth and the impending military buildup, promote economic growth and opportunities for maritime-related industries, and address the needs of Port users.

**FY 2021 FINANCIAL HIGHLIGHTS**

- Current assets exceeded current liabilities by \$67.6 million (M).
- As of FY 2021, current assets amounted to \$75.4M, a \$3.0M increase. Current assets increased largely due to the net \$2.6M increase in current cash and cash equivalents and a \$648 thousand (K) increase in accounts receivable.
- Capital assets, net of accumulated depreciation of \$79.7M, amounted to \$116.9M.
- As of September 30, 2021, the Net position was \$13.8M, a \$2.2M decrease from FY 2020. Of this amount, -\$132.5M is unrestricted, \$92.6M is a net investment in capital assets, and \$53.7M is considered restricted.

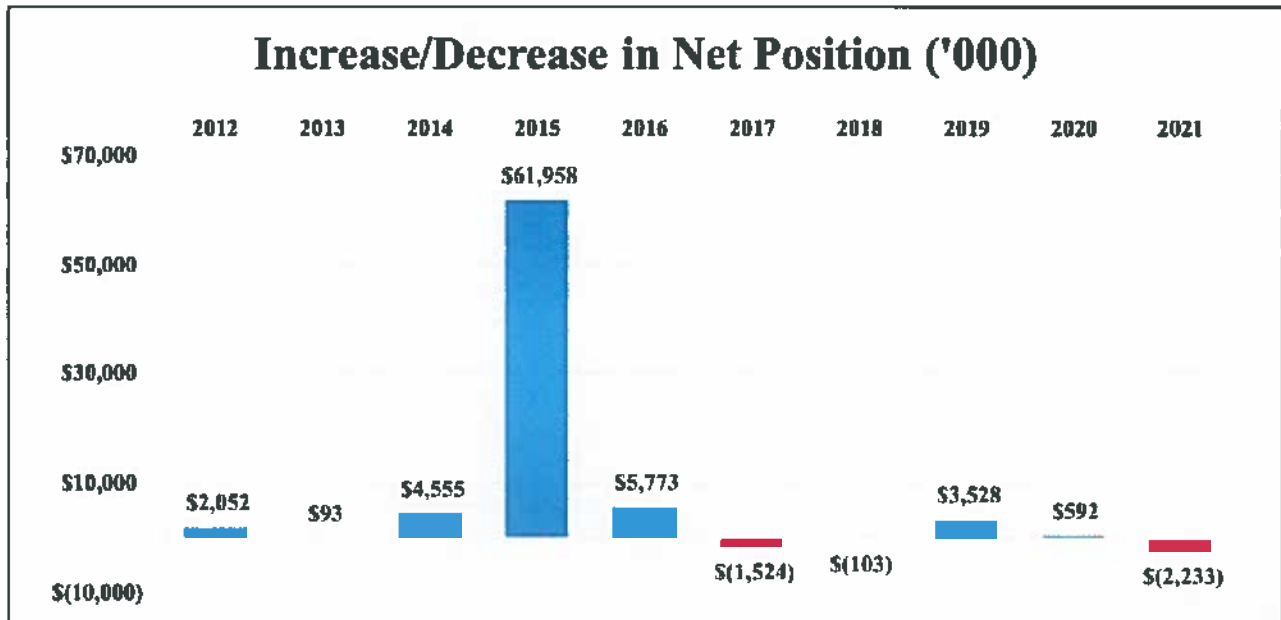
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- Total liabilities increased by \$2.2M (or less than 1%), despite a \$3.2M decrease in current liabilities and a \$2.8M decrease in net long-term debt in FY 2021. The main reasons for the overall rise were the FY 2021 increases in other post-employment benefits (OPEB) liability by \$5.1M (or 5.5%) and in net pension liability by \$2.6M (or 4.1%).
- Operating revenues increased by \$432K, from \$54.7M in FY 2020 to \$55.1M in FY 2021. Despite the struggles brought about by the COVID-19 pandemic on Port's resources and personnel, the total containers that Port handled in FY 2021 was 1.9% higher than last year. This resulted in revenue increases of cargo throughput charges by \$956K, crane surcharge by \$172K, and wharfage charges by \$160K.
- Operating expenses increased by \$2.6M (or 4.6%) from \$55.7M in FY 2020 to \$58.3M in FY 2021. The overall increase in operating expenses is largely due to \$5.3M in OPEB expenses and \$1.3M in pension expenses for FY 2021.
- Before depreciation (a non-cash expense), net operating revenues minus operating expenses resulted in a \$3.1M operating income for FY 2021.
- After including the \$6.3M non-cash expense of depreciation, \$754K of net non-operating revenues, and \$219K of U.S. Government capital grants, Port concluded FY 2021 with a \$2.2M decrease in net position.
- Port's net position at the end of FY 2021 was \$13.8M, which is a \$2.2M decrease from the FY 2020's restated \$16.0M net position. The FY 2020 financial statements were restated to account for \$1.5M of capitalized interest on in-progress capital improvement projects.
- In a separate report, the independent financial auditors issued an unmodified (clean) opinion on Port's FY 2021 financial statements, and found no material weakness or significant deficiency in Port's internal control over financial reporting. Additionally, the independent financial auditors issued a clean opinion on Port's FY 2021 compliance over major federal programs, and found no material weakness or significant deficiency in Port's internal control over major federal programs. The auditors also concluded that Port qualified as low-risk auditee.

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**Overview of Financial Statements**

Port's basic financial statements consist of the following: 1) statement of net position, 2) statement of revenues, expenses, and changes in net position, 3) statement of cash flows, and the 4) notes to financial statements. This financial report also contains required supplementary information in addition to the basic financial statements.

The statement of net position is a snapshot presentation of all of Port's assets, liabilities, deferred outflows, and deferred inflows of resources – with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether Port's financial position improves or declines.

The statement of revenues, expenses, and changes in net position provides insight into how Port's net position changed during the fiscal year. All changes in net position are recorded as soon as the transaction occurs, regardless of the timing of the related cash flows. As such, the revenues and expenses reported in this statement include some items for which the corresponding cash receipt or cash payment will occur in future fiscal periods.

**Authority Activities and Highlights**

**FY 2021 Cargo Operations Results**

The main basis for gauging the annual revenue status of Port is through the number of cargos it handles each year. The main classifications of cargos are container and non-container (breakbulk) cargos. Container cargos are further broken down into local or transshipment categories. Local containers contain goods destined specifically for Guam's economy. The majority of exports for local cargos are empty containers. Transshipment containers are unloaded at Port. After a temporary stage in the yard, they are transferred to another vessel to be transported to the final port of discharge. These transit containers typically arrive in Port from the U.S. or Asia. They are then transferred to smaller ports in the Commonwealth of the Northern Mariana Islands (CNMI), the Republic of Palau, the Federated States of Micronesia (FSM), and the Republic of the Marshall Islands (RMI). Transshipment containers (mostly

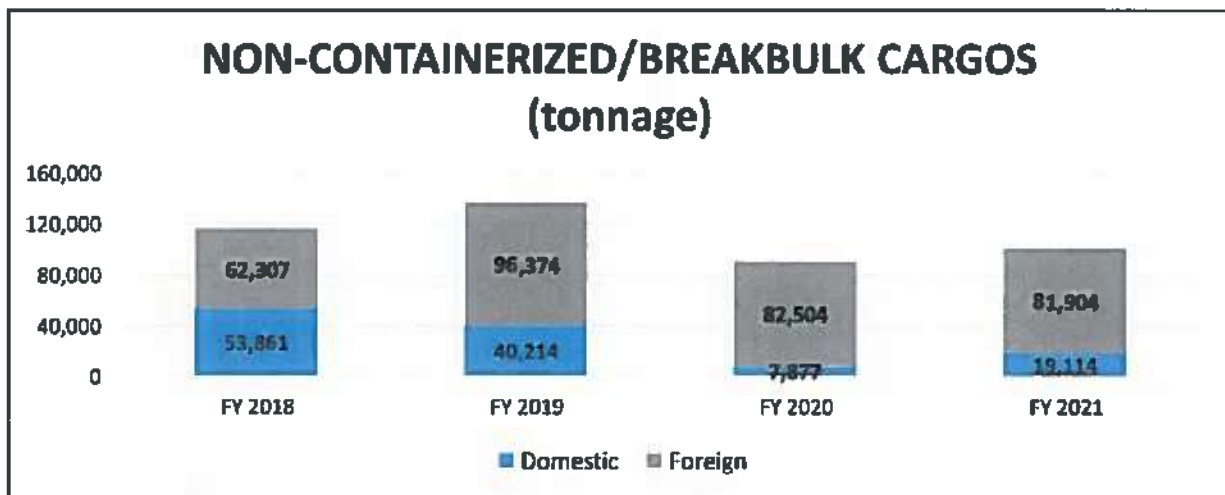
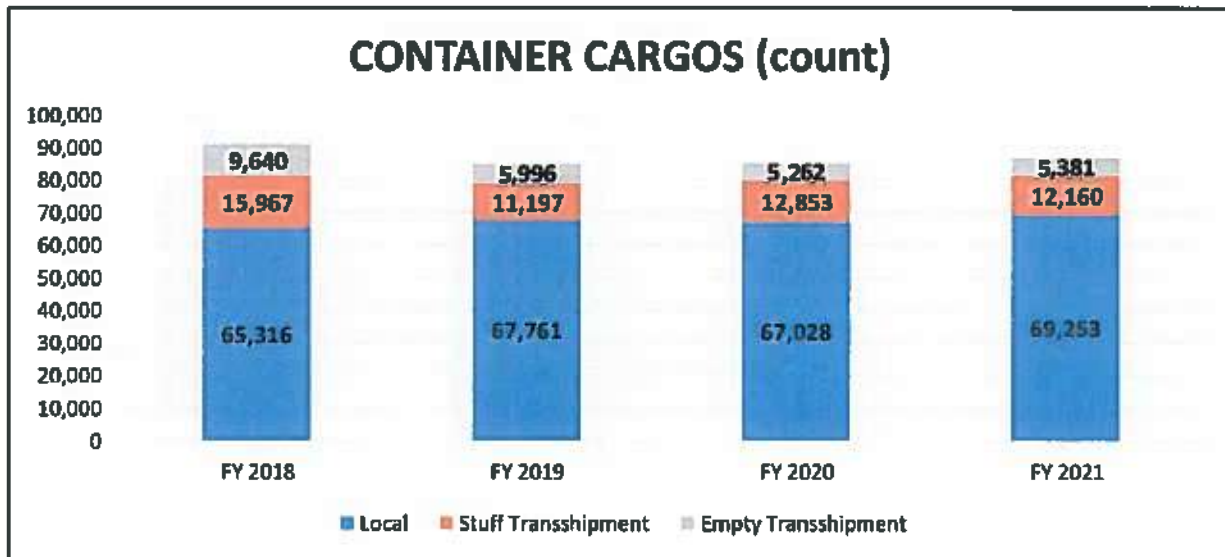
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empty) from the Micronesian islands are then typically sent back through Port and outbound to U.S. or Asia ports. Guam's supplemental handling of transshipment cargo bound for, or exported from, allows Port to grow revenues beyond those generally allowed by local economic conditions. Transshipment cargos generate an average of 6% of total annual revenues.

In FY 2021, Port handled about 87 thousand (K) containers, which is a 1.9% increase from FY 2020's container count of 85K. This overall increase is due mainly to the 2K increase in local containers from 67K in FY 2020 to 69K in FY 2021. The container cargo count in FY 2021 included 69K local containers, 12K stuff transshipment containers, and 5K empty transshipment containers.

While the number of local containers handled had increased over the past five fiscal years, Port experienced a decline in the number of transshipment containers from FY 2018 through FY 2020. Compared to FY 2020, stuff transshipment containers decreased by 5.4% (or 693), while empty transshipment containers increased by 2.3% (or 119). In FY 2021, Port handled 101K tons of breakbulk (non-containerized) cargos, an 11.8% increase from FY 2020's 90K tons.



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Net position is the sum of assets and deferred outflows of resources minus liabilities and deferred inflows of resources. Over time, increases or decreases in net position may serve as a useful indicator of whether Port's financial position improves or declines. Refer to the following for a condensed summary of Port's net position as of September 30, 2021, 2020, and 2019 (in thousands).

Condensed Statements of Net Position  
(In Thousands)

	<u>2021</u>	<u>2020</u> <u>As restated</u>	<u>2019</u>
<b>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>			
Current assets:			
Current and other assets	\$ 121,369	\$ 121,077	\$ 118,906
Capital assets	116,921	118,250	116,869
<b>Total assets</b>	<u>238,290</u>	<u>239,327</u>	<u>235,774</u>
Deferred outflows of resources	48,320	37,571	15,602
<b>Total assets and deferred outflows of resources</b>	<u>\$ 286,610</u>	<u>\$ 276,898</u>	<u>\$ 251,376</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</b>			
Current liabilities	\$ 7,755	\$ 11,002	\$ 10,397
Other non-current liabilities	233,052	227,580	196,830
<b>Total liabilities</b>	<u>240,807</u>	<u>238,581</u>	<u>207,227</u>
Deferred inflows of resources	32,000	22,281	28,705
Net position:			
Net investment in capital assets	92,602	93,784	90,687
Restricted - expendable	53,693	41,375	39,959
Unrestricted	(132,492)	(119,123)	(115,202)
<b>Total net position</b>	<u>13,803</u>	<u>16,036</u>	<u>15,444</u>
<b>Total liabilities, deferred inflows of resources and Net position</b>	<u>\$ 286,610</u>	<u>\$ 276,898</u>	<u>\$ 251,376</u>

**FY 2021 Net Position**

Port's net position is largely made up of \$92.6M in net investment in capital assets (e.g., land, facilities, equipment, construction in progress, and intangible assets). These assets are used for the construction, improvement, operation, and maintenance of Port facilities. Port's net position also includes \$53.7M of resources restricted for the following: a reserve fund used to pay the interest and principal payments due for the 2018 Port Revenue Bonds, future crane acquisition or extraordinary crane maintenance, and the maintenance, replacements, and repair of facilities. The remaining is -\$132.5M of unrestricted resources.



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Port's total assets amounted to \$238.3M, which is a \$1.0M decrease from FY 2020. As of FY 2021, current assets amounted to \$75.4M, a \$3.0M increase. Current assets increased largely due to the net \$2.6M increase in current cash and cash equivalents and a \$648K increase in accounts receivable. As of FY 2021, non-depreciable property, plant, and equipment amounted to \$15.4M, which is a \$3.7M increase. These asset increases were offset by mainly depreciable property, plant, and equipment, which decreased by \$5.1M, due to the disposal of fixed assets and the regular annual depreciation of assets. Please refer to Note 3 to the financial statements for more detailed information on Port's capital asset activity.

Port's total liabilities amounted to \$240.8M, which is a \$2.2M increase from FY 2020. As of FY 2021, current liabilities amounted to \$7.8M, which is a \$3.2M decrease compared to the prior year. Current liabilities are composed of the following accounts: accounts payable trade, security deposits and other payables, accrued payroll and withholdings, the current portion of long-term debt, and the current portion of accrued annual leave. Settlement payouts in FY 2021 decreased the contingency liability balance to \$237K. As of FY 2021, long-term debt amounted to \$67.2M, which is a \$2.8M decrease. See Note 6 to the accompanying financial statements for additional details on Port's financing activities.

These liability decreases were offset by the \$5.1M increase in OPEB liability and the \$2.6M increase in net pension liability. Changes in the actuarial assumptions result in an upward or downward movement of the OPEB and net pension liabilities.

Deferred outflows of resources (reported with assets) and deferred inflows of resources (reported with liabilities) are the reported differences between projected and actual investment earnings. Additional details regarding Port's proportionate shares of pension and OPEB liabilities may be found in Notes 4 and 5 of this financial report.

**Analysis of Port's Activities**

Net position changes are based on the sum of operating and non-operating revenues plus contributed capital, minus operating and non-operating expenses. Refer to the following table for a condensed summary of how the Port's net position changed during the fiscal years ended September 30, 2021, 2020, and 2019 (in thousands).

	Changes in Net Position (In Thousands)			2021
		2020		% Increase /Decrease Over 2020
	<u>2021</u>	<u>As Restated</u>	<u>2019</u>	
Operating revenues:				
Cargo throughput charges	\$ 34,777	\$ 33,820	\$ 34,357	2.83%
Equipment and space rental	8,291	9,192	8,833	-9.80%
Crane surcharge	5,984	5,811	5,875	2.97%
Wharfage charges	5,799	5,639	5,771	2.84%
Special services	95	138	199	-31.45%
Other operating income	113	78	229	44.89%
	<u>55,059</u>	<u>54,679</u>	<u>55,265</u>	<u>0.70%</u>
(Provision for) recovery of bad debts	0	(52)	(29)	100.00%
	<u>55,059</u>	<u>54,627</u>	<u>55,236</u>	<u>0.79%</u>

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	<u>2021</u>	<u>2020</u> <u>As restated</u>	<u>2019</u>	<u>2021</u> <u>% Increase</u> <u>/Decrease</u> <u>Over 2020</u>
<b>Operating expenses:</b>				
Management and administration	14,877	14,591	11,866	1.96%
Equipment maintenance	6,432	6,391	6,076	0.64%
Operations	13,656	13,750	11,839	-0.68%
Retiree healthcare and other benefits	6,954	5,505	2,960	26.30%
Facility maintenance	2,142	2,116	1,962	1.20%
General expenses	7,946	6,977	6,885	13.89%
<b>Total operating expenses</b>	<u>52,007</u>	<u>49,331</u>	<u>41,589</u>	<u>5.42%</u>
Earnings from operations before depreciation	3,052	5,297	13,647	-42.38%
Depreciation	6,258	6,361	6,766	-1.60%
(Loss) earnings from operations	(3,206)	(1,064)	6,881	201.30%
<b>Nonoperating (expenses) revenues:</b>				
Total non-operating expenses, net	754	(825)	(4,051)	-191.40%
Earnings (loss) before capital contributions	(2,452)	(1,889)	2,830	-29.80%
<b>Contributed capital:</b>				
U.S. Government grants	219	2,481	697	-91.20%
Increase (decrease) in net position	(2,233)	592	3,528	-477.20%
Net position at the beginning of the year	16,036	15,444	11,917	3.83%
Net position at the end of the year	<u>\$ 13,803</u>	<u>\$ 16,036</u>	<u>\$ 15,444</u>	<u>-13.92%</u>

**Changes in Net Position**

Port's operating revenues increased by \$432K, from \$54.6M in FY 2020 to \$55.1M in FY 2021. Despite the struggles brought about by the COVID-19 pandemic on Port's resources and personnel, the total containers that Port handled in FY 2021 was 1.9% higher than last year. This resulted in the following revenue increases: cargo throughput charges by \$956K, crane surcharge by \$172K, and wharfage charges by \$160K. These increases were offset by the \$901K decrease in equipment and space rental revenues. As the pandemic's negative impact on businesses (such as tourism, travel, and hospitality) had a ripple effect on Port customers, special service requests decreased, and several leases were terminated.

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Total operating expenses increased by \$2.6M (or 4.6%) from \$55.7M in FY 2020 to \$58.3M in FY 2021. The overall increase in operating expenses is largely due to the recording of OPEB and pension costs in FY 2021, which resulted in higher retiree healthcare and other benefits and divisional expenses. FY 2021 adjustments to OPEB and pension expenses were \$5.3M and \$1.3M, respectively. This resulted in a 26.3% (or \$1.4M) increase in retiree healthcare and other benefits expenses and 1% average increase in the divisional expenses compared to the prior fiscal year. The following expense increases also contributed to the net increase of total operating expenses: general expenses increased by \$636K (or 25.1%), insurance increased by \$389K (or 12.4%), and management and administration increased by \$285K (or 2.0%).

General expenses increased largely because of increases in contractual and maintenance expenses. Insurance premiums increased for property, automobile, and workers' compensation due to the market conditions amidst the pandemic. Management and administration expenses increased mainly because of the following: annual salary increments, hiring of new employees in FY 2021, benefits payouts to employees who separated in FY 2021, and annual salary increments increased retirement rates and insurance rates.

Before depreciation (a non-cash expense), the result of net operating revenues minus operating expenses in FY 2021 was a \$3.1M operating income. When adding back the \$6.3M non-cash expense of depreciation, the result is a \$3.2M operating loss, which is a decline from the \$1.1M operating loss of FY 2020.

In FY 2021, the net result of non-operating revenues and non-operating expenses is a positive \$754K, largely due to the \$2.0M of U.S. Government operating grants received. Port received \$991K from the U.S. Treasury for reimbursement of COVID-19 expenses (i.e., hazardous pay, etc.), via the Coronavirus Aid, Relief, and Economic Security (CARES) Act, as well as \$833K from the U.S. Office of Economic Adjustment for Owner's Agent Engineering Services.

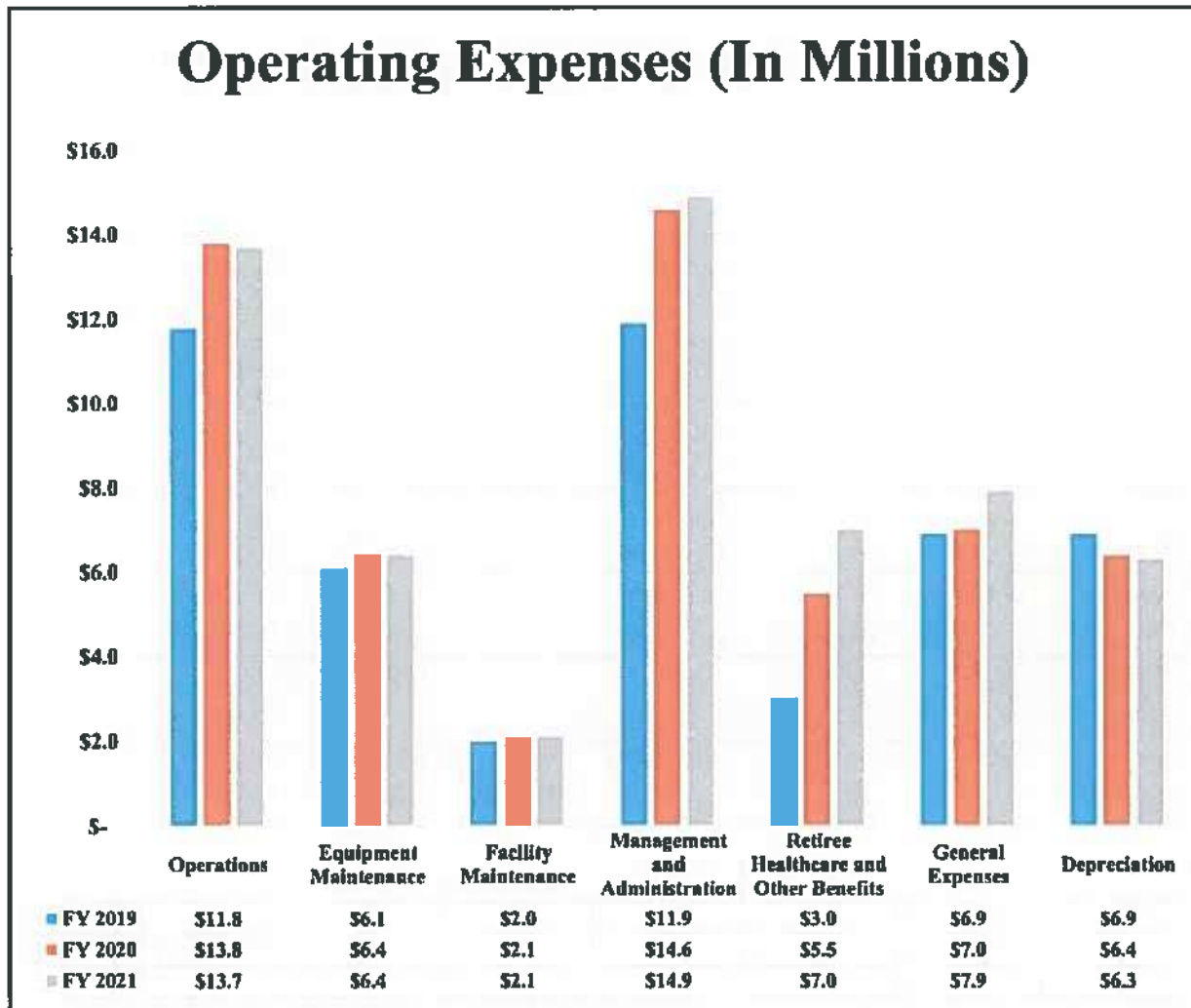
In FY 2021, capital contributions slightly improved the operating loss by only \$219K. U.S. Government capital grants decreased by \$2.3M (or 91.2%) from \$2.5M in FY 2020 to only \$219K in FY 2021. By comparison, Port received two top-lifters in FY 2020 that were Federally-funded in the amount of \$1.6M. Furthermore, decreased activity in Federal-funded projects resulted in less Federal reimbursements in FY 2021.

After adding capital contributions, Port concluded FY 2021 with a \$2.2M decrease in net position. Port's net position at the end of FY 2021 was \$13.8M, which is a \$2.2M decrease from FY 2020's restated \$16.0M net position.

Port's FY 2020 financial statements were restated to account for \$1.5 million of capitalized interest on in-progress capital improvement projects. This restatement resulted in Port concluding FY 2020 with a \$592K increase in net position - which is an improvement from the previously reported \$919K decrease in net position.

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**Key Factors in FY 2021 Operating Results and FY 2022 Future Outlook**

**Corona Virus (COVID-19) Pandemic:** In the early part of 2020, international news media reported the rise of the Coronavirus Disease 2019, also known as COVID-19, in the Asia Pacific Region and for which the U.S. President declared a public health emergency. Immediately after the President's declaration, Port management issued to all shippers, agents, and Port staff guidelines containing the appropriate measures to reduce COVID-19 exposure risk to our tenants and employees. These guidelines included a process outlining what shipping agents should do if a crew member was ill and suspected to have COVID-19 and guidance on what employees were prohibited from doing while on the vessel during operations. In March 2020, the Governor of Guam declared a public health emergency to safeguard Guam from COVID-19.

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To date, 100% of Port employees have been vaccinated in response to Executive Order 2021-17, which mandated that all Government of Guam executive branch employees be vaccinated no later than September 24, 2021. Just as we thought some normalcy was returning to our lifestyles, another strain was identified in 2021, causing us to take appropriate measures to reduce the risk to our tenants and employees. During 2021, we held:

- **Vaccination Clinics:** As the number of positive cases rose amongst our employees, Port sprang into action to take every step possible to protect the employees, tenants, and people of Guam. Aside from the Port Clinic and establishment of the Port Contact Tracing Team, we coordinated with the Guam Department of Public Health and Social Services and the Guam National Guard to set up vaccination clinics, so that our employees, their families, and tenants could receive the COVID-19 vaccinations. Pleased with our set-up for the clinics, the Guam National Guard informed Port that we set the bar high on how any government agency or business was to run a successful vaccination clinic at their job site.
- **Dock-Side Vaccination Clinic:** At the request of the shipping agents, and with the assistance of the Guam Department of Public Health, FHP Clinic, U.S. Immigration, and Guam Customs, Port set up a vaccination clinic in which crew members could receive their dose of vaccination on Port docks.

**Port Modernization:** The Port Authority of Guam's Modernization Program is designed to meet the island's growth, including military realignment and expansion and growing the tourism market. The key project initiatives for the bond market were as follows:

- Expansion of wharf space to accommodate larger vessels and increase vessel handling capacity;
- Upgrade of the terminal operating system to allow for automated invoicing, cargo and container tracking, financial management, and maintenance management;
- Expansion of existing facilities to support fishing and cruise line industries; and
- Replacement of gantry cranes at the end of useful life to maintain continuous, uninterrupted cargo movement.

As part of the modernization program, Port obtained \$71.4M in revenue bonds to pay for capital improvements at Port and refinance some of its existing debt at a lower interest rate. This was also accomplished through legislation. The capital improvement projects to be funded with bond proceeds include the following:

- Rehabilitation of Hotel Wharf and access road;
- Replacement and relocation of water lines;
- Repair and expansion of the Equipment Maintenance & Repair Building and Warehouse 1; and
- Replacement of Port Administration Building and repair of Golf Pier – one of two Port-owned fuel piers.
- Upgrade of Port's 20-year Oracle JDE World financial management system to a more robust and modern Oracle JDE Enterprise One System.

The only project that has a local share of a federal grant (TIGER) is Hotel Wharf and access road, totaling \$24 million. The Port will be using the revenue bond proceeds to fund its share of the Tiger grant for \$14.2 million.

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**Port Master Plan Update:** Port Master plan was updated in 2013 to take into consideration that the re-set of the military build-up would be pushed back between 2020 and 2026. However, in the 2015 National Defense Authorization Act (NDAA), a four-year freeze was lifted on the spending on the Marine relocation. For the Fiscal Year 2017, the NDAA authorized \$253 million in new military construction projects. In 2018, the NDAA authorized \$354.6 million in new military construction projects for Guam. Based on expected aggregate population increase statistics, Guam should expect to see increases in Department of Defense military personnel and dependents on the island between 2018 and the highest peak increase in 2023.

The 2013 Port Master Plan summarized the evolution of change in the Port Modernization Program and identified 55 improvement and sustainability projects to be funded by revenue bond proceeds and Port revenues and financial feasibility assessment based on the assumption that the military build-up was pushed back. Out of the 55 projects, 23 are not completed.

In July 2020, the Port engaged with its Owner Agent Engineer consultants in updating the 2013 Master Plan. The update aims to assist the Port in defining its near-term and long-term approach to modernization, maintaining fiscally sustainable operations, and promoting increased awareness and consensus on its approach among all affected stakeholders and ratepayers of Guam.

In August 2021, OEA consultants briefed management, Governor, Lt. Governor, and several senators who participated in a zoom conference on the master plan status, project planning and analysis, demand forecast, port modernization – build back better, current and new OAE contract, transshipment task force and diversification of commercial activities and revenues. The first draft of the Master Plan Update is expected to be submitted to the Port during the first quarter of 2022.

**Procurement Delegation:** After 14 years since the Port lost its procurement delegation, the Chief Procurement Officer, through the close work relationship with management, restored the full delegation of procurement authority in May 2020. Since then, she has granted a full delegation of procurement authority to the Port for Fiscal Years 2021 and 2022.

**Bond Rating:** On May 17, 2021, Moody's Investors Service raised its outlook for the Port Authority of Guam from negative to stable, pointing to low leverage, strong liquidity, and the Port's ability to remain fully operational during the coronavirus pandemic. Not only did Moody's Investors Service raise the Port's outlook to stable from negative, but the service also affirmed the Baa2 rating assigned to the Port Authority of Guam's senior port revenue bonds. The affirmation of the Baa2 rating and outlook change to stable follows Moody's rating action on the Government of Guam's general obligation bonds rating, which was affirmed at Ba1 with a stable outlook on 4 May 2021.

"The Port Authority of Guam's Baa2 rating reflects its position as the sole commercial port in Guam, handling around 90% of the territory's imported cargo, including a significant portion of military cargo," stated Moody's in a release.

S&P Global Ratings has upgraded its outlook for the Port Authority of Guam to stable from negative and affirmed its 'A' long-term rating on the agency's outstanding series 2018 Port Revenue Bonds. "The outlook revision reflects our view that, despite the economic disruption caused by the global COVID-19 pandemic, volume levels at the port have remained relatively stable and resilient from fiscal 2019 to fiscal 2020 and continuing into fiscal 2021 (Sept. 30 year-end), given the essentiality of the port to Guam, supporting financial metrics that remain in line with our expectations at the current rating level," the ratings report released by Standard and Poor's Global Ratings stated.

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**Gantry Purchase and Maintenance:** Port's Owner Agent Engineer consultants provided a recent assessment and found a dire need to replace the Port of Los Angeles (POLA) cranes. The POLA cranes were originally built in 1983/1984. Although these cranes were refurbished in 2009, they reached the end of their expected service life and need to be replaced by 2024. Because of the importance of the Port as the lifeline to sustain economically and U.S. Department of Defense military build-up construction activities on Guam, the Governor has required new Ship-to-Shore (STS) gantry cranes to replace the Port's aging fleet as one of her top priorities. Through management's guidance, the planning staff submitted a grant application to U.S. Economic Development Administration (EDA) for the acquisition of 2 gantry cranes under the Cares Act Funded Recovery Assistance Program and developed a loan application to the U.S. Department of Agriculture for one gantry crane as a back-up to its EDA application.

In November 2021, Governor Leon Guerrero allotted \$15 million in American Rescue Plan Act (ARPA) Fiscal Recovery Funds to Port. These ARPA funds will free up Port's reserve fund to allow funding for capital projects, bond project shortfall, or the purchase of one new gantry crane. Port management is working with its Owner Agent Engineer to develop the STS gantry cranes specifications for procurement.

Public Law 31-145, enacted in 2011, required the Port to contract the services of a Performance Contractor to manage the performance, operation, and maintenance of the Port's gantry cranes and other cranes utilized in Port operations. When this administration came on board in 2019, the 2012 contract had expired. In 2021, the Port successfully negotiated a contract with Matson Navigation Company, and Public Utilities Commission approved the procurement award.

**Revenue Bond, Federal, and Port Funded Projects:** As a result of management's efforts to make sure the Port meets the expectations of our bond, federal and local stakeholders; the following are the updates in the Port's Capital Improvement Project (CIP) initiatives:

1. ***Hotel Wharf Rehabilitation and Reconstruction Project:*** After Maritime Administration (MARAD) approved the environmental assessment and FONSI for Hotel Wharf and issued in September 2019 the notice to proceed with the rehabilitation project, the Port was able to relocate the coral head, which was situated near the wharf.

In March 2021, the Port awarded the Construction Management contract for the Hotel Wharf and Route 11 Access Roadway project. The procurement solicitation was issued in 2021, and the review is currently ongoing.

2. ***Removal of Port Inoperable Assets:*** The military build-up peak is expected to occur in 2023. To ensure the Port can stage the increase of cargoes in its terminal facilities and accommodate the additional vessels calling Port, a solicitation of procurement was prepared by a committee comprised of Port staff and our consultants, WSP. The multi-step invitation of the bid was issued on December 31, 2020.

In September 2021, the Port issued the purchase order to remove five inoperable cranes and the removal/ disposal of a sunken barge located in the F6 wharf. This project is currently in progress.

3. ***Port Wharves Assessment and Upgrades:*** In July 2018 the Port contracted a company to conduct a post-seismic assessment of the wharves and F1 fuel pier. Based on their assessment, repairs to the F1 fuel pier and wharves F3 to F6 are highly recommended.

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MARAD announced that it had approved the Port's Rebuilding America Infrastructure with Sustainability and Equity (RAISE) grant application for \$17.9 million. The project, estimated at over \$22 million, will upgrade wharves F1 through F6 to support STS gantry cranes operations. It will specifically address sheet piles and concrete cap spalling at the face of the Port's F2, F3, F4, and F6 wharves and the deteriorating structure of the F1 Pier.

4. **Oracle Enterprise One (E1) Financial Management System (FMS):** In 2019, the Port initiated a project to upgrade the Port's JDE World Management Financial Management System to a more robust and technological JDE E1 FMS. To steer this huge undertaking, the Port created a team comprised of Finance and IT personnel who worked closely with the Oracle project team. After successfully getting through the proof of concept and procurement stages, Enterprise 1 was launched in August 2020.

On May 17, 2021, the Port's Enterprise One FMS system went live. Deliverables for Enterprise One include modules for General Accounting, Accounts Receivable, Accounts Payable, Fixed Assets, Budgeting, Payroll, Human Resources, Procurement, and Inventory. The system also has the ability to streamline processes that reduce non-value activity such as paper filing, spreadsheet reconciliations, manual calculation of interests and collection of late payments, manual inventory processes, and manual financial document delivery. Additional capabilities include the ability to fully implement Job Costing and Work Order system that integrates to the General Ledger and other financial modules, which was not possible with the previous system. But most especially, the new system possesses the ability to move homegrown systems such as Special Service Request invoicing, Operations Time Entry, check printing, W2 processing, requisition and purchase order processing for local GSA transactions, tax table update, and financial required reports into the new JDE Enterprise One system.

**Federal Grants and Grant Opportunities:** Management team worked closely with Planning staff and respective division heads on the following federal grants:

- a. The Port was approved for \$500,000 to support Harbor of Refugee's repair work and \$512,759 for the Agat Marina Dock B construction by the Department of Agriculture. A draft Memorandum of Understanding is currently with the Department of Agriculture for their review.
- b. MARAD RAISE grant application for \$17.9 million. The project, estimated at over \$22 million per email notification from David Bonet on January 4, 2022, advising on the next steps. \$22,427,496: \$17,941,997 - federal share; \$4,485,499 PAG share. Although awarded, a grant agreement has not been executed pending NEPA, Section 106, and other requirements.
- c. The Port has partnered with Commonwealth Northern Marianas Island (CNMI) for a joint route designation and project designation for consideration under MARAD's America's Marine Highway Program. If approved by MARAD, this joint designation will allow both ports (Guam and CNMI) to apply for grant opportunities for infrastructure upgrades or equipment acquisition.
- d. On June 10, 2021, the U.S. Economic Development Authority (EDA) awarded the Port \$3.0 million for the fuel connectivity line. Award letter breaks down the total amount of \$3,016,363: \$2,413,091 - federal share; \$603,272 - PAG share.
- e. DOI Maintenance Assistance Program - Phase II Welding Shop Repairs - Email notification of award July 2021 - \$303,700: \$151,850 federal share; \$ 151,850 PAG share.



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- f. FEMA Hazard Mitigation Grant - Warehouse I Hardening Project - Email notification of award: December 30, 2021 - \$514,500: \$385,875 - federal share; \$128,625 - PAG share
- g. FEMA Hazard Mitigation Grant - Fendering System Hardening Project - Email notification of award: December 28, 2021 - \$804,919: \$603,689 - federal share; \$201,230 - PAG share.
- h. Acquisition of Radar Intrusion and Vessel Tracking System - \$268,333: \$201,250 - federal share; \$67,083 - PAG share
- i. Acquisition of TWIC Readers and Credentialing System - \$220,001: \$165,001 - federal share; \$55,000 - PAG share

**Legal Services:** With the sudden departure of the Port's in-house counsel in February 2020, and in order to ensure the procurement processes are not further delayed, management proactively worked with the Attorney General in designating the GSA's Administrative Counsel as the Special Assistant Attorney General for the period the Chief Procurement Officer was assigned to the Port. Then in October 2020, the Attorney General assigned Assistant Attorney General Tom Keeler to assist the Port in reviewing procurement packages. However, his assignment was only for a temporary period.

In 2019, the Port began creating the position process in establishing a staff attorney position within its Classification and Compensation Plan. The transparency and disclosure process on creating the Port Staff Attorney position was completed in April 2019 and filled in January 2021.

**Guam Customs Inspection Facility:** The PAG team worked closely with Customs representatives to identify the site where the new customs inspection, holding, and securing area will be located. The Port coordinated with the Department of Land Management on the survey and transfer of the property from the Port to Customs and the Department of Public Works on the clearing of the property. As part of the Port Master Plan Update, we included the Guam Customs Inspection Facility feasibility study, which the Office of Economic Adjustment funded. Our consultants provided proposed facility design layouts on the 4-acre parcel adjacent to the main terminal facility, to which Guam Customs agreed with the layouts. The preferred design's objective was two-fold: (1) allowed Customs to conduct privacy operations inside the facility and (2) mandated the use of the Department of Public Works' weigh station by the truckers. Customs will use the design to obtain financing for the facility's construction.

**Abandoned Derelict Vessel Project:** The Port team worked closely with Guam Environmental Protection Agency and Guam Power Authority to remove 14 abandoned derelict vessels within the navigational hazards that pose significant threats to commercial and natural resources in Apra harbor. A port water tour was done in December 2020, which allowed the Governor and Lt. Governor to observe first-hand the locations of these vessels and to be briefed on the type of work that is to occur in the removal of such vessels. After the boat tour, the Governor signed an executive order forming a group to remove the abandoned vessels from the Port harbor.

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**Employee Concerns:** Mutual trust and greater understanding between management and employees would need to be built and created. The key elements in any organization's operation are cooperation and not confrontation between management and employees. Port employees have expressed the desire for the following:

- ✓ Improved communication;
- ✓ Management awareness of employee job-related concerns;
- ✓ Personal growth and development;
- ✓ Enhanced decision-making skills;
- ✓ Increased individual power;
- ✓ Improved motivation; and
- ✓ Opportunities for recognition of individual improvement.

The union contract was negotiated between the Guam Federation of Teachers on behalf of the Port Operations and Maintenance employees, and the Port was approved by the Port Board in 2012. However, the contract was stalled because of a lack of authorized signatories in order for the union and the Port to implement the contract's provisions.

The Port implemented a quality circle concept in the 1990s aimed at developing employees and allowing them the opportunity to use their wisdom, creativity, and experience to improve their work environment. The program saw successful results. During this period, the Port's gantry cranes' productivity moves went from 18 moves per hour to 40 moves per hour, surpassing Japan's productivity moves. The concept also instilled a sense of belonging amongst the employees and made them feel that they have an essential role in the organization.

One important achievement was establishing mutual trust and understanding with the employees and Port customers and stakeholders—both federal and local. Communication improved, productivity increased, and participation discussions on decisions affecting the Port and its users are being held regularly. The last two years were tough for the employees due to the COVID-19 pandemic. Port management wanted to gauge the relationship between the Port organization and its employees to determine if management was moving in a better direction as an agency. Two climate surveys were initiated, and 98% of the employees participated in the surveys. The outcomes showed overwhelmingly positive results in job satisfaction and revealed that employees believe that morale is at an all-time high.

**Debt Service Coverage**

Under the bond indenture of the 2018 Port Revenue Bonds, Port is required to maintain a minimum debt service coverage of 1.25 in relation to net revenues versus annual debt service. Refer to the following for a summary of the annual debt service coverage for the year ended September 30, 2021.

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**Management's Discussion and Analysis**  
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	<b>2021</b>
Revenues	\$ 46,934
Less Operations & Maintenance Expenses	\$ 48,637
Net Revenues	\$ (1,703)
Plus Other Available Monies	\$ 1,806
Plus Non-Cash Accounting Adjustments	\$ 7,658
Net Revenues & Other Available Monies	\$ 7,761
<b>Rate Covenant:</b>	
Net Revenues & Other Available Monies	\$ 7,761
Total Annual Debt Service	\$ 5,752
<b>Annual Debt Service Coverage</b>	<b>1.35</b>
Debt Service Coverage Requirement	1.25

See note 6 to the financial statements for additional information on Port's financing activities.

**CONTACTING THE PORT'S FINANCIAL MANAGEMENT**

The Management's Discussion and Analysis report is intended to provide information concerning known facts and conditions affecting the Port's operations. This financial audit report is designed to provide a general overview of the Port Authority's finances and demonstrate its accountability for the funds it receives and spends.

Management's Discussion and Analysis for the year ended September 30, 2020 and 2019 is set forth in the Port's report on the audit of financial statements which is dated March 31, 2021. That Discussion and Analysis explains in more detail major factors impacting the 2020 and 2019 financial statements. A copy of that report can be obtained by contacting Jose B. Guevara III, Port Authority of Guam, or from the Port's website at [www.portguam.com](http://www.portguam.com).

For additional information about this report, please contact Jose B. Guevara III, Port Authority of Guam, 1026 Cabras Highway Suite 201, Piti, Guam 96915, or visit [www.portguam.com](http://www.portguam.com).

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**Statements of Net Position**  
**September 30, 2021 and 2020**

<u>ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</u>	<u>2021</u>	<u>2020</u> <u>As restated</u> <u>Note 11</u>
<b>Current assets:</b>		
Cash and cash equivalents - unrestricted	\$ 10,314,359	\$ 20,018,505
Cash and cash equivalents - restricted expendable	59,031,041	46,713,098
Total cash and cash equivalents	69,345,400	66,731,603
Accounts receivable, net of allowance for doubtful accounts of \$299,858 in 2021 and 2020	5,888,274	5,240,402
Federal receivables	158,963	351,325
Prepaid expenses	42	64,631
Total current assets	75,392,679	72,387,961
Cash and cash equivalents - restricted expendable	45,474,646	48,041,056
Replacement parts inventories, net of allowance for obsolescence of \$186,018 in 2021 and \$137,558 in 2020	501,825	648,238
Depreciable property, plant and equipment, net	101,532,587	106,588,701
Nondepreciable property, plant and equipment	15,388,197	11,661,382
Total assets	238,289,934	239,327,338
Deferred outflows of resources from pension	15,315,097	13,903,067
Deferred outflows of resources from other post-employment benefits	33,005,118	23,668,119
Total deferred outflows of resources	48,320,215	37,571,186
Total assets and deferred outflows of resources	\$ 286,610,149	\$ 276,898,524
<b><u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION</u></b>		
<b>Current liabilities:</b>		
Current portion of long-term debt	\$ 2,560,000	\$ 2,465,000
Accounts payable, trade and others	2,020,595	2,613,416
Security deposits and other payables	851,722	2,573,881
Accrued payroll and withholdings	738,773	1,272,831
Current portion of accrued annual leave	1,306,757	1,798,867
Unearned revenue	277,679	277,633
Total current liabilities	7,755,526	11,001,628
Long-term debt, net of current portion	67,232,826	70,042,079
Net pension liability	66,111,010	63,517,803
Other post-employment benefits liability	97,077,114	92,013,986
Accrued annual leave, net of current portion	1,046,890	462,075
Accrued DCRS sick leave	1,583,841	1,543,920
Total liabilities	240,807,207	238,581,491
Deferred inflows of resources from pension	1,733,156	1,637,235
Deferred inflows of resources from other post-employment benefits	30,266,358	20,643,550
Total deferred inflows of resources	31,999,514	22,280,785
<b>Commitments and contingencies</b>		
<b>Net position:</b>		
Net investment in capital assets	92,602,604	93,784,050
Restricted - expendable	53,693,306	41,375,365
Unrestricted	(132,492,482)	(119,123,177)
Total net position	13,803,428	16,036,248
Total liabilities, deferred inflows of resources and net position	\$ 286,610,149	\$ 276,898,524

See accompanying notes to financial statements.

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**Statements of Revenues, Expenses and Changes in Net Position**  
**Years Ended September 30, 2021 and 2020**

	2021	2020 As restated Note 11
<b>Operating revenues:</b>		
Cargo throughput charges	\$ 34,776,915	\$ 33,820,469
Equipment and space rental	8,291,223	9,191,997
Crane surcharge	5,983,613	5,811,219
Wharfage charges	5,799,596	5,639,175
Special services	94,587	137,990
Other operating income	113,392	78,262
	55,059,326	54,679,112
<b>Provision for bad debts</b>	-	(51,658)
	55,059,326	54,627,454
<b>Operating expenses:</b>		
Management and administration	14,876,738	14,591,435
Retiree healthcare and other benefits	6,953,748	5,504,567
Equipment maintenance	6,432,429	6,391,270
Depreciation	6,258,251	6,360,712
Transportation services	6,022,858	6,006,525
Stevedoring services	4,297,020	4,392,152
Insurance	3,518,937	3,130,414
Terminal services	3,336,380	3,351,409
General expenses	3,166,415	2,530,651
Facility maintenance	2,141,832	2,116,004
Utilities	1,260,806	1,316,320
<b>Total operating expenses</b>	<b>58,265,414</b>	<b>55,691,459</b>
<b>Loss from operations</b>	<b>(3,206,088)</b>	<b>(1,064,005)</b>
<b>Nonoperating (expenses) revenues:</b>		
U.S. Government operating grants	1,995,703	445,151
Other income (expense), net	18,707	(306,685)
Interest (expense) income, net	(1,143,221)	(954,937)
Loss on disposal of property, plant and equipment	(117,314)	(8,466)
<b>Total nonoperating revenues (expenses), net</b>	<b>753,875</b>	<b>(824,937)</b>
<b>Loss before capital contributions</b>	<b>(2,452,213)</b>	<b>(1,888,942)</b>
<b>Contributed capital:</b>		
U.S. Government capital grants	219,393	2,480,989
<b>(Decrease) increase in net position</b>	<b>(2,232,820)</b>	<b>592,047</b>
<b>Net position at beginning of year</b>	<b>16,036,248</b>	<b>15,444,201</b>
<b>Net position at end of year</b>	<b>\$ 13,803,428</b>	<b>\$ 16,036,248</b>

See accompanying notes to financial statements.

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**Statements of Cash Flows**  
**Years Ended September 30, 2021 and 2020**

	2021	2020 As restated Note 11
<b>Cash flows from operating activities:</b>		
Cash received from customers	\$ 54,411,500	\$ 54,019,381
Cash payments to suppliers for goods and services	(14,568,561)	(10,982,153)
Cash payments to employees for services and benefits	(34,119,134)	(33,574,337)
<b>Net cash provided by operating activities</b>	<b>5,723,805</b>	<b>9,462,891</b>
<b>Cash flows from investing activity - interest received</b>	<b>99,789</b>	<b>642,686</b>
<b>Cash flows from capital and related financing activities:</b>		
Capital grants received	411,755	2,353,945
Repayment of long-term debt	(2,465,000)	(2,380,000)
Interest paid	(691,103)	(1,213,069)
Purchase of property, plant and equipment	(5,046,266)	(7,750,757)
<b>Net cash used in capital and related financing activities</b>	<b>(7,790,614)</b>	<b>(8,989,881)</b>
<b>Cash flows from non-capital related financing activities:</b>		
Operating grants received	1,995,703	445,151
Other non-capital activities	18,704	(306,683)
<b>Cash provided by non-capital related financing activities</b>	<b>2,014,407</b>	<b>138,468</b>
<b>Net increase in cash and cash equivalents</b>	<b>47,387</b>	<b>1,254,164</b>
<b>Cash and cash equivalents at beginning of year</b>	<b>114,772,659</b>	<b>113,518,495</b>
<b>Cash and cash equivalents at end of year</b>	<b>\$ 114,820,046</b>	<b>\$ 114,772,659</b>
<b>Reconciliation to statement of net position:</b>		
Cash and cash equivalents - current	\$ 69,345,400	\$ 66,731,603
Cash and cash equivalents - restricted non-current	45,474,646	48,041,056
	<b>\$ 114,820,046</b>	<b>\$ 114,772,659</b>
<b>Reconciliation of loss from operations to net cash provided by operating activities:</b>		
Loss from operations	\$ (3,206,088)	\$ (1,064,005)
<b>Adjustments to reconcile loss from operations to net cash provided by operating activities:</b>		
Depreciation	6,258,251	6,360,712
Provision for bad debts	-	51,658
Pension expenses	1,277,098	648,617
Other post-employment benefit costs	5,348,938	3,959,175
<b>Changes in operating assets and liabilities:</b>		
Accounts receivable, net	(647,872)	(736,211)
Prepaid expenses	64,589	(26,497)
Replacement parts inventories, net	146,413	(79,321)
Accounts payable, trade and others	(1,393,980)	323,419
Security deposits and other payables	(1,722,156)	(1,297,546)
Accrued payroll and withholdings	(534,058)	373,232
Accrued annual leave	92,705	415,917
Unearned revenue	44	76,481
Accrued sick leave	39,921	457,260
<b>Net cash provided by operating activities</b>	<b>\$ 5,723,805</b>	<b>\$ 9,462,891</b>

See accompanying notes to financial statements.

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Notes to Financial Statements  
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**(1) Organization and Summary of Significant Accounting Policies**

The Port Authority of Guam (the Authority) was created by Public Law 13-87 as an autonomous instrumentality of the Government of Guam to own and operate the facilities of the Commercial Port of Guam. All assets and liabilities were transferred from the Commercial Port of Guam to the Authority at book value effective April 20, 1976. The Authority is governed by a five-member Board of Directors appointed by the Governor with consent provided by the Legislature. The Authority is a component unit of the Government of Guam (GovGuam).

The Authority's main cargo handling facilities are located on thirty acres of reclaimed land on Cabras Island in Piti, Guam. Title to this land was transferred from GovGuam to the Authority in 1979. Eleven acres of adjacent property was assigned to the Authority from the U.S. Navy at an annual rent of \$1 to be used for future container yard expansion.

The Authority controls and/or manages approximately 260 acres of fast and submerged lands inclusive of the thirty acres noted previously. These areas include the Harbor of Refuge, Aqua World Marina, a portion of the Piti Channel, Agat Marina, Gregorio D. Perez Marina, Hotel Wharf, Dog Pier, Family Beach and the Port Authority Beach. The Guam Economic Development Authority (GEDA) has assigned the management of the thirty-two acre Cabras Industrial Park to the Authority.

On July 14, 2009, Public Law 30-52 placed the Authority under the oversight of the Public Utilities Commission of Guam (PUC). Because of the rate making process, certain differences may arise in the application of accounting principles generally accepted in the United States of America between regulated and non-regulated enterprises. Such differences mainly concern the time at which various items enter into the determination of net earnings in order to follow the principle of matching costs and revenues.

**Basis of Accounting**

The Authority utilizes the flow of economic resources measurement focus. Its financial statements are prepared in accordance with accounting principles generally accepted in the United States as applied to governmental units using the accrual basis of accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**Operating and Nonoperating Revenues and Expenses**

The Authority's revenues are derived primarily from providing various services to major shipping line customers under an approved tariff rate schedule and are reported as operating revenues. Revenue is recognized on the accrual basis and is recorded upon billing when services have been completed. Capital grants, financing or investing related transactions are reported as non-operating revenues and expenses. All expenses related to operating the Authority are reported as operating expenses. Capital grants and other capital contributions from governmental agencies are recorded as net position when earned. Operating grants are recorded as revenue when earned.

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**(1) Organization and Summary of Significant Accounting Policies, Continued**

**Net Position**

Net position represents the residual interest in the Authority's assets and deferred outflows of resources after liabilities and deferred inflows of resources are deducted and consists of the following three sections:

Net investment in capital assets:

Capital assets, net of accumulated depreciation and outstanding principal balances of debt attributable to the acquisition, construction or improvement of those assets.

Restricted:

Nonexpendable - Net position subject to externally imposed stipulations that require the Authority to maintain them permanently.

Expendable - Net position whose use by the Authority is subject to externally imposed stipulations that can be fulfilled by actions of the Authority pursuant to those stipulations or that expire with the passage of time.

All of the Authority's restricted net position at September 30, 2021 and 2020 is expendable.

Unrestricted:

Net position that is not subject to externally imposed stipulations. Unrestricted net position may be designated for specific purposes by action of management or the Board of Directors or may otherwise be limited by contractual agreements with outside parties.

**Cash and Cash Equivalents**

For purposes of the statements of net position and of cash flows, cash and cash equivalents is defined as cash on hand, deposits in banks, time certificates of deposit, money market funds and short-term investments in U.S. Treasury obligations with initial maturities of three months or less. Restricted cash is considered to be cash and cash equivalents but is separately classified in the statements of net position.

**Accounts Receivable and Allowance for Doubtful Accounts**

Substantially all of the Authority's accounts receivable as of September 30, 2021 and 2020 are due from international steamship lines/agents which are located or operating on Guam.

The Authority performs periodic credit evaluations of its customers, and generally does not require collateral. Receivables are considered past due when payment is not received within 30 days from the date of billing. As of September 30, 2021 and 2020, receivables that are more than thirty days past due totaled \$1,680,428 and \$825,382, respectively. The allowance for doubtful accounts is stated at an amount which management believes will be adequate to absorb possible losses on accounts receivable that may become uncollectible based on evaluations of the collectability of these accounts and prior collection experience. The allowance is established through a provision for bad debts charged to expense. Uncollectible accounts are written-off against the allowance or are charged to expense in the period the Authority deems the accounts to be uncollectible.



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**(1) Organization and Summary of Significant Accounting Policies, Continued**

**Replacement Parts Inventories**

Replacement parts inventories consist of spare parts and supplies stated at average cost and are charged to expense as used. Due to the nature and availability of parts necessary for operations, inventory includes items which often are not used within one year and are largely used for repair and maintenance of non-current plant and equipment. Thus, replacement parts inventories are classified as non-current assets.

**Property, Plant and Equipment and Depreciation**

Land is recorded at its appraised value on the date of transfer from GovGuam. Buildings and structures are stated at cost, which includes interest during the construction period. Equipment is stated at cost. Depreciation is computed using the straight-line method over the estimated useful lives of the assets (5 - 40 years for buildings and equipment). Current policy is to capitalize individual purchases over \$1,000 with useful lives exceeding one year. Normal maintenance and repairs are charged to operating expense as incurred; expenditures for major additions, improvements, infrastructure and replacements are capitalized. The cost of assets retired or otherwise disposed of and the related accumulated depreciation are eliminated from the accounts in the year of disposal with the resulting gain or loss credited or charged to nonoperating revenue or expense, respectively.

**Compensated Absences**

Compensated absences are recorded as a long-term liability in the statements of net position. Estimated amounts to be paid during the next fiscal year are reported as current liabilities. Annual leave pay is convertible to pay upon termination of employment.

In accordance with Public Law No. 27-5 and Public Law No. 28-68, employee annual leave accrual rates are credited at either 104, 156 or 208 hours per year, depending upon the employees' length of service as follows:

1. One-half day (4 hours) for each full bi-weekly pay period in the case of employees with less than five (5) years of service;
2. Three-fourths day (6 hours) for each full bi-weekly pay period in the case of employees with more than five (5) years of service but less than fifteen (15) years of service; and
3. One (1) day (8 hours) for each full bi-weekly pay period in the case of employees with more than fifteen (15) years of service.

The statutes further amended the maximum accumulation of such annual leave credits from 480 to 320 hours. Public Law No. 27-106 allows employees who have accumulated annual leave in excess of 320 hours as of February 28, 2003, to carry over their excess and to use the excess amount of leave prior to retirement or termination from service or they may credit not more than 100 excess hours to sick leave. However, at retirement, lump sum compensation or retirement credit for annual leave in excess of three hundred twenty (320) hours is not allowed.

Public Law 26-86 allows members of the Defined Contribution Retirement System (DCRS) to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. A liability is accrued for estimated sick leave to be paid out to DCRS members upon retirement.

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Notes to Financial Statements  
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**(1) Organization and Summary of Significant Accounting Policies, Continued**

**Pensions**

Pensions are required to be recognized and disclosed using the accrual basis of accounting. The Authority recognizes a net pension liability for the defined benefit pension plan in which it participates, which represents the Authority's proportional share of excess total pension liability over the pension plan assets – actuarially calculated – of a single employer defined benefit plan, measured one year prior to fiscal year-end and rolled forward. The total pension liability also includes the Authority's proportionate share of the liability for ad hoc cost-of-living adjustments (COLA) and supplemental annuity payments that are anticipated to be made to defined benefit plan members and for anticipated future COLA to DCRS members. Changes in the net pension liability during the period are recorded as pension expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in net pension liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the qualified pension plan and recorded as a component of pension expense beginning with the period in which they are incurred. Projected earnings on qualified pension plan investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five-year period beginning with the period in which the difference occurred.

**Other Post-Employment Benefits (OPEB)**

OPEB is required to be recognized and disclosed using the accrual basis of accounting. OPEB offered to the Authority's retirees includes health and life insurance. The Authority recognizes OPEB liability for the defined benefit OPEB plan in which it participates, which represents the Authority's proportional share of total OPEB liability - actuarially calculated - of a single employer defined benefit plan, measured one year prior to fiscal year-end and rolled forward. An OPEB trust has not been established; thus, the OPEB plan does not presently report OPEB plan fiduciary net position. Instead, the OPEB plan is financed on a substantially "pay-as-you-go" basis.

Changes in the OPEB liability during the period are recorded as OPEB expense, or as deferred inflows of resources or deferred outflows of resources depending on the nature of the change, in the period incurred. Those changes in the OPEB liability that are recorded as deferred inflows of resources or deferred outflows of resources that arise from changes in actuarial assumptions or other inputs and differences between expected or actual experience are amortized over the weighted average remaining service life of all participants in the qualified OPEB plan and recorded as a component of OPEB expense beginning with the period in which they are incurred.

**Deferred Outflows of Resources**

Deferred outflows of resources represent a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (deduction of net position) until the applicable future period.

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Notes to Financial Statements  
September 30, 2021 and 2020

**(1) Organization and Summary of Significant Accounting Policies, Continued**

**Deferred Inflows of Resources**

Deferred inflows of resources represent an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (additions to net position) until the applicable future period.

**Taxes**

As an instrumentality of GovGuam, the Authority and all property acquired by or for the Authority, and all revenues and income there from are exempt from taxation by GovGuam or by any political subdivision or public corporation thereof and from all taxes imposed under the authority of the Guam Legislature, or with respect to which the Guam Legislature is authorized to grant exemption.

**Risk Management**

The Authority has commercial insurance coverage for directors' and officers' liability, comprehensive liability, employee dishonesty and forgery, money and securities loss, and automobile injury and property damage. Worker's compensation is managed through the local Department of Labor under the Government of Guam Special Fund (Special Fund); however, the Authority reimburses the Special Fund for the costs of claims. The Authority also has commercial property insurance coverage for 100% of the total net book value of property, plant and equipment, subject to deductibles. The Authority incurred no casualty losses in excess of insurance coverage during the years ended September 30, 2021, 2020 and 2019.

**Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

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**(1) Organization and Summary of Significant Accounting Policies, Continued**

**New Accounting Standards**

In 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*, which postponed the effective dates of GASB Statement No. 84, 89, 90, 91, 92 and 93 by one year and GASB Statement No. 87 by 18 months; however, earlier application of the provisions addressed in GASB Statement No. 95 is encouraged and is permitted to the extent specified in each pronouncement as originally issued. In accordance with GASB Statement No. 95, management has elected to postpone implementation of these statements.

During the year ended September 30, 2021, the Authority implemented the following pronouncements:

- GASB Statement No. 84, *Fiduciary Activities*, which improves guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.
- GASB Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and 61*, which improves the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.
- GASB Statement No. 93, *Replacement of Interbank Offered Rates*, which establishes accounting and reporting requirements related to the replacement of Interbank Offered Rates such as the London Interbank Offered Rate (LIBOR) for hedging derivative instruments. The provision removing LIBOR as an appropriate benchmark interest rate for the evaluation of the effectiveness of derivative instruments is effective for the year ended September 30, 2022.

The implementation of these statements did not have a material effect on the accompanying financial statements.

In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. Management believes that this statement, upon implementation, will have a material effect on the financial statements. In accordance with GASB Statement No. 95, GASB Statement No. 87 will be effective for fiscal year ending September 30, 2022.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are (1) to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and (2) to simplify accounting for interest cost incurred before the end of a construction period. Management believes that this statement, upon implementation, may have a material effect on the financial statements. In accordance with GASB Statement No. 95, GASB Statement No. 89 will be effective for fiscal year ending September 30, 2022.

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**(1) Organization and Summary of Significant Accounting Policies, Continued**

**New Accounting Standards, Continued**

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Management does not believe that this statement, upon implementation, will have a material effect on the financial statements. In accordance with GASB Statement No. 95, GASB Statement No. 91 will be effective for fiscal year ending September 30, 2023.

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial reports, the terminology used to refer to derivative instruments and the applicability of certain requirements of Statement No. 84, *Fiduciary Activities*, to postemployment benefits. The requirements related to the effective date of GASB Statement No. 87 and Implementation Guide 2019-3, reissuance recoveries and terminology used to refer to derivative instruments are effective upon issuance. In accordance with GASB Statement No. 95, the remaining requirements of GASB Statement No. 92 are effective for the fiscal year ending September 30, 2022.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements. Management does not believe that this statement, upon implementation, will have a material effect on the financial statements. GASB Statement No. 94 will be effective for fiscal year ending September 30, 2023.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Management does not believe that this statement, upon implementation, will have a material effect on the financial statements. GASB Statement No. 96 will be effective for fiscal year ending September 30, 2023.

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**(1) Organization and Summary of Significant Accounting Policies, Continued**

**New Accounting Standards, Continued**

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans - an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Management does not believe that this Statement, upon implementation, will have a material effect on the financial statements. GASB Statement No. 97 will be effective for fiscal year ending September 30, 2022.

In October 2021, GASB issued Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. Management does not believe that this statement, upon implementation, will have a material effect on the financial statements. GASB Statement No. 98 will be effective for fiscal year ending September 30, 2022.

**(2) Cash and Cash Equivalents**

The 2018 bond indenture agreement requires the establishment of special funds to be held and administered by trustees. In addition, proceeds from borrowings to finance various construction projects are maintained by the Authority in construction accounts as required by the 2018 bond indenture. Also, certain funds are restricted by rate orders of the PUC.

The deposit and investment policies of the Authority are governed by 5 GCA 21, *Investments and Deposits*, in conjunction with applicable bond indentures. Authorized investments include obligations issued or guaranteed by the U.S. government or agencies of the U.S. government; bonds, notes or other indebtedness rated in the highest rating by Moody's Investors Service (Moody's) or Standard & Poor's Corporation (S&P); obligations issued by the Federal National Mortgage Association or the Federal Home Loan Mortgage Corporation with remaining maturities of not more than three years; any bonds or other obligations of any state of the U.S. or any agency, instrumentality or local government unit of such state which are rated in the highest rating category of either Moody's or S&P; demand and time deposits in certificates of deposit or bankers acceptances with U.S. domestic banks which have a rating of their short term certificates of deposit of A-1 or better by S&P and P-1 by Moody's and mature no more than 360 days after purchase; commercial paper which has a rating in the highest classification by S&P and Moody's; and money market funds rated AAA or better by S&P.

GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, addresses common deposit and investment risks related to credit risk, concentration of credit risk, interest rate risk and foreign currency risk. As an element of interest rate risk, disclosure is required of investments that have fair values that are highly sensitive to changes in interest rates. GASB Statement No. 40 also requires disclosure of formal policies related to deposit and investment risks.

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**(2) Cash and Cash Equivalents, Continued**

GASB Statement No. 40 also requires disclosures for deposits that have exposure to custodial credit risk. Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. Such deposits are not covered by depository insurance and are either uncollateralized, or collateralized with securities held by the pledging financial institution or held by the pledging financial institution but not in the depositor-government's name. The Authority does not have a deposit policy for custodial credit risk.

As of September 30, 2021 and 2020, the carrying amount of the Authority's cash and cash equivalents totaled \$114,820,046 and \$114,772,659, respectively, and the corresponding bank balances were \$114,912,814 and \$114,861,925, respectively. Of the bank balance amount as of September 30, 2021 and 2020, \$19,645,318 and \$28,960,799, respectively, was maintained in financial institutions subject to Federal Deposit Insurance Corporation (FDIC) insurance. As of September 30, 2021, and 2020, bank deposits in the amount of \$500,000 were FDIC insured for both years. Bank balances as of September 30, 2021 and 2020 also include \$95,267,496 and \$85,901,126, respectively, of short-term investments held and administered by the Authority's trustee in the Authority's name in accordance with a trust agreement and the 2018 bond indenture. As of September 30, 2021, and 2020, monies in the amount of \$ 7,361,375 and \$6,840,156, respectively, were invested in deposit accounts insured by the U.S. Government. The Authority does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk. As of September 30, 2021 and 2020, \$12,905,392 and \$21,530,377, respectively, of cash and cash equivalents are subject to custodial credit risk. Under 5 GCA21, the Government of Guam requires collateralization of deposits in excess of depository insurance in an amount in value at least ten percent in excess of monies deposited with the financial institution. Such collateralization should be in securities in U.S. Treasury notes or bonds or in U.S. government agencies for which the faith and credit of the United States are pledged for the payment of principal and interest; evidence of indebtedness of the Government of Guam; investment certificates of the Federal Home Bank; or such securities as may be approved by the Director of Administration and the Governor of Guam. The Authority has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its deposits.

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Notes to Financial Statements  
September 30, 2021 and 2020

**(2) Cash and Cash Equivalents, Continued**

The composition of restricted cash and cash equivalents is as follows:

	<u>2021</u>	<u>2020</u>
<b>Current restricted:</b>		
<b>2018 Bond Indenture Funds</b>		
Working capital reserve fund	\$ 3,091,053	\$ 3,090,744
General reserve fund	12,014,291	10,000
Debt service fund	1,438,541	1,438,102
Revenue fund	4,627,927	2,262,880
Capital improvement fund	10,202,474	10,201,454
Operations and maintenance fund	3,207	3,123,079
Renewal and replacement reserve fund	2,525,314	1,853,098
Operations and maintenance reserve fund	10,552,976	10,552,976
Bond reserve fund	<u>5,337,736</u>	<u>5,337,736</u>
	<u>49,793,519</u>	<u>37,870,069</u>
<b>PUC Restricted Funds</b>		
Crane replacement sinking fund	4,938,996	4,368,914
Facility maintenance fund	<u>4,298,526</u>	<u>4,474,115</u>
	<u>9,237,522</u>	<u>8,843,029</u>
<b>Total restricted cash and cash equivalents - current</b>	<u>59,031,041</u>	<u>46,713,098</u>
<b>Noncurrent restricted:</b>		
2018 Bond Indenture Fund - Construction fund	45,474,646	48,041,056
	<u>\$ 104,505,687</u>	<u>\$ 94,754,154</u>

**(3) Property, Plant and Equipment**

A summary of changes in property, plant and equipment for the years ended September 30, 2021 and 2020 is as follows:

	<u>Beginning Balance</u> <u>October 1, 2020</u>	<u>Transfers</u> <u>and Additions</u>	<u>Transfers</u> <u>and Deletions</u>	<u>Ending Balance</u> <u>September 30,</u> <u>2021</u>
<b><u>Depreciable:</u></b>				
Buildings	\$ 145,208,274	\$ 1,045,664	\$ (347,296)	\$ 145,906,642
Equipment	<u>35,814,876</u>	<u>271,033</u>	<u>(694,147)</u>	<u>35,391,762</u>
	181,023,150	1,316,697	(1,041,443)	181,298,404
Less accumulated depreciation	<u>(74,434,449)</u>	<u>(6,258,251)</u>	<u>926,883</u>	<u>(79,765,817)</u>
	<u>106,588,701</u>	<u>(4,941,554)</u>	<u>(114,560)</u>	<u>101,532,587</u>
<b><u>Non-depreciable:</u></b>				
Land	3,563,000	-	-	3,563,000
Construction work-in-progress	<u>8,098,382</u>	<u>4,417,705</u>	<u>(690,890)</u>	<u>11,825,197</u>
	<u>11,661,382</u>	<u>4,417,705</u>	<u>(690,890)</u>	<u>15,388,197</u>
<b>Total</b>	<u>\$ 118,250,083</u>	<u>\$ (523,849)</u>	<u>\$ (805,450)</u>	<u>\$ 116,920,784</u>



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Notes to Financial Statements  
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**(3) Property, Plant and Equipment, Continued**

	Beginning Balance <u>October 1, 2020</u>	Transfers and Additions <u>As restated</u>	Transfers and Deletions	Ending Balance September 30, 2020 <u>As restated</u>
<b><u>Depreciable:</u></b>				
Buildings	\$ 145,148,759	\$ 59,515	\$ -	\$ 145,208,274
Equipment	<u>34,404,727</u>	<u>3,009,221</u>	<u>(1,599,072)</u>	<u>35,814,876</u>
	179,553,486	3,068,736	(1,599,072)	181,023,150
Less accumulated depreciation	<u>(69,664,343)</u>	<u>(6,360,712)</u>	<u>1,590,606</u>	<u>(74,434,449)</u>
	<u>109,889,143</u>	<u>(3,291,976)</u>	<u>(8,466)</u>	<u>106,588,701</u>
<b><u>Non-depreciable:</u></b>				
Land	3,563,000	-	-	3,563,000
Construction work-in-progress	<u>3,416,361</u>	<u>7,180,454</u>	<u>(2,498,433)</u>	<u>8,098,382</u>
	<u>6,979,361</u>	<u>7,180,454</u>	<u>(2,498,433)</u>	<u>11,661,382</u>
<b>Total</b>	<b>\$ <u>116,868,504</u></b>	<b>\$ <u>3,888,478</u></b>	<b>\$ <u>(2,506,899)</u></b>	<b>\$ <u>118,250,083</u></b>

Interest capitalized and included in construction work-in-progress for the years ended September 30, 2021 and 2020 was \$1,878,968 and \$1,511,516, respectively.

**(4) Pensions**

The Authority is statutorily responsible for providing pension benefits for the Authority's employees through the GovGuam Retirement Fund (GGRF).

**A. General Information About the Pension Plans:**

*Plan Description:* GGRF administers the GovGuam Defined Benefit (DB) Plan, a single-employer defined benefit pension plan, and the Defined Contribution Retirement System (DCRS). The DB Plan provides retirement, disability, and survivor benefits to plan members who enrolled in the plan prior to October 1, 1995. Article 1 of 4 GCA 8, Section 8105, requires that all employees of GovGuam, regardless of age or length of service, become members of the DB Plan prior to the operative date. Employees of a public corporation of GovGuam, which includes the Authority, have the option of becoming members of the DB Plan prior to the operative date. All employees of GovGuam, including employees of GovGuam public corporations, whose employment commences on or after October 1, 1995, are required to participate in the Defined Contribution Retirement System (DCRS) Plan. Hence, the DB Plan became a closed group.

Members of the DB Plan who retired prior to October 1, 1995, or their survivors, are eligible to receive annual supplemental annuity payments. In addition, retirees under the DB and DCRS Plans are eligible to receive an annual ad hoc cost of living allowance (COLA).

A single actuarial valuation is performed annually covering all plan members and the same contribution rate applies to each employer. GGRF issues a publicly available financial report that includes financial statements and required supplementary information for the DB Plan. That report may be obtained by writing to the Government of Guam Retirement Fund, 424 A Route 8, Maite, Guam 96910, or by visiting GGRF's website – [www.ggrf.com](http://www.ggrf.com).

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September 30, 2021 and 2020

**(4) Pensions, Continued**

**A. General Information About the Pension Plans, Continued:**

*Plan Membership:* As of September 30, 2020 (the measurement date), plan membership consisted of the following:

DB members:	
Inactive employees or beneficiaries currently receiving benefits	7,399
Inactive employees entitled to but not yet receiving benefits	3,257
Active employees	<u>4,440</u>
	15,096
DCRS members:	
Active employees	<u>6,810</u>
	<u>21,906</u>

*Benefits Provided:* The DB Plan provides pension benefits to retired employees generally based on age and/or years of credited service and an average of the three highest annual salaries received by a member during years of credited service, or \$6,000, whichever is greater. Members who joined the DB Plan prior to October 1, 1981 may retire with 10 years of service at age 60 (age 55 for uniformed personnel); or with 20 to 24 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 25 years of service at any age. Members who joined the DB Plan on or after October 1, 1981 and prior to August 22, 1984 may retire with 15 years of service at age 60 (age 55 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 60; or upon completion of 30 years of service at any age.

Members who joined the DB Plan after August 22, 1984 and prior to October 1, 1995 may retire with 15 years of service at age 65 (age 60 for uniformed personnel); or with 25 to 29 years of service regardless of age with a reduced benefit if the member is under age 65; or upon completion of 30 years of service at any age. Upon termination of employment before attaining at least 25 years of total service, a member is entitled to receive a refund of total contributions including interest. A member who terminates after completing at least 5 years of service has the option of leaving contributions in the GGRF and receiving a service retirement benefit upon attainment of the age of 60 years. In the event of disability during employment, members under the age of 65 with six or more years of credited service who are not entitled to receive disability payments from the United States Government are eligible to receive sixty-six and two-thirds of the average of their three highest annual salaries received during years of credited service. The DB Plan also provides death benefits.

Supplemental annuity benefit payments are provided to DB retirees in the amount of \$4,238 per year, but not to exceed \$40,000 per year when combined with their regular annual retirement annuity. Annual COLA payments are provided to DB and DCRS retirees in a lump sum amount of \$2,000. Both supplemental annuity benefit payments and COLA payments are made at the discretion of the Guam Legislature, but are funded on a "pay-as-you-go" basis so there is no plan trust. It is anticipated that ad hoc COLA and supplemental annuity payments will continue to be made for future years at the same level currently being paid.

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**(4) Pensions, Continued**

**A. General Information About the Pension Plans, Continued:**

On September 20, 2016, the Guam Legislature enacted Public Law 33-186, which created two new government retirement plans; the DB 1.75 Plan and the Government of Guam Retirement Security Plan (GRSP). Commencing April 1, 2017 through September 30, 2018, eligible employees may elect, during the "election window", to participate in the DB 1.75 Plan or the GRSP with an effective date of January 1, 2018.

The DB 1.75 Plan is open for participation by certain existing employees, new employees, and reemployed employees who would otherwise participate in the DC Plan or the new GRSP and who make election on a voluntary basis to participate in the DB 1.75 Plan by December 31, 2017. Employee contributions are made by mandatory pre-tax payroll deduction at the rate of 9.5% of the employee's base salary while employer contributions are actuarially determined. Members of the DB 1.75 Plan automatically participate in the GovGuam deferred compensation plan, pursuant to which employees are required to contribute 1% of base salary as a pre-tax mandatory contribution. Benefits are fully vested upon attaining 5 years of credited service.

Members of the DB 1.75 Plan may retire at age 62 with 5 years of credited service, or at age 60 with 5 years of credited service without survivor benefits, or at age 55 with 25 years of credited service but the retirement annuity shall be reduced  $\frac{1}{2}$  of 1% for each month that the age of the member is less than 62 years (6% per year). Credited service is earned for each year of actual employment by the GovGuam as an employee. Upon retirement, a retired member is entitled to a basic retirement annuity equal to an annual payment of 1.75% of average annual salary multiplied by years of credited service. Average annual salary means the average of annual base salary for the three years of service that produce the highest average.

*Contributions and Funding Policy:* Contribution requirements of participating employers and active members to the DB Plan are determined in accordance with Guam law. Employer contributions are actuarially determined under the One-Year Lag Methodology. Under this methodology, the actuarial valuation date is used for calculating the employer contributions for the second following fiscal year. For example, the September 30, 2019 actuarial valuation was used for determining the year ended September 30, 2021 statutory contributions. Member contributions are required at 9.52% of base pay.

As a result of actuarial valuations performed as of September 30, 2019, 2018 and 2017, contribution rates required to fully fund the Retirement Fund liability, as required by Guam law, for the years ended September 30, 2021, 2020 and 2019, respectively, have been determined as follows:

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**(4) Pensions, Continued**

**A. General Information About the Pension Plans, Continued:**

	<u>2021</u>	<u>2020</u>	<u>2019</u>
Normal costs (% of DB Plan payroll)	13.70%	13.86%	13.54%
Employee contributions (DB Plan employees)	<u>9.52%</u>	<u>9.52%</u>	<u>9.52%</u>
Employer portion of normal costs (% of DB Plan payroll)	<u>4.18%</u>	<u>4.34%</u>	<u>4.02%</u>
Employer portion of normal costs (% of total payroll)	2.18%	2.39%	2.29%
Unfunded liability cost (% of total payroll)	<u>21.44%</u>	<u>20.70%</u>	<u>21.29%</u>
Government contribution as a % of total payroll	<u>23.62%</u>	<u>23.09%</u>	<u>23.58%</u>
Statutory contribution rates as a % of DB Plan payroll:			
Employer	<u>26.97%</u>	<u>26.28%</u>	<u>26.56%</u>
Employee	<u>9.52%</u>	<u>9.52%</u>	<u>9.52%</u>

The Authority's contributions to the DB Plan for the years ended September 30, 2021, 2020 and 2019 were \$3,344,987, \$3,436,208, and \$3,172,830, respectively, which were equal to the statutorily required contributions for the respective years then ended.

The Authority's contributions to the supplemental annuity benefit payments and the COLA payments for the years ended September 30, 2021, 2020 and 2019 were \$1,032,242, \$1,064,349 and \$1,076,038, respectively, which were equal to the statutorily required contributions for the respective years then ended.

Members of the DCRS plan, who have completed five years of government service, have a vested balance of 100% of both member and employer contributions plus any earnings thereon.

Contributions into the DCRS plan by members are based on an automatic deduction of 6.2% of the member's regular base pay. The contribution is periodically deposited into an individual annuity account within the DCRS. Employees are afforded the opportunity to select from different annuity accounts available under the DCRS.

Statutory employer contributions for the DCRS plan for the year ended September 30, 2020 are determined using the same rates as the DB Plan. Of the amount contributed by the employer, only 6.2% of the member's regular pay is deposited into the DCRS. The remaining amount is contributed towards the unfunded liability of the defined benefit plan.

The Authority's contributions to the DCRS Plan for the years ended September 30, 2021, 2020 and 2019 were \$ 2,558,187, \$2,325,742, and \$2,019,302, respectively, which were equal to the required contributions for the respective years then ended. Of these amounts, \$ 1,961,020, \$1,777,051 and \$1,547,929 were contributed towards the unfunded liability of the DB Plan for the years ended September 30, 2021, 2020 and 2019, respectively.

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Notes to Financial Statements  
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**(4) Pensions, Continued**

**B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions:**

*Pension Liability:* At September 30, 2021 and 2020, the Authority reported a net pension liability for its proportionate share of the net pension liabilities measured as of September 30, 2020 and 2019, respectively, which is comprised of the following:

	<u>2021</u>	<u>2020</u>
Defined Benefit Plan	\$ 49,926,145	\$ 46,826,407
Ad Hoc COLA/supplemental annuity Plan for DB retirees	13,145,995	13,573,770
Ad Hoc COLA Plan for DCRS retirees	<u>3,038,870</u>	<u>3,117,626</u>
	<u>\$ 66,111,010</u>	<u>\$ 63,517,803</u>

The Authority's proportion of the GovGuam net pension liabilities was based on the Authority's expected plan contributions relative to the total expected contributions received by the respective pension plans for GovGuam and GovGuam's component units. At September 30, 2021 and 2020, the Authority's proportionate shares of the GovGuam net pension liabilities were as follows:

	<u>2021</u>	<u>2020</u>
Defined Benefit Plan	4.01%	3.86%
Ad Hoc COLA/supplemental annuity Plan for DB retirees	4.08%	4.19%
Ad Hoc COLA Plan for DCRS retirees	4.58%	5.21%

*Pension Expense:* For the years ended September 30, 2021 and 2020, the Authority recognized pension expense for its proportionate share of plan pension expense from the above pension plans as follows:

	<u>2021</u>	<u>2020</u>
Defined Benefit Plan	\$ 5,858,335	\$ 5,413,787
Ad Hoc COLA/supplemental annuity Plan for DB retirees	1,075,822	1,214,385
Ad Hoc COLA Plan for DCRS retirees	<u>202,627</u>	<u>228,058</u>
	<u>\$ 7,136,784</u>	<u>\$ 6,856,230</u>

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**(4) Pensions, Continued**

**B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:**

*Deferred Outflows and Inflows of Resources:* At September 30, 2021 and 2020, the Authority reported total deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2021					
	<u>Defined Benefit Plan</u>		<u>Ad Hoc COLA/SA Plan for DB Retirees</u>		<u>Ad Hoc COLA Plan for DCRS Retirees</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 124,625	\$ -	\$ 8,341	\$ -	\$ 293,077	\$ 71,246
Net difference between projected and actual earnings on pension plan investments	3,577,149	243,755	-	209,922	-	-
Changes of assumptions	-	-	1,030,947	18,711	739,410	230,390
Contributions subsequent to the measurement date	5,306,007	-	922,242	-	110,000	-
Changes in proportion and difference between the Authority contributions and proportionate share of contributions	<u>2,969,881</u>	<u>864</u>	<u>196,800</u>	<u>211,874</u>	<u>35,618</u>	<u>746,394</u>
	<u>\$ 11,977,662</u>	<u>\$ 244,619</u>	<u>\$ 2,158,330</u>	<u>\$ 440,507</u>	<u>\$ 1,179,105</u>	<u>\$ 1,048,030</u>

	2020					
	<u>Defined Benefit Plan</u>		<u>Ad Hoc COLA/SA Plan for DB Retirees</u>		<u>Ad Hoc COLA Plan for DCRS Retirees</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 67,212	\$ -	\$ 94,059	\$ -	\$ 328,337	\$ 90,553
Net difference between projected and actual earnings on pension plan investments	1,646,566	415,100	-	41,739	-	-
Changes of assumptions	-	-	1,218,677	211,008	750,577	302,454
Contributions subsequent to the measurement date	5,213,259	-	958,349	-	106,000	-
Changes in proportion and difference between the Authority contributions and proportionate share of contributions	<u>3,130,399</u>	<u>9,498</u>	<u>348,185</u>	<u>37,989</u>	<u>41,447</u>	<u>528,894</u>
	<u>\$ 10,057,436</u>	<u>\$ 424,598</u>	<u>\$ 2,619,270</u>	<u>\$ 290,736</u>	<u>\$ 1,226,361</u>	<u>\$ 921,901</u>

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**(4) Pensions, Continued**

**B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:**

Deferred outflows resulting from contributions subsequent to measurement date will be recognized as reduction of the net pension liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions at September 30, 2021 will be recognized in pension expense as follows:

<u>Year Ending September 30</u>	<u>Defined Benefit Plan</u>	<u>Ad Hoc COLA/ Supplemental Annuity Plan for DB Retirees</u>	<u>Ad Hoc COLA Plan for DCRS Retirees</u>
2022	\$ 2,498,258	\$ 608,281	\$ 9,878
2023	2,311,933	168,661	9,878
2024	1,173,165	18,639	9,878
2025	443,680	-	9,878
2026	-	-	9,878
Thereafter	-	-	(28,315)
	<u>\$ 6,427,036</u>	<u>\$ 795,581</u>	<u>\$ 21,075</u>

*Actuarial Assumptions:* Actuarially determined contribution rates for the DB Plan are calculated as of September 30, two years prior to the end of the fiscal year in which contributions are reported. The methods and assumptions used to determine contribution rates are as follows:

Valuation date:	September 30, 2019
Actuarial cost method:	Entry age normal
Amortization method:	Level percentage of payroll, closed
Remaining amortization period:	May 1, 2033 (13.58 years remaining as of September 30, 2019)
Asset valuation method:	3-year smoothed market value (effective September 30, 2009)
Inflation:	2.50% per year
Total payroll growth:	2.75% per year
Salary increases:	4% to 7.5%
Retirement age:	50% probability of retirement upon first eligibility for unreduced retirement. Thereafter, the probability of retirement is 20% for each year until age 75, and increases to 100% at age 75.

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**(4) Pensions, Continued**

**B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:**

Mortality: RP-2000 healthy mortality table (males +3, females +2). Mortality for disabled lives is the RP 2000 disability mortality (males +6, females +4). Both tables are projected generationally from 2016 using 30% of Scale BB.

The actuarial assumptions used in the September 30, 2019 valuation were based on the results of an actuarial experience study for the period October 1, 2011 to September 30, 2015. The rationale for each significant assumption is provided in the experience study. To the extent that actual experience differs from the assumptions, future pension costs will differ. The next experience study for the period October 1, 2015 to September 30, 2019 is scheduled to be performed prior to the next year's valuation.

The investment rate assumption as of September 30, 2020 was 7%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and the assumed rate of inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of the expected nominal return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Nominal Return</u>
U.S. Equities (large cap)	26.0%	7.01%
U.S. Equities (small cap)	4.0%	8.61%
Non-U.S. Equities	17.0%	8.66%
Non-U.S. Equities (emerging markets)	3.0%	10.59%
U.S. Fixed Income (aggregate)	24.0%	3.33%
Risk parity	8.0%	5.66%
High yield bonds	8.0%	6.11%
Global Real Estate (REITs)	2.5%	8.55%
Global Equity	7.5%	7.74%



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**(4) Pensions, Continued**

**B. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, Continued:**

*Discount Rate:* The discount rate used to measure the total pension liability for the DB Plan as of September 30, 2020 and 2019 was 7.0%, which is equal to the expected investment rate of return. The expected investment rate of return applies to benefit payments that are funded by plan assets (including future contributions), which includes all plan benefits except supplemental annuity payments to DB retirees and ad hoc COLA to both DB and DCRS retirees. The discount rate used to measure the total pension liability for the supplemental annuity and ad hoc COLA payments as of September 30, 2020 was 2.21% (2.66% as of September 30, 2019), which is equal to the rate of return of a high quality bond index.

*Discount Rate Sensitivity Analysis:* The following presents the sensitivity of the net pension liability to changes in the discount rate. The sensitivity analysis shows the impact to the Authority's proportionate share of the net pension liability if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

**Defined Benefit Plan:**

	1% Decrease in Discount Rate <u>6.0%</u>	Current Discount Rate <u>7.0%</u>	1% Increase in Discount Rate <u>8.0%</u>
Net Pension Liability	\$ <u>62,578,985</u>	\$ <u>49,926,145</u>	\$ <u>39,035,928</u>

**Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees:**

	1% Decrease in Discount Rate <u>1.21%</u>	Current Discount Rate <u>2.21%</u>	1% Increase in Discount Rate <u>3.21%</u>
Net Pension Liability	\$ <u>14,451,779</u>	\$ <u>13,145,995</u>	\$ <u>12,011,679</u>

**Ad Hoc COLA Plan for DCRS Retirees:**

	1% Decrease in Discount Rate <u>1.21%</u>	Current Discount Rate <u>2.21%</u>	1% Increase in Discount Rate <u>3.21%</u>
Net Pension Liability	\$ <u>3,446,636</u>	\$ <u>3,038,870</u>	\$ <u>2,691,898</u>

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**(4) Pensions, Continued**

**C. Payables to the Pension Plans:**

As of September 30, 2021 and 2020, the Authority recorded payables to GGRF of \$259,656 and \$295,072, respectively, representing statutorily required contributions unremitted as of the respective year-ends.

**(5) Other Post-Employment Benefits (OPEB)**

The Authority participates in the retiree health care benefits program. GovGuam's Department of Administration is responsible for administering the GovGuam Group Health Insurance Program, which provides medical, dental, and life insurance benefits to retirees, spouses, children and survivors. Active employees and retirees who waive medical and dental coverage are considered eligible for the life insurance benefit only. The program covers retirees and is considered an other post-employment benefits plan.

**A. General Information About the OPEB Plan:**

*Plan Description:* The other post-employment benefits plan is a single-employer defined benefit plan that provides healthcare benefits to eligible employees and retirees who are members of the GovGuam Retirement Fund. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The Governor's recommended budget and the annual General Appropriations Act enacted by the Guam Legislature provide for a premium level necessary for funding the program each year on a "pay-as-you-go" basis. Because the OPEB Plan consists solely of GovGuam's firm commitment to provide OPEB through the payment of premiums to insurance companies on behalf of its eligible retirees, no stand-alone financial report is either available or generated.

*Plan Membership:* As of September 30, 2020 and 2019 (the respective measurement periods), OPEB plan membership consisted of the following as of September 30, 2020 and 2019 (the respective actuarial valuation dates):

	<u>2020</u>	<u>2019</u>
Inactive plan members or beneficiaries currently receiving benefits	8,114	7,462
Active plan members	<u>11,080</u>	<u>10,832</u>
Total members	<u>19,194</u>	<u>18,294</u>

*Benefits Provided:* The OPEB Plan provides post-employment medical, dental and life insurance benefits to the Authority retirees, spouses, children and survivors, which are the same benefits as provided to active employees. Active employees and retirees who waive medical and dental coverage are considered eligible for the life insurance benefit only. The Authority contributes a portion of the medical and dental premiums, based on a schedule of semi-monthly rates, and reimburses certain Medicare premiums to eligible retirees. Retirees are also required to pay a portion of the medical and dental insurance premiums. Three types of health plans are offered to eligible participants.

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**(5) Other Post-Employment Benefits (OPEB), Continued**

**A. General Information About the OPEB Plan, Continued:**

- Standard islandwide Preferred Provider Organization (PPO) Plan
- High Deductible (Health Savings Account - HSA) PPO Plan
- Retiree Supplement Plan (RSP)

The PPO and HSA Plans apply to both active employees and retirees and work with set deductible amounts whereas the RSP Plan is an added option for retirees only.

*Contributions:* No employer contributions are assumed to be made since an OPEB trust has not been established. Instead, the OPEB Plan is financed on a substantially "pay-as-you-go" basis whereby contributions to the plan are generally made at about the same time and in about the same amount as benefit payments and expenses becoming due.

For the years ended September 30, 2021, 2020 and 2019, the Authority reimbursed GovGuam \$1,519,812 , \$1,475,500 and \$1,681,439, respectively, for its share of the costs of the above mentioned Plan, which were equal to the statutorily required contributions.

**B. Total OPEB Liability:**

As of September 30, 2021 and 2020, the Authority reported a total OPEB liability of \$97,077,114 and \$92,013,986, respectively, for its proportionate share of the GovGuam total OPEB liability measured as of September 30, 2020 and 2019. The following presents the Authority's change in proportionate share since the prior measurement date:

Proportion at prior measurement date, September 30, 2019	3.60%
Proportion at measurement date, September 30, 2020	<u>3.85%</u>
Increase in proportion	<u>0.25%</u>

*Actuarial Assumptions:* The total OPEB liability for the OPEB Plan was determined by an actuarial valuation as of September 30, 2020, rolled forward to the measurement date using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation:	2.75%
Amortization method:	Level dollar amount over 30 years on an open amortization period for pay-as-you-go funding.
Salary increases:	7.5% per year for the first 5 years of service, 6% for 6-10 years, 5% for 11-15 years and 4.0% for service over 15 years. No changes since prior measurement.

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**(5) Other Post-Employment Benefits (OPEB), Continued**

**B. Total OPEB Liability, Continued:**

<b>Healthcare cost trend rates:</b>	Non-Medicare and Medicare - 6% for Year 1-3 then reducing 0.25% annually to an ultimate rate of 4.25%. Part B 4.25%. Health care trend assumptions begin at current levels and grade down over a period of years to a lower level equal to some real rate plus inflation. The principal components of health trend are medical inflation, deductible erosion, cost shifting, utilization, technology and catastrophic claims. The overall effect of these components are expected to decline year by year. Medical trend rates are applied to claims cost and retiree contributions, Medicare Part B and Medicare Part D reimbursements are assumed to be 4.25% per year.
<b>Dental trend rates:</b>	4.25% per year, based on a blend of historical retiree premium rate increases as well as observed U.S. national trends.
<b>Participation rates:</b>	Medical - 100% of active employees covered under a GovGuam medical plan will elect to participate at retirement. Dental - 100% of active employees covered under a GovGuam dental plan will elect to participate at retirement. Life - 100% of active employees will elect to participate at retirement. Current retirees will continue in the GovGuam plan as provided in the data, and upon attainment of age 65, will remain in that plan or enroll in a Retiree Supplemental Plan per Medicare Enrolment assumption below.
<b>Medicare enrollment:</b>	Based on current over 65 data, 55% (previously, 15%) of current and future retirees are assumed to enroll in Medicare and will enroll in a Retiree Supplemental Plan upon attainment of age 65. All employees retired prior to September 28, 2008 are assumed ineligible for Medicare upon attainment of age 65 and therefore will not enroll in a Medicare Supplemental Plan.
<b>Dependent status:</b>	Male spouses are assumed to be three years older and female spouses are assumed to be three years younger than the retired employee. Medical - 100% of spouses of active employees covered under a GovGuam medical plan will elect to participate at the active employee's retirement. Dental - 100% of spouses of active employees covered under a GovGuam dental plan will elect to participate at the active employee's retirement. Life - 100% of spouses of active employees will elect to participate at the active employee's retirement. For current retired employees, the actual census information is used.

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**(5) Other Post-Employment Benefits (OPEB), Continued**

**B. Total OPEB Liability, Continued:**

Actuarial cost method:	Entry Age Normal. The costs of each employee's post-employment benefits are allocated as a level basis over the earnings of the employee between the employee's date of hire and the assumed exit ages.
Healthy retiree mortality rate:	RP-2000 Combined Healthy Mortality Table, set forward 3 years and 2 years for males and females, respectively, projected generationally using 30% of Scale BB.
Disabled retiree mortality rates:	RP-2000 Disabled Mortality Table for males and females, set forward 6 years and 4 years for males and females, respectively, projected generationally using 30% of Scale BB.
Withdrawal rates:	15% for less than 1 year of service, decreasing 1% for each additional year of service up to 10 years, further decreasing 0.5% for each additional year of service up to 15 years, and 2% for service over 15 years.
Disability rates:	1974-78 SOA LTD Non-Jumbo, with rates reduced by 50% for males and 75% for females as follows: 0.05% for males aged 20-39 years (0.03% for females); 0.10% - .18% for males aged 40-49 years (0.05% - 0.09% for females); 0.32% - 0.53% for males aged 50-59 years (0.16% - 0.27% for females); and 0.76% for males aged 60-64 years (0.38% for females).
Retirement rates:	50% of employees are assumed to retire at first eligibility for unreduced benefits under the Government of Guam Retirement Fund, 20% per year thereafter until age 75, and 100% at age 75.

***OPEB Plan Fiduciary Net Position:*** An OPEB trust has not been established thus the OPEB Plan does not presently report OPEB plan fiduciary net position.

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**(5) Other Post-Employment Benefits (OPEB), Continued**

**B. Total OPEB Liability, Continued:**

*Discount Rate:* The discount rate used to measure the total OPEB liability was 2.21% as of September 30, 2020 (2.66% as of September 30, 2019). The projection of cash flows used to determine the discount rate assumed that contributions from the Authority will be made in accordance with the plan's funding policy. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be insufficient to make all projected benefit payments of current plan members. Therefore, the 2.21% municipal bond rate as of September 30, 2020 (2.66% as of September 30, 2019) was applied to all periods of projected benefit payments to determine the total OPEB liability.

**C. Changes in the Total OPEB Liability:**

Changes in the Authority's proportionate share of the total OPEB liability for the years ended September 30, 2021 and 2020 are as follows:

	<u>2021</u>	<u>2020</u>
At October 1	\$ <u>92,013,986</u>	\$ <u>67,314,364</u>
Changes for the year:		
Service cost	3,962,600	2,492,109
Interest	2,534,191	2,885,664
Change in proportionate share	6,936,757	407,840
Difference between expected and actual experience	10,794,471	-
Change of assumptions	(17,752,367)	20,456,909
Benefit payments	<u>(1,412,524)</u>	<u>(1,542,900)</u>
Net change	<u>5,063,128</u>	<u>24,699,622</u>
At September 30	\$ <u>97,077,114</u>	\$ <u>92,013,986</u>

*Discount Rate Sensitivity Analysis:* The following schedule shows the impact on the OPEB liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.21%) in measuring the 2020 OPEB liability.

	1% Decrease in Discount Rate <u>1.21%</u>	Current Discount Rate <u>2.21%</u>	1% Increase in Discount Rate <u>3.21%</u>
OPEB Liability	\$ <u>115,253,939</u>	\$ <u>97,077,114</u>	\$ <u>82,587,453</u>

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**(5) Other Post-Employment Benefits (OPEB), Continued**

**C. Changes in the Total OPEB Liability, Continued:**

*Healthcare Cost Trend Rate Sensitivity Analysis:* The following schedule presents the sensitivity of the total OPEB liability to changes in the healthcare cost trend rate. The sensitivity analysis shows the impact on the OPEB liability if the healthcare cost trend rate used was 1% less than and 1% greater than the current healthcare cost trend rate used in measuring the 2020 OPEB liability.

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rates</u>	<u>1% Increase</u>
OPEB Liability	\$ <u>80,859,667</u>	\$ <u>97,077,114</u>	\$ <u>118,165,188</u>

**D. OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:**

For the years ended September 30, 2021 and 2020, the Authority recognized OPEB expense of \$ 6,868,750 and \$5,434,675, respectively. At September 30, 2021 and 2020, the Authority reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>2021</u>		<u>2020</u>	
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of assumptions	\$ 15,793,325	\$ 20,976,202	\$ 20,057,226	\$ -
Difference between expected and actual experience	8,887,321	9,290,156	-	12,064,107
Contributions subsequent to the measurement date	1,519,812	-	1,475,500	-
Changes in proportion and difference between the Authority contributions and proportionate share of contributions	<u>6,804,660</u>	<u>-</u>	<u>2,135,393</u>	<u>8,579,443</u>
	<u>\$ 33,005,118</u>	<u>\$ 30,266,358</u>	<u>\$ 23,668,119</u>	<u>\$ 20,643,550</u>

Deferred outflows resulting from contributions subsequent to measurement date will be recognized as reduction of the OPEB liability in the following year. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB at September 30, 2021 will be recognized in OPEB expense as follows:

<u>Year Ended September 30</u>	
2022	\$ (297,151)
2023	(1,993,063)
2024	1,398,181
2025	2,179,362
2026	(68,381)
	<u>\$ 1,218,948</u>

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**(6) Long-Term Liabilities**

**A. Long-Term Debt**

Long-term bank debt consists of the following:

	<u>2021</u>	<u>2020</u>
2018 Series A Revenue Bonds, initial face value of \$29,980,000, interest at 5.0% per annum payable semi-annually in January and July, principal and mandatory sinking fund payments payable in varying annual installments commencing with a payment of \$270,000 in July 2037, increasing to a final payment of \$3,405,000 in July 2048.	\$ 29,980,000	\$ 29,980,000
2018 Series B Revenue Bonds, initial face value of \$23,145,000, interest at 5.0% per annum payable semi-annually in January and July, principal payments payable in varying and staggered annual installments commencing with a payment of \$1,320,000 in July 2019, with a final payment of \$1,725,000 in July 2037.	21,825,000	21,825,000
2018 Series C Revenue Bonds, initial face value of \$18,320,000, interest at varying rates from 3.587% to 4.582% per annum payable semi-annually in January and July, principal payments payable in varying annual installments commencing with a payment of \$2,380,000 in July 2020, with a final payment of \$3,370,000 in July 2028.	<u>13,475,000</u>	<u>15,940,000</u>
Total long-term debt	65,280,000	67,745,000
Less current portion	<u>(2,560,000)</u>	<u>(2,465,000)</u>
	<u>62,720,000</u>	<u>65,280,000</u>
Add premium on bonds	<u>4,512,826</u>	<u>4,762,079</u>
	<u>\$ 67,232,826</u>	<u>\$ 70,042,079</u>

In June 2018, the Authority issued Revenue Bonds 2018 Series to finance various capital projects, retire certain existing bank loans, provide for capitalized interest for up to two years, fund the bond reserve fund and pay costs of issuance.

All gross revenues of the Authority, except for crane surcharge, facility maintenance fee, and public marina revenues, have been pledged to secure the payment of the bond principal and interest. For the year ended September 30, 2021, the debt service for the series bonds was \$5,745,862 or approximately 11.73% of pledged gross revenues.

Bond premiums associated with the 2018 series bonds are being amortized using the effective interest method over the life of the debt.



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**(6) Long-Term Liabilities, Continued**

**A. Long-Term Debt, Continued**

As of September 30, 2021, future maturities of long-term debt are as follows:

<u>Year Ending September 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>
2022	\$ 2,560,000	\$ 3,182,633	\$ 5,742,633
2023	2,685,000	3,063,896	5,748,896
2024	2,820,000	2,935,842	5,755,842
2025	2,955,000	2,801,618	5,756,618
2026	3,085,000	2,670,118	5,755,118
2027 through 2031	10,845,000	11,395,846	22,240,846
2032 through 2036	8,625,000	9,262,250	17,887,250
2037 through 2041	11,005,000	6,879,000	17,884,000
2042 through 2046	14,050,000	3,838,750	17,888,750
2047 through 2048	<u>6,650,000</u>	<u>502,750</u>	<u>7,152,750</u>
	<b>\$ 65,280,000</b>	<b>\$ 46,532,703</b>	<b>\$ 111,812,703</b>

Changes in long-term bank debt for the years ended September 30, 2021 and 2020 are as follows:

	Outstanding at September 30, <u>2020</u>	<u>Increases</u>	<u>Decreases</u>	Outstanding at September 30,		
				<u>2021</u>	<u>Current</u>	<u>Noncurrent</u>
2018 Series A bonds	\$ 29,980,000	\$ -	\$ -	\$ 29,980,000	\$ -	\$ 29,980,000
2018 Series B bonds	21,825,000	-	-	21,825,000	-	21,825,000
2018 Series C bonds	15,940,000	-	2,465,000	13,475,000	2,560,000	10,915,000
Unamortized premium on 2018 Series bonds	<u>4,762,079</u>	<u>-</u>	<u>249,253</u>	<u>4,512,826</u>	<u>-</u>	<u>4,512,826</u>
	<b>\$ 72,507,079</b>	<b>\$ -</b>	<b>\$ 2,714,253</b>	<b>\$ 69,792,826</b>	<b>\$ 2,560,000</b>	<b>\$ 67,232,826</b>
	Outstanding at September 30, <u>2019</u>	<u>Increases</u>	<u>Decreases</u>	Outstanding at September 30,		
				<u>2020</u>	<u>Current</u>	<u>Noncurrent</u>
2018 Series A bonds	\$ 29,980,000	\$ -	\$ -	\$ 29,980,000	\$ -	\$ 29,980,000
2018 Series B bonds	21,825,000	-	-	21,825,000	-	21,825,000
2018 Series C bonds	18,320,000	-	2,380,000	15,940,000	2,465,000	13,475,000
Unamortized premium on 2018 Series bonds	<u>5,001,699</u>	<u>-</u>	<u>239,620</u>	<u>4,762,079</u>	<u>-</u>	<u>4,762,079</u>
	<b>\$ 75,126,699</b>	<b>\$ -</b>	<b>\$ 2,619,620</b>	<b>\$ 72,507,079</b>	<b>\$ 2,465,000</b>	<b>\$ 70,042,079</b>

**PORT AUTHORITY OF GUAM**  
**(A Component Unit of the Government of Guam)**

Notes to Financial Statements  
September 30, 2021 and 2020

**(6) Long-Term Liabilities, Continued**

**A. Long-Term Debt, Continued**

**Bond Covenants**

The Master Indenture, dated July 1, 2018, as supplemented by the First Supplemental Indenture, sets forth the establishment of accounts, the application of revenues, and certain other covenants to ensure payment of debt service. Management believes the Authority was in compliance with all bond covenants as of and for the years ended September 30, 2021 and 2020. The primary requirements of the Master Indenture are summarized below:

**Rate Covenant** – the Authority has covenanted to at all times fix, prescribe and collect rates, fees and charges sufficient to yield the sum of net revenues available for debt service during each fiscal year equal to at least 1.25 times the total annual debt service for such fiscal year and to yield revenues during each fiscal year equal to at least the total amount of all transfers required to be made to the Operation and Maintenance Fund, the Debt Service Fund, the Bond Reserve Fund, the Subordinate Securities Fund, the Operation and Maintenance Reserve Fund and the Renewal and Replacement Reserve Fund for such fiscal year. Net revenues available for debt service means the sum of all revenues received during the period (excluding crane surcharges, facility maintenance fee, and public marina revenues) less operation and maintenance expenses incurred during such period.

**Reserve Funds** – the Master Indenture creates the following reserve funds and fund requirements:

- Operation and maintenance reserve fund equal to 90 days, on average, of the total operation and maintenance expenses budgeted by the Authority for the then current fiscal year
- Renewal and replacement reserve fund equal to the greater of (i) an amount equivalent to 30 days, on average, of the total operation and maintenance expenses budgeted by the Authority for the then current fiscal year or (ii) \$3 million (required in 2023)
- Bond reserve fund equal to \$5,337,736
- Working capital reserve fund equal to 180 days of the operation and maintenance costs of the current fiscal year (required in 2023)

**Debt Service Fund** - the Master Indenture creates a Debt Service Fund available for the purpose of: (1) paying interest on each bond as it shall become due and payable; (2) paying the principal of each bond when due and payable; (3) paying mandatory sinking account when due; and (4) paying Parity Payment Agreement Payments due and payable. As of September 30, 2021 and 2020, the Authority is not currently a party to any Parity Payment Agreements.

**Operation and Maintenance Fund** - the Master Indenture creates an Operation and Maintenance Fund, available for working capital purposes. The Authority must maintain a balance in such account equal to the amount of operation and maintenance expenses budgeted by the Authority to be paid from revenues during the next succeeding calendar month.

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Notes to Financial Statements  
September 30, 2021 and 2020

**(6) Long-Term Liabilities, Continued**

**A. Long-Term Debt, Continued**

**Bond Covenants, Continued**

Events of default with finance related consequences - the Master Indenture specifies a number of Events of Default and related remedies. In the event that the amount in any Fund or Account is insufficient for the purposes for which such Fund or Account was established, the Trustee shall transfer such amount as is necessary to satisfy such deficiency.

Acceleration - the remedies granted to the Trustee and the Bondholders under the Master Indenture do not include any right to accelerate the payment of the outstanding bonds. The Trustee is authorized to take certain actions upon the occurrence of an event of default, including proceedings to enforce the rights of Bondholders as outlined in the indenture.

**B. Other Long-Term Liabilities**

Changes in other long-term liabilities in fiscal year 2021 and 2020 were as follows:

	Outstanding at September 30, <u>2020</u>			Outstanding at September 30, <u>2021</u>		
	<u>Increases</u>	<u>Decreases</u>	<u>Current</u>	<u>Noncurrent</u>		
Accrued annual leave	\$ 1,842,256	\$ 1,749,551	\$ 1,306,757	\$ 1,046,890		
Accrued sick leave	817,416	777,495	-	1,583,841		
Net pension liability	3,099,738	506,531	-	66,111,010		
OPEB liability	<u>7,165,898</u>	<u>2,102,770</u>	<u>-</u>	<u>97,077,114</u>		
	<u>\$ 12,925,308</u>	<u>\$ 5,136,347</u>	<u>\$ 1,306,757</u>	<u>\$ 165,818,855</u>		

	Outstanding at September 30, <u>2019</u>			Outstanding at September 30, <u>2020</u>		
	<u>Increases</u>	<u>Decreases</u>	<u>Current</u>	<u>Noncurrent</u>		
Accrued annual leave	\$ 1,980,677	\$ 1,564,760	\$ 1,798,867	\$ 462,075		
Accrued sick leave	1,165,390	708,130	-	1,543,920		
Net pension liability	14,098,703	5,796,797	-	63,517,803		
OPEB liability	<u>26,381,060</u>	<u>1,681,438</u>	<u>-</u>	<u>92,013,986</u>		
	<u>\$ 43,625,830</u>	<u>\$ 9,751,125</u>	<u>\$ 1,798,867</u>	<u>\$ 157,537,784</u>		

**(7) Major Customers**

For the years ended September 30, 2021 and 2020, the Authority has two major shipping agency customers that collectively accounted for 67.35% and 65.46% of total operating revenues, respectively. The Authority has a high concentration of credit risk due to the limited number of entities comprising its customer base.

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Notes to Financial Statements  
September 30, 2021 and 2020

**(8) Rental Operations**

The Authority leases space to tenants under non-cancelable operating leases, with options to renew, providing for future minimum rentals. The minimum future rentals on non-cancelable operating leases for the five succeeding fiscal years and thereafter, are as follows:

<u>Year Ending September 30,</u>	<u>Amount</u>
2022	\$ 1,440,155
2023	1,440,155
2024	1,440,155
2025	1,440,155
2026	1,440,155
Thereafter	<u>7,307,174</u>
	\$ <u>14,507,949</u>

The Authority also leases equipment and space to tenants on a month-to-month basis.

Total equipment and lease space revenue from tenants for all rentals totaled \$8,291,223 and \$9,191,997 for the years ended September 30, 2021 and 2020, respectively.

**(9) Commitments and Contingencies**

Port Modernization Plan

The Port Modernization Plan (the Plan) spans a 30-year planning horizon with an estimated project cost of \$260 million and was conditionally approved in 2008 through Public Law 29-125. The Plan consists of Phases I-A and I-B with a focus on critical maintenance and repair of waterfront activities and Phase II with a focus on expansion needed to address long-term cargo growth demands of Guam and neighboring islands over the next twenty years. In 2009, the Guam Legislature approved Phases I-A and I-B of the Plan through Public Law 30-57.

In June 2008, through a Memorandum of Understanding (MOU), the Authority partnered with the Maritime Administration (MARAD) for the "Port of Guam Improvement Enterprise Program" (the Program). MARAD was designated as the lead federal agency assisting the Authority in securing funding sources to modernize its facilities and operations. Under the Program, MARAD is to provide federal oversight and coordination of projects, act as a central procurement organization, leverage federal, non-federal and private funding sources, and streamline the environmental review and permitting process. The partnership with MARAD was formalized through U.S. Public Law 110-417, *National Defense Authorization Act for 2010*. U.S. Public Law 110-417 also established the "Port of Guam Improvement Enterprise Fund" (the Fund), a separate account in the Treasury of the United States that will be used to receive funding from federal and non-federal sources to carry out the Program.

The Authority commenced the Phase I-A of the plan in 2010 with \$50 million and \$54.5 million appropriations from U.S. Department of Defense (USDOD) and United States Department of Agriculture (USDA), respectively. In November 2013, the Plan was updated to provide a comprehensive view of the Authority's current condition, identify elements of continuous improvement and sustainability, and scale down the components of Phase I-A of the Plan. Changes to the Plan were signed into law through Public Law 32-155 on May 21, 2014. The Authority utilized the \$50 million appropriation from the USDOD and only \$3.5 million appropriation from USDA and will no longer use the rest due to changes in certain factors relating to the military buildup and cargo forecast.

**PORT AUTHORITY OF GUAM**  
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Notes to Financial Statements  
September 30, 2021 and 2020

**(9) Commitments and Contingencies, Continued**

**Port Modernization Plan, Continued**

Appropriation from the USDOD is sourced from the 2010 U.S. Supplemental Appropriations Act that was signed into law in August 2010. The appropriation was transferred to the Fund on September 22, 2010 and is administered and disbursed by MARAD based on the terms of the MOU. The Authority segregated the construction funded by the \$50 million USDOD appropriation into three phases. All three phases have been completed and capitalized in 2015. A dashboard project expenditure summary was provided to the Authority by MARAD and was used as the basis for recording of capital assets. The appropriation from the USDOD has a remaining \$2,600,000 which has been reprogrammed for the maintenance of the capital assets and for acquisition of equipment.

**Merit System**

In 1991, Public Law 21-59 was enacted to establish a bonus system for employees of GovGuam, autonomous and semi-autonomous agencies, public corporations and other public instrumentalities of the Government of Guam who earn a superior performances grade. The bonus is calculated at 3.5% of the employee's base salary beginning in 1991. The remaining estimated accrued merit bonus as of September 30, 2021 and 2020 is \$54,000.

**Government of Guam General Fund**

In March 2011, the Authority received a \$12,250,000 invoice from GovGuam's Department of Administration (DOA) representing an annual assessment of \$875,000 for each of the fiscal years 1998 to 2011 pursuant to 5 GCA Chapter 22 Section 22421, *Transfer of Autonomous Agency Revenues To Autonomous Agency Collections Fund*. In May 2011, the Authority requested DOA further review the assessment as the Authority believes that it does not owe the entire \$12,250,000 based on previous transfers in 1994 and 1997 of \$500,000 and \$3,500,000 to the General Fund and to the Government of Guam Autonomous Agency Infrastructure Collection Fund (AAICF), respectively. The Authority also asserts that it funds certain government services provided by the Guam Customs and Quarantine Agency, the Guam Environmental Protection Agency, the Guam Police Department and the Guam Fire Department through ongoing operations at the Port; contributes to GEDA and Port's Base Realignment and Closure Commission; and, will fund the Tri-Star Pipeline and water line projects in the future. Further, the Authority understands that it is only required to transfer amounts to the AAICF when there is an operating surplus. No liability is recorded for this Government of Guam billing as of September 30, 2021 and 2020.

**Lawsuit and Claims**

The Authority is a defendant in various lawsuits and proceedings arising in the normal course of business. At September 30, 2021, the Authority accrued approximately \$200K, included in security deposits and other payables account in the statements of net position, for estimated settlements of various litigation.

While the outcome of the lawsuits and proceedings cannot be predicted with certainty and could adversely affect the Authority's financial statements, it is the opinion of management, after consulting with its legal counsel, that the ultimate disposition of such suits and proceedings will not have any additional material adverse effect on the Authority's financial statements at this time, and therefore, except as disclosed above, no provision has been recorded for litigation and claims in the financial statements.

**PORT AUTHORITY OF GUAM**  
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Notes to Financial Statements  
September 30, 2021 and 2020

**(9) Commitments and Contingencies, Continued**

**Contract Commitments**

As of September 30, 2021, the Authority has various on-going construction contracts with a total contract price of \$9 million, of which \$3.1 million has been recorded as construction work-in-progress.

**Purchase Commitments**

As of September 30, 2021, the Authority has outstanding purchase orders for various equipment purchases totaling \$235,000.

**(10) Restricted Net Position**

At September 30, 2021 and 2020, net position is restricted for the following purposes:

	<u>2021</u>	<u>2020</u>
Debt service	\$ 44,455,786	\$ 32,532,334
Future crane acquisition or extraordinary crane maintenance	4,938,994	4,368,915
Maintenance, replacements, and repair of facilities	<u>4,298,526</u>	<u>4,474,116</u>
	<u>\$ 53,693,306</u>	<u>\$ 41,375,365</u>

**(11) Restatement**

During the year ended September 30, 2021, the Authority determined that it had not capitalized interest on construction work-in-progress in accordance with GASB Statement 62 for the year ended September 30, 2020. The 2020 financial statements have been restated as follows to correct this error.

	<u>2020</u>	<u>2020</u>	<u>Difference</u>
	<u>As previously presented</u>	<u>As restated</u>	
Non depreciable property, plant and equipment	\$10,149,866	\$11,661,382	\$1,511,516
Interest (expense) income, net	(2,466,453)	(954,937)	(1,511,516)

**(12) Risk and Uncertainties**

The Authority's operations have been affected by the ongoing outbreak of the coronavirus disease. As a result of the spread of the COVID-19 coronavirus, governments worldwide implemented actions to restrict travel and economic activities. The ultimate disruption which may be caused by the outbreak is uncertain, therefore, the actual impact on the Authority's business, results of operations, and financial position for fiscal year 2022 and beyond is currently not determinable.

**OTHER FINANCIAL INFORMATION**

**PORT AUTHORITY OF GUAM**  
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 Required Supplemental Information (Unaudited)  
 Schedule of Proportional Share of the Net Pension Liability  
 Last 10 Fiscal Years\*

	<u>Defined Benefit Plan</u>									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
Total Government of Guam net pension liability	\$ 1,246,336,897	\$ 1,214,462,675	\$ 1,179,192,550	\$ 1,142,249,393	\$ 1,368,645,126	\$ 1,436,814,230	\$ 1,436,814,230	\$ 1,436,814,230	\$ 1,436,814,230	\$ 1,436,814,230
Port Authority of Guam's (PAG's) proportionate share of the net pension liability	\$ 49,926,145	\$ 46,826,407	\$ 41,041,830	\$ 39,782,133	\$ 43,796,523	\$ 44,375,587	\$ 44,375,587	\$ 44,375,587	\$ 44,375,587	\$ 44,375,587
PAG's proportion of the net pension liability	4.01%	3.86%	3.48%	3.48%	3.20%	3.09%	3.09%	3.09%	3.09%	3.09%
PAG's covered-employee payroll**	\$ 20,936,236	\$ 19,644,856	\$ 17,885,121	\$ 17,703,032	\$ 16,202,288	\$ 15,793,402	\$ 15,793,402	\$ 15,793,402	\$ 15,793,402	\$ 15,793,402
PAG's proportionate share of the net pension liability as percentage of its covered employee payroll	238.47%	238.36%	229.47%	224.72%	270.31%	280.98%	280.98%	280.98%	280.98%	280.98%
Plan fiduciary net position as a percentage of the total pension liability	61.48%	62.25%	63.28%	60.63%	54.62%	52.32%	52.32%	52.32%	52.32%	52.32%

\* This data is presented for those years for which information is available.

\*\* Covered-employee payroll data from the actuarial valuation date with one-year lag.

See Accompanying Independent Auditors' Report.



**PORT AUTHORITY OF GUAM**  
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 Required Supplemental Information (Unaudited)  
 Schedule of Proportional Share of the Net Pension Liability  
 Last 10 Fiscal Years\*

Ad Hoc COLA/Supplemental Annuity Plan for DB Retirees

	2021	2020	2019	2018
Total Government of Guam net pension liability***	\$ 321,889,969	\$ 324,192,725	\$ 289,875,668	\$ 288,147,121
Port Authority of Guam's (PAG's) proportionate share of the net pension liability	\$ 13,145,995	\$ 13,573,770	\$ 11,646,387	\$ 11,683,996
PAG's proportion of the net pension liability	4.08%	4.19%	4.02%	4.05%
PAG's covered-employee payroll**	\$ 21,344,797	\$ 21,332,343	\$ 20,645,687	\$ 20,610,932
PAG's proportionate share of the net pension liability as percentage of its covered employee payroll	61.59%	63.63%	56.41%	56.69%

\* This data is presented for those years for which information is available.

\*\* Covered-employee payroll data from the actuarial valuation data with one-year lag.

\*\*\* No assets accumulated in a trust to pay benefits.

See Accompanying Independent Auditors' Report.

**PORT AUTHORITY OF GUAM**  
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**Required Supplemental Information (Unaudited)**  
**Schedule of Proportional Share of the Net Pension Liability**  
**Last 10 Fiscal Years\***

Ad Hoc COLA Plan for DCRS Retirees

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total Government of Guam net pension liability***	\$ 66,393,472	\$ 59,884,407	\$ 49,342,424	\$ 62,445,490
Port Authority of Guam's (PAG's) proportionate share of the net pension liability	\$ 3,038,870	\$ 3,117,626	\$ 2,527,680	\$ 3,186,759
PAG's proportion of the net pension liability	4.58%	5.21%	5.12%	5.10%
PAG's covered-employee payroll**	\$ 11,867,590	\$ 12,260,578	\$ 13,548,374	\$ 19,228,448
PAG's proportionate share of the net pension liability as percentage of its covered employee payroll	25.61%	25.43%	18.66%	16.57%

\* This data is presented for those years for which information is available.

\*\* Covered-employee payroll data from the actuarial valuation date with one-year lag.

\*\*\* No assets accumulated in a trust to pay benefits.

See Accompanying Independent Auditors' Report.

**PORT AUTHORITY OF GUAM**  
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**Required Supplemental Information (Unaudited)**  
**Schedule of Pension Contributions**  
**Last 10 Fiscal Years\***

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Statutorily required contribution	\$ 5,213,259	\$ 4,720,759	\$ 4,540,620	\$ 4,210,492	\$ 4,017,046	\$ 4,172,659
Contributions in relation to the statutorily required contribution	<u>4,766,204</u>	<u>4,686,893</u>	<u>4,728,288</u>	<u>4,363,054</u>	<u>3,981,412</u>	<u>4,154,190</u>
Contribution (excess) deficiency	\$ <u>447,055</u>	\$ <u>33,866</u>	\$ <u>(187,668)</u>	\$ <u>(152,562)</u>	\$ <u>35,634</u>	\$ <u>18,469</u>
PAG's covered-employee payroll **	\$ <u>20,936,236</u>	\$ <u>19,644,856</u>	\$ <u>17,885,121</u>	\$ <u>17,703,032</u>	\$ <u>16,202,268</u>	\$ <u>15,793,402</u>
Contribution as a percentage of covered-employee payroll	22.77%	23.86%	26.44%	24.65%	24.57%	26.30%

\* This data is presented for those years for which information is available.

\*\* Covered-employee payroll data from the actuarial valuation date with one-year lag.

See Accompanying Independent Auditors' Report.

**PORT AUTHORITY OF GUAM**  
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Required Supplemental Information (Unaudited)  
Schedule of Changes in the Proportional Share of the Total OPEB Liability and Related Ratios  
Last 10 Fiscal Years\*

	2021	2020	2019	2018
Service cost	\$ 3,962,600	\$ 2,492,109	\$ 2,980,600	\$ 3,385,608
Interest	2,534,191	2,885,664	3,156,104	2,797,108
Changes in proportionate share	6,936,757	407,840	3,313,976	(10,865)
Difference between expected and actual experience	10,794,471	-	(18,753,465)	-
Change of assumptions	(17,752,367)	20,456,909	(6,524,999)	(8,713,844)
Benefit payments	(1,412,524)	(1,542,908)	(1,644,510)	(1,508,536)
<b>Net change in OPEB liability</b>	<b>5,063,128</b>	<b>24,699,622</b>	<b>(17,472,294)</b>	<b>(4,050,529)</b>
OPEB liability, beginning	92,013,986	67,314,364	84,786,658	88,837,167
<b>OPEB liability, ending</b>	<b>\$ 97,077,114</b>	<b>\$ 92,013,986</b>	<b>\$ 67,314,364</b>	<b>\$ 84,786,658</b>
Covered-employee payroll as of valuation date	\$ 20,200,535	\$ 19,172,254	\$ 17,724,837	\$ 17,004,433
OPEB liability as a percentage of covered-employee payroll	480.57%	479.93%	379.77%	498.62%
<b>Notes to schedule:</b>				
Discount rate	2.210%	2.660%	4.180%	3.630%

Change in benefit terms:  
None.

Change of assumptions:  
Discount rate has changed from respective measurement dates.

\* This data is presented for those years for which information is available.  
\*\* No assets accumulated in a trust to pay the benefits.

See Accompanying Independent Auditors' Report.

**PORT AUTHORITY OF GUAM**  
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**Required Supplemental Information (Unaudited)**  
**Schedule of Proportional Share of the Total OPEB Liability**  
**Last 30 Fiscal Years\***

	2021	2020	2019	2018
Total OPEB liability **	\$ 2,510,489,145	\$ 2,553,523,376	\$ 1,874,970,335	\$ 1,431,048,672
PAG's proportionate share of the total OPEB liability	\$ 97,077,114	\$ 92,013,986	\$ 67,314,364	\$ 84,786,658
PAG's proportion of the total OPEB liability	3.85%	3.60%	3.59%	3.49%
PAG's covered-employee payroll	\$ 20,200,535	\$ 19,172,254	\$ 17,724,837	\$ 17,004,433
PAG's proportionate share of the total OPEB liability as percentage of its covered-employee payroll	480.57%	479.93%	379.77%	498.62%

\* This data is presented for those years for which information is available.

\*\* No assets accumulated in a trust to pay the benefits.

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**PORT AUTHORITY OF GUAM**  
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**Required Supplemental Information (Unaudited)**  
**Schedule of OPEB Contributions**  
**Last 10 Fiscal Years\***

	2021	2020	2019	2018	2017
Actuarially determined contribution	\$ 8,557,624	\$ 6,574,050	\$ 7,774,898	\$ 8,055,416	\$ 6,995,373
Contributions in relation to the actuarially determined contribution	<u>1,412,524</u>	<u>1,542,900</u>	<u>1,644,510</u>	<u>1,508,536</u>	<u>1,508,536</u>
Contribution deficiency	<u>\$ 7,145,100</u>	<u>\$ 5,031,150</u>	<u>\$ 6,130,388</u>	<u>\$ 6,546,880</u>	<u>\$ 5,486,837</u>
Covered-employee payroll as of valuation date	\$ 20,200,535	\$ 19,172,254	\$ 17,724,837	\$ 17,004,433	\$ 17,004,433
Contributions as a percentage of covered-employee payroll	6.99%	8.05%	9.28%	8.87%	8.87%

**Notes to schedule:**

**Valuation date:**

Actuarially determined contributions rates are calculated as of September 30, 2020

**Method and assumptions used to determine contributions rates:**

Actuarial cost method:	Entry age normal.
Amortization method:	Level dollar amount on an open amortization period
Amortization period:	30 years
Inflation:	2.75%
Healthcare cost trend rates:	For 2020, Non-Medicare and Medicare - 6%; and Part B 4.25%. For year 1-3, then reducing 0.25% annually to an ultimate rate of 4.25%
Salary increase:	4.0% to 7.5%
Mortality (Healthy Retiree):	RP-2000 Combined Healthy Mortality Table, set forward 3 years and 2 years for males and females, respectively, projected generationally using 30% of Scale BB
Mortality (Disabled Retiree):	RP-2000 Disabled Mortality Table, set forward 6 years and 4 years for males and females, respectively, projected generationally using 30% of Scale BB

\* This data is presented for those years for which information is available.

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**PORT AUTHORITY OF GUAM**  
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**Details of Operating Expenses**  
**Years Ended September 30, 2021 and 2020**

	2021	2020
<b>Management and Administration:</b>		
<b>Management:</b>		
Salaries and wages - regular	\$ 579,997	\$ 569,481
Pension cost	209,923	194,984
Annual leave	45,554	48,224
Benefits - Government contribution	27,244	25,435
Fringe benefits	23,476	9,857
Office supplies	3,439	2,672
Furnishings and equipment	-	135
Miscellaneous	72,465	10,253
	<b>962,098</b>	<b>861,041</b>
<b>Administration:</b>		
Salaries and wages - regular	7,614,884	7,814,611
Pension cost	2,994,139	2,474,943
Annual leave	643,501	609,992
Salaries and wages - overtime	464,214	629,109
Fringe benefits	698,080	455,371
Benefits - Government contribution	313,218	363,264
Repairs and maintenance	242,602	189,243
Salaries and wages - other	462,108	677,478
Furnishings and equipment	144,621	76,860
Operational supplies	72,101	79,290
Office supplies	51,529	40,496
Miscellaneous	213,643	319,737
	<b>13,914,640</b>	<b>13,730,394</b>
<b>Total management and administration</b>	<b>\$ 14,876,738</b>	<b>\$ 14,591,435</b>

See Accompanying Independent Auditors' Report.

**PORT AUTHORITY OF GUAM**  
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Details of Operating Expenses, Continued  
Years Ended September 30, 2021 and 2020

	<u>2021</u>	<u>2020</u>
<b>Equipment Maintenance:</b>		
Salaries and wages - regular	\$ 3,141,387	\$ 3,039,824
Pension cost	1,131,933	1,085,939
Repairs and maintenance	503,021	593,991
Operational supplies	342,856	431,313
Salaries and wages - overtime	197,967	265,532
Annual leave	260,460	254,926
Fringe benefits	338,909	210,734
Salaries and wages - other	264,328	340,777
Benefits - Government contribution	151,187	139,428
Contractual	-	13,642
Furnishings and equipment	99,161	13,562
Office supplies	1,220	1,602
	<u>6,432,429</u>	<u>6,391,270</u>
Total equipment maintenance	\$ <u>6,432,429</u>	\$ <u>6,391,270</u>
<b>Transportation Services:</b>		
Salaries and wages - regular	\$ 2,960,045	\$ 3,105,016
Pension cost	1,177,561	1,081,706
Salaries and wages - overtime	547,188	558,584
Gas, oil and diesel	241,397	207,436
Fringe benefits	351,214	240,536
Annual leave	234,356	234,389
Salaries and wages - other	344,409	413,464
Benefits - Government contribution	160,616	158,699
Furnishings and equipment	3,640	4,344
Office supplies	1,206	1,585
Operational supplies	1,226	766
	<u>6,022,858</u>	<u>6,006,525</u>
Total transportation services	\$ <u>6,022,858</u>	\$ <u>6,006,525</u>

See Accompanying Independent Auditors' Report.



**PORT AUTHORITY OF GUAM**  
**(A Component Unit of the Government of Guam)**

Details of Operating Expenses, Continued  
Years Ended September 30, 2021 and 2020

	2021	2020
<b>Stevedoring Services:</b>		
Salaries and wages - regular	\$ 2,260,744	\$ 2,380,813
Pension cost	827,116	821,448
Salaries and wages - overtime	407,914	404,598
Annual leave	169,200	181,515
Fringe benefits	285,550	181,647
Salaries and wages - other	218,721	298,692
Benefits - Government contribution	124,832	122,397
Operational supplies	2,261	839
Office supplies	682	203
Total stevedoring services	\$ 4,297,020	\$ 4,392,152
 <b>Facility Maintenance:</b>		
Salaries and wages - regular	\$ 1,104,320	\$ 1,140,249
Pension cost	398,849	370,164
Operational supplies	136,759	126,700
Salaries and wages - overtime	120,072	105,968
Fringe benefits	157,566	109,705
Annual leave	75,158	80,360
Benefits - Government contribution	32,826	56,956
Furnishings and equipment	52,964	21,269
Salaries and wages - other	56,092	83,954
Repairs and maintenance	260	3,690
Office supplies	128	175
Miscellaneous	6,838	16,814
Total facility maintenance	\$ 2,141,832	\$ 2,116,004

See Accompanying Independent Auditors' Report.

**PORT AUTHORITY OF GUAM**  
**(A Component Unit of the Government of Guam)**

Details of Operating Expenses, Continued  
Years Ended September 30, 2021 and 2020

	2021	2020
<b>Terminal Services:</b>		
Salaries and wages - regular	\$ 1,850,953	\$ 1,873,983
Pension cost	683,394	654,565
Salaries and wages - overtime	246,492	243,936
Annual leave	137,348	143,543
Fringe benefits	173,975	137,589
Benefits - Government contribution	95,981	91,564
Salaries and wages - other	138,069	199,308
Operational supplies	4,097	4,018
Office supplies	5,503	2,903
Furnishings and equipment	568	-
	<u>\$ 3,336,380</u>	<u>\$ 3,351,409</u>
Total terminal services		
<b>General Expenses:</b>		
Managers' fee	\$ 923,039	\$ 782,831
U.S. Department of Defense - Office of Economic Adjustment	810,179	-
Legal counsel	37,180	77,245
Professional services	350,668	304,600
Maintenance	236,470	114,673
Waste removal	16,245	91,177
Audit	49,000	49,000
Claims and damages	315,074	444,605
Port incentive award	26,985	15,068
Board of Directors expense	28,609	22,906
Workmen's compensation injury allowance	13,577	10,069
Agency fee	6,579	7,096
Inventory adjustment	64,488	52,040
Loan fee	30	-
Miscellaneous	288,292	559,341
	<u>\$ 3,166,415</u>	<u>\$ 2,530,651</u>
Total general expenses		

See Accompanying Independent Auditors' Report.

**PORT AUTHORITY OF GUAM**  
**(A Component Unit of the Government of Guam)**

**Summary of Salaries and Wages**  
**Years Ended September 30, 2021 and 2020**

	<u>2021</u>		<u>2020</u>
Salaries and wages - regular	\$ 19,512,330	\$	19,923,977
Salaries and wages - overtime	1,983,847		2,207,727
Benefits - Government contribution	905,904		957,743
Fringe benefits	2,028,770		1,345,439
Salaries and wages - other	1,483,727		2,013,673
	<u>\$ 25,914,578</u>	\$	<u>26,448,559</u>

See Accompanying Independent Auditors' Report.

**PORT AUTHORITY OF GUAM**  
**(A Component Unit of the Government of Guam)**

**Employees by Department**  
**Years Ended September 30, 2021 and 2020**

<b>Department:</b>	<u>2021</u>	<u>2020</u>
Management and administration	146	136
Equipment maintenance	55	53
Transportation services	65	62
Stevedoring services	50	59
Facility maintenance	29	25
Terminal services	40	38
	<u>385</u>	<u>373</u>

See Accompanying Independent Auditors' Report.

# Application Form

PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED

## Supplementary Questionnaire for Employment Practices Liability (Entity Cover)

### When completing this Supplementary Questionnaire

- Please answer all questions giving full and complete answer
- Your attention is drawn to the Important Notice contained in the main proposal
- Please ensure that this supplementary Questionnaire is properly signed and dated

1. How many employees does the proposer have in the following categories?

Employees : 385 ( based on FY21 PAG Audit)

Officers: \_\_\_\_\_

2. Does the proposer have a Human Resources Department  
IF Yes\* how many employees are there in this department?  
IF No, how is the function handled?

YES  NO  
6 EMPLOYEES

3. How many officers and other employees have resigned, been terminated (with or without cause) or have taken early retirement within the last 24 months?

Employees: 69

Officers: \_\_\_\_\_

4. (a) Does the proposer have written Human Resources Manual or equivalent written management guidelines?

Yes  No

(b) Please tick box if the manual/guidelines indicate a policy or procedure with respect to the following events.

Written application for employment	<input checked="" type="checkbox"/>
Confidential treatment of medical examinations	<input checked="" type="checkbox"/>
Legally prohibited discrimination	<input type="checkbox"/>
Sexual harassment	<input checked="" type="checkbox"/>
Compliance with statutes	<input checked="" type="checkbox"/>
Employee disciplinary action	<input checked="" type="checkbox"/>
Redundancies, termination of employment and early retirement	<input type="checkbox"/>
Employee out-placement services	<input type="checkbox"/>
Employee appraisal/review	<input checked="" type="checkbox"/>

(c) Please tick relevant box (es) if decisions regarding these events are always subject to prior review by the proposer's human resources department, legal department or outside legal adviser

Individual decision's are always reviewed by:

	Human Resources Dept	Legal Dept	External Legal Adviser
Written application for employment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Confidential treatment of medical examinations	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Legally prohibited discrimination	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Sexual harassment \	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Compliance with statues	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Employee disciplinary actions	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Redundancies, termination of employment and early retirement	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Employee out - placement services	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Employee appraisals/reviews	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

(d) Does the proposer have an employee handbook which is distributed to all employees?  Yes  No

If "Yes" please give details:

**PORT AUTHORITY OF GUAM PERSONNEL RULES AND REGULATIONS**

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5. Is the proposer currently undergoing or does the proposer contemplate undergoing during the next 12 months, any employee layoff or early retirement (including those resulting from any type of company restructuring, office, plant or store closure)?  Yes  No

If "Yes" please give details:

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6. Please provides on a separate attachment full details of all wrongful termination, discrimination and sexual harassment claims made against the proposer or any of the directors, officers or employees during the last five years including amount at may judgment or settlements and costs of defense

If "no" such claims, please tick No  No

7. Please provide on a separate attachment full details of all inquiries, investigations grievance filing or other administrative hearings previously filed with or currently before any local or governmental agency governing employer responsibility to employees.

8. Are there now or have there been any employment practices claim (s) against the proposer or any of its subsidiaries?

Yes

No

If "Yes" please give details:

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**8. CONSENT CLAUSE**

" I agree and authorize the Company to use and disclose any information (collected or held) with regard to matters pertaining to this application, to enable the Company, its associated individuals/organizations or independent third parties, to provide advice or information covering products or services which the Company believes may be of interest to me or to communicate with me for any purpose. "

**DECLARATIONS**

We declared that the statements and particulars in this Supplementary Questionnaire are true and that no material facts have been misstated or suppressed after enquiry. We acknowledge receipt of the "Important Notice" which was attached to the main proposal, and that we have read and understood the content of that notice.

  
SHAWN CEPEDA

Signed

ACTING, HUMAN RESOURCES ADMINISTRATOR

Title

AUG. 18. 2022

Date



# CRIME INSURANCE APPLICATION

**NAMED INSURED:**

Port Authority of Guam, Jose D. Leon Guerrero Commercial Port  
any director, officer elected or appointed official employee, contract employee or volunteer worker while  
working for or on behalf of the Port Authority

**MAILING ADDRESS:**

1026 Cabras Highway, Suite 201  
Piti, Guam 96925

**CONTACT:**

Rory J. Respicio, General Manager  
Tel. 671-477-5931/2

**NATURE OF BUSINESS:**

Seaport Operator

SALES OR REVENUE	# OF LOCATIONS	TOTAL # OF EMPLOYEES	CLASS I EMPLOYEES	ALL OTHERS
	1			

**COVERAGE REQUESTED**

	Limit	Deductible
Aggregate	\$250,000	
Employee Dishonesty	\$250,000	\$15,000
Loss Inside Premises	\$250,000	\$15,000
Loss Outside Premises	\$250,000	\$15,000
Money Orders and Counterfeit Currency	\$250,000	\$15,000
Depositors Forgery	\$250,000	\$15,000
Check Forgery	\$250,000	\$15,000
Third Party Computer and Funds Transfer Fraud	\$250,000	\$15,000
Costs		

**POLICY PERIOD REQUESTED**

From 12:01 A.M. October 1, 2022 to 12:01 A.M. October 1, 2023 both at Local Standard Time

**RETROACTIVE DATE:**

N/A

**ALTERNATE QUOTE REQUESTED:**



**Audit and Corporate Governance**

- 1. Do External Auditors audit all operations at least annually?  Yes  No
- 2. (a) Have all recommendations by External Auditors regarding internal controls been complied with, following your last audit?  Yes  No
- (b) If no, please provide details:

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- 3. Is there an Audit Committee which monitors the effectiveness of internal controls and reports directly to the Board?  Yes  No
- 4. (a) Do you have an internal audit department?  Yes  No
- (b) Do they have an established audit cycle for all operations?  Yes  No

**Recruitment Procedures**

- 5. When recruiting or promoting employees to positions of trust involving handling of stock, money, financial or treasury functions, do you:
  - (a) undertake independent checks in their employment history?  Yes  No
  - (b) undergo a process to ensure their suitability for the position?  Yes  No

**Internal Financial Controls**

- 6. Are wages/salaries independently checked against personnel records for unusual or excessive payments?  Yes  No
- 7. Are duties segregated so that no individual can control any of the following activities from commencement to completion without referral to others:  Yes  No
  - (a) signing checks or authorizing payments (including capital expenditure) above US\$10,000?  Yes  No
  - (b) Issuing funds transfer instructions?  Yes  No
  - (c) amending funds transfer procedures?  Yes  No
  - (d) opening new bank accounts?  Yes  No
  - (e) investments in and custody of securities and valuables including bank checks, travelers checks, bills of exchange etc)?  Yes  No
  - (f) refunds of memories or return of goods above US\$10,000?  Yes  No
  - (g) disbursement of assets of any superannuation fund?  Yes  No

- (h) awarding contracts following a tender?  Yes  No
- 8. Is all supporting documentation validated before authorizing Payments?  Yes  No
- 9. Are statements of accounts sent to customers independently of Employees receiving payments?  Yes  No
- 10. Are bank statements independently reconciled with customer accounts by persons not authorized to deposit/withdraw funds, issue funds transfer instructions or dispatch accounts to customers?  Yes  No

**Stock and Physical Security**

- 11. Is there controlled access to all locations?  Yes  No
- 12. Are all premises containing stock, money, securities, precious metals etc. connected to an intruder alarm?  Yes  No
- 13. Is an independent physical count of stock, raw materials, work in progress, and finished goods undertaken at least Quarterly and is this count reconciled against stock records?  Yes  No
- 14. Is the transfer of money and securities valued above \$20,000 usually made by a security personnel of a professional cash carrying Company?  Yes  No
- 15. What is the maximum value of money, securities, precious metals and/or jewelry at any one location:
  - (a) during business hours \$ 1M
  - (b) after business hours \$ 1M

**Suppliers/Service Providers/Outsourcing**

- 16. Do you maintain an approval suppliers list?  Yes  No
- 17. Are suppliers, service providers and outsourcing companies vetted for competency, financial stability and honesty before being approved?  Yes  No
- 18. Are all suppliers, service providers and outsourcing companies appointed under written contract?  Yes  No
- 19. Are procedures in place to assess the suitability of trustees, fiduciaries, administrators or officers of any of your superannuation funds?  Yes  No
- 20. (a) Do you outsource any activities to third party service providers?  Yes  No
- (b) If "yes" please detail the services provided:

Operation & Management of Fuel Pier

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21. Do you audit outsourcing companies during the terms of their contract?  Yes  No
22. If the service provider or outsourcing company operates on your premises, are their employees under your daily Management control?  Yes  No

**Computer Systems**

23. Are unique passwords used to give various level of entry to the computer depending on the users authorization?  Yes  No
24. Are password automatically withdrawn when people leave?  Yes  No
25. Are all amendments to programs approved independently of the persons making the amendments?  Yes  No
26. Are programs protected to detect unauthorized changes?  Yes  No
27. Is your computer systems protected by virus detection and repair software?  Yes  No

**Fund Transfers**

"Fund Transfers" means any instruction (other than checks) given to a financial institution to pay or deliver funds.

28. What is the approximately annual value of fund transfer? \$ 2,000,000

29. Please specify the method of instruction (e.g. written, electronic, Computer, telephone etc).

Computer.

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30. Can payment instructions be made to any account which has not been pre-agreed?  Yes  No
31. Is the financial institution required to authenticate the instruction before payment is released?  Yes  No
32. Please provide a brief description of the methods used to secure fund transfers (e.g. passwords, encryption, code words, call back).
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**Plans and Policies**

33. Do you maintain a written crisis management or contingency plan covering procedures following kidnap or extortion?  Yes  No
34. Do you maintain a written anti-fraud policy which is distributed throughout your organization?  Yes  No
35. Are special security precautions taken to protect against Kidnapping of directors or employees who live in or travel to violate countries?  Yes  No

**Policy/ Loss History**

36. (a) Does not the company have a Crime Insurance policy currently currently in force?  Yes  No

*If "YES", please state*

- ( i ) Limit of Liability: \$250,000
- ( ii ) Retention: NIL
- ( iii ) Expiry Date: October 1, 2016

- (b) Has the Applicant ever had any insurer decline a proposal imposed any special terms, canceled or refused to renew a Crime Insurance policy?  Yes  No

*If "YES", please give details*

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- (c) Please provide brief details of any losses (of a type covered by a Crime policy) sustained during the past 5 years and before application of any deductible, retention or excess whether insured or not. (Please include date discovered, location, nature of loss and amount).

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(d) Please describe what corrective measures were taken to prevent similar losses.

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**Declaration**

We declare that the statements and particulars in this application are true and that no materials facts have been misstated or suppressed after enquiry. We agree that should any of the information given by us alter between the date of this application and the inception date of coverage, we will give immediate notice thereof. We are aware that this application, together with any other information supplied by us shall form the basis of any contract of insurance effect thereon.

*Amir Lespica*

Signed

GENERAL MANAGER

Title (to be signed by Partner/Director or Principal or equivalent)

PORT AUTHORITY OF GUAM

Company

*AUG. 18, 2022*

Date

**Please enclose with this Application**

- The last Annual Report and Accounts for the Company.
- The most recent Interim Statement (if applicable).
- Any other Prospectus Type Document published in the last 12 months.

**SUPPLEMENTAL INFORMATION**

**Schedule of Locations**

No.	Location	No. of Employees	Maximum Cash on Site	Maximum Cash Transferred
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				
17				
18				
19				
20				
21				
22				

**REMARKS**

Question No.	Comment

# DIRECTORS & OFFICERS INSURANCE APPLICATION

**NAMED INSURED:**

Port Authority of Guam, Jose D. Leon Guerrero Commercial Port

**MAILING ADDRESS:**

1026 Cabras Highway, Suite 201  
Piti, Guam 96925

**CONTACT:**

Rory J. Respicio, General Manager  
Tel. 671-477-5931/2

**NATURE OF BUSINESS:**

Seaport Operator

**COVERAGE REQUESTED**

	Amount
Directors & Officers Liability and Corporate Reimbursement Insurance including Employment Practices Liability	
any one claim and in the annual aggregate	\$5,000,000
submit for Employment Practices Liability	\$2,000,000
Retention	
any one claim	\$10,000
any one claim for Non-Entity Employment Practice Liability coverage	\$75,000

**POLICY PERIOD REQUESTED**

From 12:01 A.M. October 1, 2022 to 12:01 A.M. October 1, 2023 both at Local Standard Time.

**CONTINUITY DATES:**

**ALTERNATE QUOTE REQUESTED:**

**REFER TO INSURANCE SPECS FOR REQUIRED CONDITIONS AND CLAUSES.**



1. Name of Company: Port Authority of Guam, Jose D. Leon Guerrero Commercial Port  
 2. Address of Head Office: 1026 Cabras Highway, Suite 201  
Pfki, Guam 96925  
 Contact \_\_\_\_\_  
 3. County of Registration Guam - USA  
 4. Date of incorporation/formation: Created in 1975 (Government Agency)

5. (a) How long has the Proposer continually carried on business? Since 1975  
 (b) State the principal business activities of the Proposer and its subsidiaries?  
Seaport Operator

6. Limit(s) of Liability being requested:  
\$5,000,000 subject to a sublimit of \$2,000,000 for Employment Practices Liability

7. (a) Give a complete list of all subsidiary companies including country of registration and percentage owned by Proposer. Please use attachment  
 (b) Does the Proposer have any subsidiary(ies) incorporated/formed in the United States of America? .....  Yes  No  
 (c) Is the Proposer requesting Directors and Officers insurance for each subsidiary listed in (a) above? .....  Yes  No

If "no" to question 7(c) please list those subsidiaries for which insurance is not being requested.  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

8. (a) Please provide total (consolidated) annual gross assets of the Company from the most recent year end report:  
FY2021 \$ 238,289,934  
 (b) Please provide total (consolidated) annual revenues/turnover of the Company from the most recent year end report:  
FY2021 \$ 55,059,326  
 (c) Please provide the total (consolidated) net worth of the Company for the past two years:  
 \_\_\_\_\_  
 (d) Please provide the total (consolidated) net income of the Company for the past two years:  
FY2020 \$ 592,047 FY2021 \$ -2,232,820

9. During the last five years has:

- (a) the name of the Proposer changed? .....  Yes  No
- (b) any acquisition or merger taken place of the Proposer or any subsidiary occurred? .....  Yes  No
- (c) any subsidiary been sold or ceased trading? .....  Yes  No
- (d) the Company undergone a management buyout leveraged buyout or other change in capital structure of the Parent Company changed?.....  Yes  No

If "yes" to any of the above please give details.

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10. Does the Company or any director or officer have Directors & Officers Liability Insurance currently in force? .....  Yes  No

If "yes" please state:

- (a) Insurer: \_\_\_\_\_
- (b) Indemnity Limit: \_\_\_\_\_
- (c) Expiry Date: \_\_\_\_\_
- (d) Premium: \_\_\_\_\_
- (e) Retention(s): \_\_\_\_\_

11. Has the Company ever had any Insurer decline a proposal or cancel or refuse to renew a Directors & Officers Liability Insurance?.....  Yes  No

If "yes" please give details.

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12. Is the Proposer:

- (a) Privately Held?.....  Yes  No
- (b) Publicly Traded (equity or debt)? .....  Yes  No

13. If "yes" to question 12(b) then please specify the following for the Proposer:

Each country listed	Each securities exchange/market per country	Type of listing (direct, ADR and level, OTC)	Percentage of all securities traded	Type of security

- (a) Is the Proposer publicly listed on an Unlisted Securities Market? .....  Yes  No
- (b) Traded in any other way? .....  Yes  No

Please specify:

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14. Are any subsidiaries publicly traded (equity or debt)? .....  Yes  No

15. If "yes" to question 14 then please specify the following for each such subsidiary:

Name of subsidiary	Country of formation or incorporation	Each country listed	Each securities exchange/ market per country	Type of listing (direct, ADR and level, OTC)	Percentage of all securities traded and type of security

16. Please list for the Company:

- (a) Total number of shareholders: None
- (b) Total number of shares issued: None
- (c) Total number of shares (percentage) held by each director and officer of the Company (both direct and beneficial): None
- (d) Total number of shares (percentage) held by Institutional investors: None
- (e) All security holders, holding a 5% or more ownership interest in the Proposer, or any subsidiary that is publicly traded, giving the holder's name and the percentage held:

Holder	Entity	Percentage of Ownership
Not applicable		

17. (a) Is the Proposer or any subsidiary considering any acquisition, tender offer, merger, buy-out or other change in equity structure? .....  Yes  No
- (b) Is the Proposer or any subsidiary aware of whether any other company or entity is considering an acquisition, tender offer, merger, buy-out or other change in equity structure of which the Proposer or any subsidiary would be a target? .....  Yes  No
- (c) Is the Proposer or any of its subsidiaries intending either a new public offering of securities (equity or debt), or a change in the listing status of its existing securities, within the next year? .....  Yes  No

If "yes" to any of the above, please provide specific details

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18. (a) Have any Directors and / or Executive Officers of the Proposer or of any publicly traded subsidiary of the Proposer resigned or been replaced in the past 12 months? .....  Yes  No

If "Yes," who, title and why?

Due to expiration of term.

(b) Is the Company considering a replacement or addition of any Directors and Officers of the Proposer or of any publicly traded subsidiary of the Proposer? .....  Yes  No

If "Yes," who, title and why?

Due to expiration of term.

19. (a) Who is the company's external auditing firm? Deloitte

(b) Has the Company changed its external auditing firm in the past three years? .....  Yes  No

If "yes," why and when?

20. Does the Company have any plans to remove or replace its external auditor in the next 12 months? .....  Yes  No

If "Yes," why and to whom?

Due to expiration of term.

21. (a) Have all revenue recognition practices of the Company been approved by your existing external auditor, without qualification? .....  Yes  No

If "no," please provide specific details.

(b) Have the Company's external auditors recommended changes to the revenue recognition or other significant accounting practices in the past 12 months .....  Yes  No

(c) Has the Company changed or considered changes to the revenue recognition or other significant accounting practices in the past 12 months? .....  Yes  No

(d) Is the Company considering changes to the revenue recognition or other significant accounting practices? .....  Yes  No

If "yes," to (b), (c) or (d) please provide specific details.

22. Does the Company or any of directors and/or officers thereof have any interests in any partnerships or Special Purpose Vehicles or Entity? .....  Yes  No

If "yes," please provide details.

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23. Has the Company ever restated its financial results? .....  Yes  No

If "yes," please provide details.

FY20 Financials restated due to GASB statement No. 62

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24. Does the Company anticipate having to take a significant one time charge to earnings, or restate earnings, within the next 12 months? .....  Yes  No

If "yes," please provide details.

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If "yes" to question 24, it is agreed that the proposed policy shall not provide any coverage for loss in connection with any claim, investigation, proceeding or action alleging or arising from such event, unless an endorsement is added to the proposed policy specifically extending coverage to such arising.

25. Does the Company have specific written corporate policies with respect to directors', officers' and employees' ability to purchase or sell the Company's stock, including the ability to exercise stock options? .....  Yes  No

If "yes," please provide details.

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#### Claims Information

26. Has there been or is there now pending any claim(s) or actions against or investigation(s) of: (i) the Company thereof; and/or (ii) any person proposed for insurance in his or her capacity as a director or officers of any Company? .....  Yes  No

If "yes," please provide details.

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27. The directors or officers of the company, the General Counsel (or equivalent person) of the company and the risk manager of the company have no knowledge or information of any act, error or omission which could reasonably give rise to a claim, investigation or action under the proposed policy, except as follows: (Attach complete details) .....  Yes  No

If the directors or officers, the General Counsel (or equivalent position) or the risk manager of the company have no such knowledge or information state "None":

It is agreed that with respect to Questions 26 and 27 above, that if such claim, proceeding, action, knowledge, information or involvement exists, then such claim, proceeding or action and any claim or action arising from such claim, proceeding, action, knowledge, information or involvement is excluded from the proposed coverage.

**Documentation**

28. Provide copies of the following for the Company.

- (a) Latest annual report.
- (b) Latest audited financials
- (c) Latest interim financials available
- (d) Copy (certified by organization's Secretary) of the indemnification provisions of the charter and the by-laws. Also attach a copy of organization's indemnification agreement.
- (e) Latest CPA management letter along with Proposer's responses to any recommendations made therein.
- (f) Latest 20-F report filed with the Securities and Exchange Commission (SEC) if the Company is listed in the United States Securities Exchange Commission

**If the Company has any securities (equity or debt) listed or traded in the United States of America, then:**

- (g) Latest 10K report filed with the Securities and Exchange Commission (SEC) (or similar state or foreign agency).
- (h) All registration statements filed with the SEC (or similar state or foreign agency) within the last twelve months.
- (i) Copies of financial statements certified by the CEO and CFO. All proxy statements and notices of annual meeting of stockholders within the last 12 months

**It is agreed that the Proposer will file with the Insurer, as soon as it becomes available, a copy of each registration statement and annual or interim report which the Proposer or any subsidiary may from time to time file with any local or foreign governmental, regulatory body or agency that regulates securities (including but not limited to the US Securities and Exchange Commission).**

**Declaration**

I declare on behalf of all insureds, after inquiry, that the statements and particulars in this supplemental proposal are true and no material facts have been misstated or suppressed. I agree that this proposal forms, any attachment, any information submitted therewith and any and all other information supplied or requested, shall form the basis of any Contract of Insurance effected thereon. I further undertake to inform Insurers of any material alteration to any information, statements, representations or facts presented in this proposal form occurring after the date this proposal form is signed and before the inception date of the proposed policy. A material fact is one which would influence the acceptance or assessment of the risk. All written statements and materials furnished to the insurer in conjunction with this application are hereby incorporated by reference into this application and made a part hereof.

Signing this proposal does not bind the proposer to complete this insurance.

Signed *Roma Lespicio*  
Title General Manager  
CEO or Chairman of the Board of Directors  
(Authorized signatory of the insured)  
Company Port Authority of Guam  
Date *AUG. 18, 2022*





**ATTACHMENT**

QUESTION #	RESPONSE

# PORT LIABILITY INSURANCE APPLICATION

**NAMED INSURED:**

Jose D. Leon Guerrero Commercial Port  
DBA: Port Authority of Guam

**MAILING ADDRESS:**

1026 Cabras Highway, Suite 201  
Piti, Guam 969251026

**CONTACT:**

Rory J. Respicio, General Manager  
Tel. 671-477-5931/2

**NATURE OF BUSINESS:**

Seaport Operator

**POLICY FORM:**

Lloyds Ports and Terminals Consortium wording as expiring

**COVERAGE REQUESTED**

	Limit	Deductible
Port Authority Legal and/or Public Liabilities		
any one accident and/or occurrence	\$50,000,000	\$15,000
Public Officials Liability		
any one accident and/or occurrence	\$5,000,000	

**POLICY PERIOD REQUESTED**

From 12:01 A.M. October 1, 2022 to 12:01 A.M. October 1, 2023 both at Local Standard Time.

**ALTERNATE QUOTE REQUESTED:**

**REFER TO INSURANCE SPECS FOR REQUIRED CONDITIONS AND CLAUSES.**

**PORT AUTHORITY QUESTIONNAIRE**

1. **NAME AND FULL ADDRESS** (including post code or zip code and latitude and longitude) of Port Authority and other port locations to be insured.

Jose D. Leon Guerrero Commercial Port  
 DBA: Port Authority of Guam  
 1026 Cabras Highway, Suite 201  
 Piti, Guam 92925 Latitude: 13.467 Longitude: 144.783

2. **TYPE OF PORT:**  
 Are you a landlord port? Yes or an operational port? Yes

If you are both a landlord and operational port, please provide the percentage split based on revenue:  
 percentage of revenue as a landlord: 15% (FY 21 Audit)  
 percentage of operational revenue: 85% (FY 21 Audit)

For any **Cargo Handling** operations performed by you please complete the relevant parts of the Terminal Operators /other Operations Questionnaire.

2. **FACILITIES:**

Please enter the number of facilities available, if none enter 0: 0

Container terminals	<u>1</u>	Dry Bulk Terminals	<u>1</u>
Ro-Ro terminals	<u>1</u>	Gas terminals	<u>0</u>
Container Depots	<u>1</u>	Oil terminals	<u>0</u>
Warehouses	<u>2</u>	Passenger Terminals	<u>1</u>
Temperature Controlled Warehouse	<u>0</u>	Dry docks	<u>0</u>
Breakbulk/General cargo terminals	<u>1</u>	Ship repair	<u>0</u>
Grain Terminals	<u>0</u>	Yacht marina	<u>2</u>
Other (please specify):	_____		

3. **SERVICES:**

Services provided by you, please answer "Y" performed by you, "S" performed by your subcontractor and "N" not provided:

<u>Y</u> Stevedoring	<u>N</u> Dredging
<u>Y</u> Marine terminal operator	<u>N</u> Tugs
<u>N</u> Navigational information and aids	<u>N</u> Salvage / ship removal
<u>Y</u> Marine traffic control	<u>N</u> Bunkering
<u>N</u> Maintained water depths	<u>N</u> Dumpsites / landfill
<u>N</u> Buoys and lighting	<u>N</u> Waste disposal
<u>N</u> Pilotage	<u>N</u> Diving
<u>N</u> Helicopter landing sites/airport	<u>N</u> Advice to other operators
<u>Y</u> Warehousing	<u>Y</u> Security (e.g. Police)
<u>N</u> Temperature Controlled Warehousing	<u>N</u> Emergency (e.g. Fire Services)
<u>      </u> Other (please specify) _____	

**4. SERVICES: (continued)**

Do you provide any other facilities / services e.g. carparks, shops, oil rig facilities etc.? If yes please give details:

NO

Please attach a copy of your latest annual report/handbook and a map of the port, its boundaries and confines.

**5. CONTRACTS/INDEMNITIES**

**a) Contracts with Customers (for example shipping lines):**

Do you have any of the following contracts? Yes

If Yes, please indicate the extent of any liability and/or indemnities (please check the relevant box):

	Limited liability iro negligence	Unlimited liability iro negligence	No liability	Other Please specify
No contracts?	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>
Standard contracts? <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>
Individual user agreements? <input checked="" type="checkbox"/>	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>
Port tariff /act/bylaws? <input checked="" type="checkbox"/>	Y <input checked="" type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>	Y <input type="checkbox"/> N <input type="checkbox"/>

**b) Other Contracts/Leases/licenses:**

Do your leases / licences contain indemnities in your favour? Yes  No

Do these contracts/leases/licenses have indemnities covering your own negligence? Yes  No

Have you given any indemnities to another party under any agreement? Yes  No

If yes, please give details.

**c) Tenants and/or Subcontractors:**

Is there a requirement in your Contract with tenants and/or subcontractors that they have adequate liability and property insurance? Yes  No

If yes, what is the minimum limit that you require? \$ 500,000 PI, \$1m Accident, \$200,000 PD

Do you check annually that all tenants and/or subcontractors maintain and renew their insurance? Yes  No

Note: There is a policy requirement that your Tenants and Subcontractors purchase and maintain adequate liability and property insurance.

**6. VOLUMES:**

Please advise annual throughputs broken down into TEU's handled, breakbulk and bulk (in tonnes), cars (as units or tonnes) and any other cargoes.

	Last Year	This Year	Estimated Next Year
TEUs	155,791	147,671	166,498
Breakbulk (tons)	233,541	169,661	218,567
Dry bulk (tons)	0	0	0
Wet bulk (tons)	0	0	0
Cars	9,291	6,672	8,648
Other e.g. passengers (please specify)	passengers	passengers	passengers
International			
Domestic			

What is your annual revenue?

Last Year	This Year	Estimated Next Year
\$54,679,112	\$55,059,326	\$55,442,183.84

What % of revenue is derived from cargo handling?

Last Year	This Year	Estimated Next Year
83%	85%	85%

How many vessel calls per annum? Please provide figures broken down into size of vessel:

	Last Year	This Year	Estimated Next Year
Up to 5,000 GRT			
5,000 - 15,000 GRT			
Over 15,000 GRT			

**7. EQUIPMENT:**

Please provide the aggregate value for the current year and next year and **attach a schedule** showing against each item, description, value and age. Are your declared values based on:

- New replacement value? Yes  No   
 Market value? Yes  No   
 Depreciated (book) value? Yes  No

Please provide your estimated Maximum Possible Loss. \$19,204,735

**8. PROPERTY:**

a) Please provide a summary of property values broken down as follows:

	Sum Insured in USD
Wharves & quays	\$80,253,069
Buildings	\$17,700,269
Warehouses/storage facilities	\$6,825,000

- b) Please also **attach a full schedule** with description, values, age, location including details of construction and details of fire extinguishing appliances / sprinklers;  
 c) Please itemise separately (together with the location) any single structure where the insured value is in excess of USD 15,000,000;  
 d) Please itemise separately (together with location) any property outside the confines of the port;  
 e) Please provide your estimated Maximum Possible Loss. \$125,000,000

**9. HULL and P & I:**

Please **attach a vessel schedule** with name, type, use, age, GRT, value and horse power (for tugs), plus number of crew.

N/A

**10. BUSINESS INTERRUPTION**

a) What is your applicable annual revenue?

Last Year	This Year	Estimated Next Year
\$54,679,112	\$55,059,326	\$55,442,183

- b) Do you require cover for increased cost of working; or loss of revenue? Yes  No   
 Yes  No

- c) What cover is required?
- |   |   |
|---|---|
| physical loss/damage of handling equipment? | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| physical loss/damage to property?           | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| or port blockage of Operations?             | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
- d) If port blockage is required, do you require cover for:
- |                              |   |
|------------------------------|---|
| blockage of berths;          | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| approach channels and locks; | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| or land entrances?           | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
- e) Is your electricity supply generated by yourself?  
or through external means?
- |   |   |
|---|---|
| Is your electricity supply generated by yourself? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| or through external means?                        | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
- Do you have a back up / emergency generator?
- |  |   |
|--|---|
| Do you have a back up / emergency generator? | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
|--|---|
- f) Are there alternative/reserve equipment/ means of access available to mitigate any claim?  
If yes, please give details.
- |   |   |
|---|---|
| Are there alternative/reserve equipment/ means of access available to mitigate any claim? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
|---|---|

Please **attach a map** of the port to illustrate your answer.

**11. LOSS PREVENTION / RISK MANAGEMENT - Please attach details of:**

- a) risk control / loss control management, and
- b) pollution control/environmental impairment control, and
- c) property and equipment maintenance and staff training programs.
- d) Security precautions (including):
- |   |   |
|---|---|
| 24 hour security guards?                      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| All buildings/perimeter fences/gates alarmed? | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
| Close Circuit TV?                             | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| Continual documentation security checks?      | Yes <input checked="" type="checkbox"/> No <input type="checkbox"/> |
| Other? Please <b>attach</b> details           | Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> |
- e) independent surveys of facilities / equipment during the last twelve months.

Are there any revisions to the loss prevention / risk management measures in a) to e) above envisaged / planned during the policy period? Yes  No

If yes, please **attach** details.

**12. CLAIMS HISTORY:**

Please **attach** full claims history (both paid and outstanding and any related fees or expenses including legal fees) for the last 5 complete years net of any deductible and advise of any deductible applicable. Please also **attach** details of any existing litigation.

Signed *Roma Lesnica* Date 8/17/22  
Designation: General Manager

**IMPORTANT:**

This questionnaire is to be completed and signed by the Assured and will form part of the Port Authority Policy.

The premium charged and the conditions of this Policy are based upon the information provided in this questionnaire, any operations and/or physical changes in the nature of the Assured's Operations during the policy period which materially changes or alters in any way the information contained in this questionnaire must immediately be advised to Underwriters. Any change advised will be assessed by Underwriters to enable them to decide whether they are prepared to continue to provide coverage and at what terms. Failure to comply with this requirement could affect the validity of the Policy.

**ASSURED TO NOTE:**

The construction of this policy shall be governed by English law and practice. Any dispute between Underwriters and the Assured as to the meaning of this Policy shall be resolved by Arbitration in London strictly in accordance with the terms of the Arbitration clause contained in the policy.



**ATTACHMENT**

QUESTION #	RESPONSE

**Summary of Declared Values  
FY-2022**

Row Labels	Sum of Cost	Count of Insurance Classification	Sum of Net Book Value	FY 2021 Declared Value	FY 2022 PROPOSED COST
Automobile	\$ 1,346,053.69	\$ 75.00	\$ 334,903.80	\$ 1,144,813.16	\$ 1,257,060.69
Equipment	\$ 24,161,576.90	\$ 94.00	\$ 9,217,968.64	\$ 26,059,727.00	\$ 25,661,576.90
Property Schedule	\$ 147,200,782.39	\$ 160.00	\$ 84,648,791.44	\$ 166,191,433.49	\$ 166,191,433.49
Property Schedule - Contents	\$ 8,772,285.96	\$ 759.00	\$ 3,496,670.93		
<b>Grand Total</b>	<b>\$ 181,480,698.94</b>	<b>\$ 1,088.00</b>	<b>\$ 97,698,334.81</b>	<b>\$ 193,395,973.65</b>	

**Property Schedule**

Add: Surveyed Property but still in PAG Property	\$ 147,200,782.39
Asset# 1637	\$ 336,000.00
Tank No. 7	147,536,782
<b>TOTAL</b>	<b>147,536,782</b>

**Equipment**

Add: Surveyed Equipment but still in PAG Property	24,161,577
Asset# 424	750,000
Asset# 422	750,000
<b>TOTAL</b>	<b>25,661,577</b>

**PORT AUTHORITY OF GUAM**

**PROPERTY SCHEDULE**

Updated: June 30, 2020

<u>Description</u>	<u>Building</u>	<u>Contents</u>	<u>Total</u>	<u>Built</u>	<u>Area</u>	<u>Wharves, Quays</u> <u>Jetties</u>
1 Administration	\$ 2,100,000	\$ 1,000,000	\$ 3,100,000	1969	26283	
2 Computer Hardware ( Port wide)		\$ 2,000,000	\$ 2,000,000			
3 Container Freight Station	\$ 3,146,850	\$ -	\$ 3,146,850	1969	27000	
4 BOD Building ( Training Room)	\$ 840,000	\$ 5,000	\$ 845,000	1969	5000	
5 Fuel Pier F-1	\$ 8,230,000	\$ -	\$ 8,230,000		345 LF	\$ 8,230,000
6 Golf Pier	\$ 4,200,000	\$ -	\$ 4,200,000		200 LF	\$ 4,200,000
7 Hazmat Station	\$ 105,000	\$ -	\$ 105,000		-	
8 Hotel Wharf	\$ 8,456,000	\$ -	\$ 8,456,000		500 LF	\$ 8,456,000
9 Maintenance & Repair Shop	\$ 3,150,000	\$ 1,500,000	\$ 4,650,000	1969	23439	
10 New Control Tower (Low Tower)	\$ 105,000	\$ 10,000	\$ 115,000	1969	1400	
11 Old Control Tower(High Tower)	\$ 255,150	\$ 94,000	\$ 349,150	1969	932	
12 Port Police	\$ 525,000	\$ 30,000	\$ 555,000	1969	3720	
13 Port Beach ( Pavilion & Rest.)	\$ 31,500	\$ -	\$ 31,500			
14 Rig & Loft (Welding Shop)	\$ 525,000	\$ 20,000	\$ 545,000	1969	3600	
15 Gate House No. 1	\$ 534,990	\$ -	\$ 534,990	1976	50	
16 Gate House No. 2 Checkpoint	\$ 503,370	\$ 20,000	\$ 523,370	1980	5310	
17 Transit Shed No. 1	\$ 6,825,000	\$ -	\$ 6,825,000	1969	52978	
18 Wharfs F-2- F-6	\$ 55,125,000	\$ -	\$ 55,125,000	VRS	3225	\$ 55,125,000
19 Restroom Fac., BOD	\$ 89,250	\$ 5,000	\$ 94,250	1998		
20 Miscellaneous Lighting & Fencing	\$ 550,000	\$ -	\$ 550,000	Various		
21 Harbor of Refuge Warehouse	\$ 179,550	\$ -	\$ 179,550	1992		
22 Substations 1,2,3 & 4	\$ 1,260,000	\$ -	\$ 1,260,000	96/97		
23 LC-1 Concrete Shelter SS1	\$ 159,820	\$ -	\$ 159,820	2002	1375	
24 LC-2 Concrete Shelter SS2	\$ 109,660	\$ -	\$ 109,660	2002	975	
25 LC-3 Concrete Shelter SS3	\$ 167,327	\$ -	\$ 167,327	2002	1500	
26 LC-4 Concrete Shelter SS4	\$ 226,743	\$ -	\$ 226,743	2002	1950	
27 Tank No. 7	\$ 336,000	\$ -	\$ 336,000			
28 Excess Hazmat Container Yard	\$ 336,928	\$ -	\$ 336,928	09/30/05	252,167	
29 CMU Wall ( Hazmit Grant)	\$ 155,629	\$ -	\$ 155,629	01/03/06	1380 linear ft	
30 Reefer Outlet Plugs	\$ 137,547	\$ -	\$ 137,547	12/05/07		
31 CMU Wall (Main gate to EQMR)	\$ 93,991	\$ -	\$ 93,991	12/31/07		
32 Shore Power Project	\$ 133,005	\$ -	\$ 133,005	05/31/09		
33 Housing Units (8)	\$ 137,547	\$ -	\$ 137,547			

Finance

Fixed Asset Listing\_INSURANCE FY2022 v.07.28.222 (to PROCUREMENT 07.28) (2)

3:22 PM

8/15/2022

PORT AUTHORITY OF GUAM									
PROPERTY SCHEDULE									
Updated: June 30, 2020									
Description	Building	Contents	Total	Built	Area	Wharves,Quays	Jetties		
34 PCC Building	\$ 2,933,000	\$ 1,334,223	\$ 4,267,223	05/31/14					
35 Marad-Port Modernization	\$ 49,025,784	\$ -	\$ 49,025,784						
36 Chain Link Fence Replacement	\$ 348,342	\$ -	\$ 348,342						
37 Gulf Pier Dist. Piping & Appurtenances	\$ 2,329,794	\$ -	\$ 2,329,794						
38 Canopy Flee/Toploader/Drum Lot	\$ 200,599	\$ -	\$ 200,599						
39 Container Yard Lighting	\$ 284,997	\$ -	\$ 284,997						
40 CCTV Camera (A# 2100361 and 2100362)	\$ 63,600	\$ -	\$ 63,600						
<b>Subtotals - Cabras Island</b>	<b>\$ 153,916,973</b>	<b>\$ 6,018,223</b>	<b>\$ 159,935,196</b>						
<b>Agat Marina</b>									
1 Building	\$ 260,400	\$ 2,000	\$ 262,400	1985					
2 Restaurant	\$ 492,660	\$ -	\$ 492,660	1985					
3 Floating Docks	\$ 2,125,308	\$ -	\$ 2,125,308	2015			\$ 945,000		
4 Bunkering Wharf	\$ 100,000	\$ -	\$ 100,000				\$ 100,000		
<b>Sub-Totals- Agat</b>	<b>\$ 2,978,368</b>	<b>\$ 2,000</b>	<b>\$ 2,980,368</b>						
<b>Gregorio D. Perez Marina</b>									
1 Phase I	\$ 1,498,192	\$ -	\$ 1,498,192	2/28/2013			\$ 1,498,192		
2 Phase II	\$ 1,698,877	\$ -	\$ 1,698,877	12/31/2013			1,698,877		
3 Ejector Pump	\$ 78,800	\$ -	\$ 78,800						
<b>Sub-Totals - Hatgatna</b>	<b>\$ 3,275,869</b>	<b>\$ -</b>	<b>\$ 3,275,869</b>						
<b>Totals</b>	<b>\$ 160,171,210</b>	<b>\$ 6,020,223</b>	<b>\$ 166,191,433</b>				\$ 80,253,069		



# AUTOMOBILE LISTING

Basis: PAG E1 Master Listing

Asset Number	Description	Category	LT	Cost	Accumulated Depreciation	Net Book Value	Start Depr	D/M	M/C	Insurance Classification	Column1
1900320	Pick-up-2009 C Vehicles	AA	AA	\$ 28,275.00	\$ 17,450.45	\$ 10,824.55	5/7/2019		1 1	Automobile	
1900319	Pick-up-2008 F Vehicles	AA	AA	\$ 16,314.00	\$ 10,068.49	\$ 6,245.51	5/7/2019		1 1	Automobile	
1800318	SUV-2009 Jeep Vehicles	AA	AA	\$ 10,900.00	\$ 8,357.66	\$ 2,542.34	8/14/2018		1 1	Automobile	
1800317	SUV-2009 Jeep Vehicles	AA	AA	\$ 10,900.00	\$ 8,357.66	\$ 2,542.34	8/14/2018		1 1	Automobile	
1800316	SUV-2009 Jeep Vehicles	AA	AA	\$ 10,900.00	\$ 8,357.66	\$ 2,542.34	8/14/2018		1 1	Automobile	
1800314	PICKUP-2008 F Vehicles	WK	WK	\$ 12,046.00	\$ 9,236.36	\$ 2,809.64	8/14/2018		1 1	Automobile	
1600300	Wagon-2016 F Vehicles	WK	WK	\$ 46,548.83	\$ 46,648.83		3/7/2016		1 1	Automobile	
1600299	Wagon-2016 F Vehicles	WK	WK	\$ 47,875.83	\$ 47,875.83		4/15/2016		1 1	Automobile	
1600298	Wagon-2016 F Vehicles	WK	WK	\$ 47,875.84	\$ 47,875.84		3/7/2016		1 1	Automobile	
1600297	Wagon-2016 F Vehicles	WK	WK	\$ 46,648.84	\$ 46,648.84		3/4/2016		1 1	Automobile	
1500271	Pickup 2015 Tc Vehicles	WK	WK	\$ 26,426.00	\$ 26,426.00		8/18/2015		1 1	Automobile	
1500269	Pickup 2015 Tc Vehicles	WK	WK	\$ 26,426.00	\$ 26,426.00		7/24/2015		1 1	Automobile	
150256	Van-2015 Kia S Vehicles	WK	WK	\$ 33,500.00	\$ 33,500.00		5/11/2015		1 1	Automobile	
130049	Hummer M99E Vehicles	AA	AA	\$ 9,660.00	\$ 9,660.00		6/7/2012		1 1	Automobile	
3374	2013 Ford Van Vehicles	WK	WK	\$ 18,000.00	\$ 601.64	\$ 17,398.36	4/25/2022		1 1	Automobile	
3373	2014 Ford F150 Vehicles	WK	WK	\$ 14,000.00	\$ 467.95	\$ 13,532.05	4/25/2022		1 1	Automobile	
3372	2013 Dodge Ra Vehicles	WK	WK	\$ 19,500.00	\$ 651.78	\$ 18,848.22	4/25/2022		1 1	Automobile	
3371	2013 Ford Ecol Vehicles	WK	WK	\$ 19,500.00	\$ 651.78	\$ 18,848.22	4/25/2022		1 1	Automobile	
3370	2013 Ford Van Vehicles	WK	WK	\$ 19,500.00	\$ 651.78	\$ 18,848.22	4/25/2022		1 1	Automobile	
3369	2013 Ford Van Vehicles	WK	WK	\$ 19,500.00	\$ 651.78	\$ 18,848.22	4/25/2022		1 1	Automobile	
3368	2013 Ford Van Vehicles	WK	WK	\$ 19,500.00	\$ 651.78	\$ 18,848.22	4/25/2022		1 1	Automobile	
3245	2012 Dodge Ca Vehicles	WK	WK	\$ 6,000.00	\$ 1,401.64	\$ 4,598.36	4/2/2021		1 1	Automobile	
3244	2012 Ford Van Vehicles	WK	WK	\$ 8,000.00	\$ 1,868.86	\$ 6,131.14	4/2/2021		1 1	Automobile	
3243	2012 Chevrolet Vehicles	WK	WK	\$ 9,000.00	\$ 2,102.47	\$ 6,897.53	4/2/2021		1 1	Automobile	
3242	2012 Jeep Chel Vehicles	WK	WK	\$ 11,000.00	\$ 2,569.68	\$ 8,430.32	4/2/2021		1 1	Automobile	
3241	2012 Chevrolet Vehicles	WK	WK	\$ 9,500.00	\$ 2,219.27	\$ 7,280.73	4/2/2021		1 1	Automobile	
3240	2012 Dodge Ra Vehicles	WK	WK	\$ 15,000.00	\$ 3,989.04	\$ 11,010.96	2/17/2021		1 1	Automobile	
3239	2015 Ford F-25 Vehicles	WK	WK	\$ 13,000.00	\$ 3,457.17	\$ 9,542.83	2/17/2021		1 1	Automobile	
3238	2011 CHEVY S11 Vehicles	WK	WK	\$ 15,000.00	\$ 3,989.04	\$ 11,010.96	2/17/2021		1 1	Automobile	
3234	2013 Dodge Ra Vehicles	WK	WK	\$ 8,800.00	\$ 2,783.85	\$ 6,016.15	11/30/2020		1 1	Automobile	
3206	GMC Savana V. Vehicles	WK	WK	\$ 35,731.00	\$ 16,088.71	\$ 19,642.29	3/28/2020		1 1	Automobile	
3195	Ford F750 201: Vehicles	WK	WK	\$ 19,125.00	\$ 8,914.55	\$ 10,210.45	2/11/2020		1 1	Automobile	
3186	Ford F-250 201 Vehicles	AA	AA	\$ 12,950.00	\$ 6,687.30	\$ 6,262.70	11/30/2019		1 1	Automobile	
3140	Pickup-2010 Fc Vehicles	AA	AA	\$ 3,500.00	\$ 2,043.11	\$ 1,456.89	7/29/2019		1 1	Automobile	
3139	Pickup-2010 Fc Vehicles	AA	AA	\$ 3,500.00	\$ 2,043.11	\$ 1,456.89	7/29/2019		1 1	Automobile	
3138	Golf Cart-Elect Vehicles	AA	AA	\$ 8,900.00	\$ 5,341.63	\$ 3,558.37	6/11/2019		1 1	Automobile	
3128	Van-2019 Ford Vehicles	AA	AA	\$ 23,905.00	\$ 15,552.44	\$ 8,352.56	3/18/2019		1 1	Automobile	
3127	Pickup-2008 Fc Vehicles	AA	AA	\$ 886.82	\$ 886.82		2/26/2019		1 1	Automobile	
3126	Pickup-2019 Tc Vehicles	AA	AA	\$ 28,244.00	\$ 19,288.46	\$ 8,955.54	1/25/2019		1 1	Automobile	
3125	Pickup-2019 Tc Vehicles	AA	AA	\$ 28,244.00	\$ 19,288.46	\$ 8,955.54	1/25/2019		1 1	Automobile	

3124	Pickup-2019 Tc Vehicles	AA	\$	28,244.00	\$	19,288.46	\$	8,955.54	1/25/2019	1	Automobile
3097	Pickup-2018 Tc Vehicles	WK	\$	28,244.00	\$	21,176.55	\$	7,067.45	9/6/2018	1	Automobile
3084	Pickup-2018 Tc Vehicles	WK	\$	28,244.00	\$	22,136.08	\$	6,307.92	7/5/2018	1	Automobile
3093	Pickup-2018 Tc Vehicles	WK	\$	28,244.00	\$	22,136.08	\$	6,107.92	7/5/2018	1	Automobile
3092	Pickup-2018 Tc Vehicles	WK	\$	28,244.00	\$	22,136.08	\$	6,107.92	7/5/2018	1	Automobile
3075	Van-2018 Ford Vehicles	AA	\$	24,900.00	\$	19,535.23	\$	5,364.77	7/12/2018	1	Automobile
2994	Pickup-2006 Fc Vehicles	WK	\$	2,075.00	\$	2,075.00			6/8/2017	1	Automobile
2993	Pickup XL-2007 Vehicles	WK	\$	1,350.00	\$	1,350.00			6/8/2017	1	Automobile
2992	Van XL-2009 Fc Vehicles	WK	\$	4,900.00	\$	4,900.00			6/8/2017	1	Automobile
2991	Golf Cart Elect. Vehicles	WK	\$	10,920.00	\$	10,920.00	\$	181.50	7/13/2017	1	Automobile
2841	Sedan-2017 M. Vehicles	WK	\$	17,693.00	\$	17,693.00			5/18/2017	1	Automobile
2794	Golf Cart Elect. Vehicles	WK	\$	10,920.00	\$	10,920.00			1/30/2017	1	Automobile
2793	Golf Cart Elect. Vehicles	WK	\$	30,920.00	\$	10,920.00			1/30/2017	1	Automobile
2718	Golf Cart Elect. Vehicles	WK	\$	10,920.00	\$	10,920.00			8/6/2016	1	Automobile
2717	Golf Cart Elect. Vehicles	WK	\$	10,920.00	\$	10,920.00			8/6/2016	1	Automobile
2716	Golf Cart Elect. Vehicles	WK	\$	10,920.00	\$	10,920.00			8/6/2016	1	Automobile
2715	Golf Cart Elect. Vehicles	WK	\$	10,920.00	\$	10,920.00			8/6/2016	1	Automobile
2714	Golf Cart Elect. Vehicles	WK	\$	10,920.00	\$	10,920.00			8/6/2016	1	Automobile
2713	Golf Cart Elect. Vehicles	WK	\$	10,920.00	\$	10,920.00			8/6/2016	1	Automobile
2608	Pickup-2016 Tc Vehicles	WK	\$	26,426.00	\$	26,426.00			1/8/2016	1	Automobile
2588	Mule-4x4 Kawi Vehicles	WK	\$	14,570.00	\$	14,570.00			10/6/2015	1	Automobile
2585	Hyundai Accent Vehicles	WK	\$	13,895.00	\$	13,895.00			9/29/2015	1	Automobile
2553	Golf Cart Elect Vehicles	WK	\$	12,000.00	\$	12,000.00			6/9/2015	1	Automobile
2550	Pickup-2004 Fc Vehicles	WK	\$	4,200.00	\$	4,200.00			3/27/2015	1	Automobile
2542	Pickup-2015 Tc Vehicles	WK	\$	26,426.00	\$	26,426.00			3/13/2015	1	Automobile
2541	Pickup-2015 Tc Vehicles	WK	\$	26,426.00	\$	26,426.00			3/13/2015	1	Automobile
2540	Pickup-2015 Tc Vehicles	WK	\$	26,426.00	\$	26,426.00			3/13/2015	1	Automobile
2518	Mule-4 Seater- Vehicles	WK	\$	14,920.00	\$	14,920.00			12/1/2014	1	Automobile
2513	Golf Cart-2014 Vehicles	WK	\$	8,371.53	\$	8,371.53			11/21/2014	1	Automobile
2058	Van-2008 Ford Vehicles	WK	\$	28,800.00	\$	28,800.00			9/30/2008	1	Automobile
			\$	1,257,060.69							



# Equipment Listing

Basis: PAG E1 Master Listing

Asset Number	Description	Category	LT	Cost	Accumulated Depreciation	Net Book Value	Start Depr	DM	MC	Insurance Classification
3185	Freightliner Fla Other Equipi	WK		\$ 1,256.11	344.18	911.93	7/2/2020		1	Equipment
3184	Dump Truck	Other Equipi	AA	\$ 7,554.08	2606.48	4947.6	1/21/2020		1	Equipment
3183	Backhoe 2009	Other Equipi	AA	\$ 11,045.11	3811.03	7234.08	1/21/2020		1	Equipment
2442	Rack Mount Vi Computer Er	AA		\$ 18,333.53	18333.53		9/30/2012		1	Equipment
3194	Toplifter 2019 Loading/Unl	AA		\$ 819,988.00	204997	614991	12/21/2019		1	Equipment
3193	Toplifter 2019 Loading/Unl	AA		\$ 819,988.00	204997	614991	12/21/2019		1	Equipment
2650	Container Ram Loading/Unl	AA		\$ 2,852.00	1782.89	1069.11	3/16/2016		1	Equipment
1870	KATOLIGHT 500KW Generat	WK		\$ 89,999.00	89999		7/5/2005		1	Equipment
1500254	CAT Prime Pow Generator	WK		\$ 304,909.31	133793.54	171115.77	11/30/2015		1	Equipment
1500253	CAT Prime Pow Generator	WK		\$ 252,854.83	110952.14	141902.69	11/30/2015		1	Equipment
1500252	CAT Prime Pow Generator	WK		\$ 253,157.77	111085.07	142072.7	11/30/2015		1	Equipment
1500251	CAT Prime Pow Generator	WK		\$ 263,249.31	115513.22	147736.09	11/30/2015		1	Equipment
3084	Diesel Compre Generator	AA		\$ 31,000.00	8098.69	22901.31	7/13/2018		1	Equipment
3083	Diesel Compre Generator	AA		\$ 31,000.00	8098.69	22901.31	7/13/2018		1	Equipment
2555	Transformer-1 Generator	AA		\$ 1,303.03	615.54	687.49	5/26/2015		1	Equipment
2554	Transformer-3 Generator	AA		\$ 1,583.00	747.79	835.21	5/26/2015		1	Equipment
2745	Tractor #100 ( Tractors	WK		\$ 108,751.00	60701.93	48049.07	11/2/2016		1	Equipment
2744	Tractor #99 (2 Tractors	WK		\$ 108,751.00	60701.93	48049.07	11/2/2016		1	Equipment
2743	Tractor #98 (2 Tractors	WK		\$ 108,751.00	60701.93	48049.07	11/2/2016		1	Equipment
2742	Tractor #97 (2 Tractors	WK		\$ 108,751.00	60701.93	48049.07	11/2/2016		1	Equipment
2741	Tractor #96 (2 Tractors	WK		\$ 108,751.00	60701.93	48049.07	11/2/2016		1	Equipment
2740	Tractor #95 (2 Tractors	WK		\$ 108,751.00	60701.93	48049.07	11/2/2016		1	Equipment
2739	Tractor #94 (2 Tractors	WK		\$ 108,751.00	60701.93	48049.07	11/2/2016		1	Equipment
2738	Tractor #93 (2 Tractors	WK		\$ 108,751.00	60701.93	48049.07	11/2/2016		1	Equipment
2148	Tractor #92 (2 Tractors	WK		\$ 90,730.00	90730		3/4/2010		1	Equipment
2147	Tractor #91 (2 Tractors	WK		\$ 90,730.00	90730		3/4/2010		1	Equipment
2146	Tractor #90 (2 Tractors	WK		\$ 90,730.00	90730		3/4/2010		1	Equipment
2145	Tractor #89 (2 Tractors	WK		\$ 90,730.00	90730		3/4/2010		1	Equipment
2143	Tractor #87 (2 Tractors	DN		\$ 90,730.00	90730		3/4/2010		1	Equipment
2142	Tractor #86 (2 Tractors	WK		\$ 90,730.00	90730		3/4/2010		1	Equipment
2141	Tractor #85 (2 Tractors	WK		\$ 90,730.00	90730		3/4/2010		1	Equipment
2140	Tractor #84 (2 Tractors	WK		\$ 90,730.00	90730		3/4/2010		1	Equipment
2139	Tractor #83 (2 Tractors	WK		\$ 90,730.00	90730		3/4/2010		1	Equipment
1932	Tractor #79(20 Tractors	WK		\$ 85,744.00	85744		10/9/2006		1	Equipment
1930	Tractor #77(20 Tractors	WK		\$ 85,744.00	85744		10/9/2006		1	Equipment
1929	Tractor #76(20 Tractors	WK		\$ 85,744.00	85744		10/9/2006		1	Equipment
1964	Engine 5.9 LTR Tractors	AA		\$ 10,408.50	10408.5		10/17/2007		1	Equipment

3274	Diesel Engine & Tractors	WK	\$	59,618.66	4464.59	55154.07	9/1/2021	1	Equipment
2792	Tractor #108 ( Tractors	WK	\$	108,751.00	5884.45	49866.55	1/10/2017	1	Equipment
2791	Tractor #107 ( Tractors	WK	\$	108,751.00	5884.45	49866.55	1/10/2017	1	Equipment
2790	Tractor #106 ( Tractors	WK	\$	108,751.00	5884.45	49866.55	1/10/2017	1	Equipment
2789	Tractor #105 ( Tractors	WK	\$	108,751.00	5884.45	49866.55	1/10/2017	1	Equipment
2788	Tractor #104 ( Tractors	WK	\$	108,751.00	5884.45	49866.55	1/10/2017	1	Equipment
2787	Tractor #103 ( Tractors	WK	\$	108,751.00	5884.45	49866.55	1/10/2017	1	Equipment
2786	Tractor #102 ( Tractors	WK	\$	108,751.00	5884.45	49866.55	1/10/2017	1	Equipment
2785	Tractor #101 ( Tractors	WK	\$	108,751.00	5884.45	49866.55	1/10/2017	1	Equipment
2579	Tractor Magna Tractors	WK	\$	15,000.00	15000		9/23/2015	1	Equipment
2576	Tractor Magna Tractors	WK	\$	15,000.00	15000		9/23/2015	1	Equipment
2198	Engine Assy, Lc Tractors	AA	\$	11,636.66	11636.66		7/27/2010	1	Equipment
1963	Transmission A Tractors	AA	\$	3,609.81	3609.81		10/12/2007	1	Equipment
2032	FORKLIFT #08-- Forklift	WK	\$	44,799.00	44799		5/15/2008	1	Equipment
2031	FORKLIFT #08-- Forklift	WK	\$	44,799.00	44799		5/15/2008	1	Equipment
2030	FORKLIFT #08-- Forklift	WK	\$	44,799.00	44799		5/15/2008	1	Equipment
2028	FORKLIFT #08-- Forklift	WK	\$	44,799.00	44799		5/15/2008	1	Equipment
3016	Forklift Truck F Forklift	WK	\$	211,894.00	98883.87	113010.13	10/2/2017	1	Equipment
3015	Forklift Truck F Forklift	WK	\$	126,441.00	59005.8	67435.2	10/2/2017	1	Equipment
3014	Forklift Truck F Forklift	WK	\$	126,441.00	59005.8	67435.2	10/2/2017	1	Equipment
3013	Forklift Truck F Forklift	WK	\$	126,441.00	59005.8	67435.2	10/2/2017	1	Equipment
2796	Forklift Truck F Forklift	WK	\$	211,894.00	111307.24	100586.76	3/15/2017	1	Equipment
2795	Forklift Truck F Forklift	AA	\$	126,441.00	66419.05	60021.95	3/15/2017	1	Equipment
2783	Fork Lift FL 16- Forklift	WK	\$	40,950.00	22520.63	18429.37	12/13/2016	1	Equipment
2782	Fork Lift FL 16- Forklift	AA	\$	40,950.00	22520.63	18429.37	12/13/2016	1	Equipment
2781	Fork Lift FL 16- Forklift	WK	\$	40,950.00	22520.63	18429.37	12/13/2016	1	Equipment
2780	Fork Lift FL 16- Forklift	WK	\$	40,950.00	22520.63	18429.37	12/13/2016	1	Equipment
2728	Toplifter - 16-1 Crane Equipr AA	AA	\$	496,949.00	281604.43	215344.57	10/14/2016	1	Equipment
2727	Toplifter - 16-0 Crane Equipr WK	WK	\$	496,949.00	281604.43	215344.57	10/14/2016	1	Equipment
2726	Toplifter - 16-0 Crane Equipr WK	WK	\$	496,949.00	281604.43	215344.57	10/14/2016	1	Equipment
2725	Toplifter - 16-0 Crane Equipr WK	WK	\$	496,949.00	281604.43	215344.57	10/14/2016	1	Equipment
2133	TOPLIFTER #09 Crane Equipr WK	WK	\$	645,000.00	645000		2/15/2010	1	Equipment
2088	TOPLIFTER #09 Crane Equipr WK	WK	\$	654,343.00	654343		7/15/2009	1	Equipment
2087	TOPLIFTER #09 Crane Equipr WK	WK	\$	654,343.00	654343		7/15/2009	1	Equipment
3215	Crane Spreader Crane Equipr WK	WK	\$	3,500.00	758.33	2741.67	4/22/2020	1	Equipment
3214	Crane Spreader Crane Equipr WK	WK	\$	3,500.00	758.33	2741.67	4/22/2020	1	Equipment
3213	Crane Spreader Crane Equipr WK	WK	\$	3,500.00	758.33	2741.67	4/22/2020	1	Equipment
3212	Crane Spreader Crane Equipr WK	WK	\$	3,500.00	758.33	2741.67	4/22/2020	1	Equipment
3191	Hoist Motor-El Crane Equipr AA	AA	\$	71,494.82	16662.59	54832.23	2/5/2020	1	Equipment
3190	Hoist Motor-El Crane Equipr AA	AA	\$	71,494.82	16662.59	54832.23	2/5/2020	1	Equipment
3189	Hoist Motor-El Crane Equipr AA	AA	\$	71,494.82	16662.59	54832.23	2/5/2020	1	Equipment
3188	Hoist Motor-El Crane Equipr AA	AA	\$	71,494.82	16662.59	54832.23	2/5/2020	1	Equipment
3178	Generator Crane Equipr AA	AA	\$	411,600.00	106273.77	305326.23	11/13/2019	1	Equipment



3177	Generator	Crane Equipm AA	\$ 411,600.00	106273.77	305326.23	11/13/2019	1 I	Equipment
3075	Compressor-2	Crane Equipm AA	\$ 14,171.00	5790.05	8380.95	5/18/2018	1 I	Equipment
3074	Compressor-El	Crane Equipm AA	\$ 14,171.00	5790.05	8380.95	5/18/2018	1 I	Equipment
3073	Compressor-El	Crane Equipm AA	\$ 14,171.00	5790.05	8380.95	5/18/2018	1 I	Equipment
2730	3-Ton A/C Unit	Crane Equipm AA	\$ 39,433.50	39433.5		10/31/2015	1 I	Equipment
2452	GANTRY 17/Gk	Crane Equipm AA	\$ 3,903,029.07	2502537.33	1400491.74	12/20/2012	1 C	Equipment
2451	GANTRY 16/Gk	Crane Equipm AA	\$ 3,912,202.74	2508347.83	1403854.91	12/20/2012	1 C	Equipment
2450	GANTRY 14/Gk	Crane Equipm AA	\$ 3,899,693.19	2500424.89	1399268.3	12/20/2012	1 C	Equipment
2449	Cost of Procuri	Crane Equipm AA	\$ 89,243.79	84777.53	4466.26	12/20/2012	1 I	Equipment
2162	Spreader Bar-7	Crane Equipm AA	\$ 29,985.00	29985		6/8/2010	1 I	Equipment
2096	REM TRANS	Crane Equipm AA	\$ 12,102.12	12102.12		10/21/2009	1 I	Equipment
2095	SPREADER -M/	Crane Equipm AA	\$ 15,000.00	15000		8/14/2008	1 I	Equipment
2089	Spreader Bar-7	Crane Equipm AA	\$ 29,950.00	29950		8/7/2009	1 I	Equipment
2073	Crane SPYDER	Crane Equipm AA	\$ 12,050.50	12050.5		2/26/2008	1 I	Equipment
TOTAL			\$ 24,161,576.90					
Add: Survey Equipment still in PAG Grounds								
Asset# 1637			\$ 336,000.00					
GRAND TOTAL			\$ 24,497,576.90					

## Construction Activities FY 2022 to FY 2023

Work on the following construction projects will be conducted during the 2022 - 2023 policy period. Contractors will be required to carry appropriate insurance naming PAG as an additional insured.

Project	Term	Cost
Service and Repair of the Impressed Current Cathodic Protection at Wharf F-5 Hagatna Marina Installation of Two (2) Gates in Dock A, B and Dry Dock Concrete	30 Calendar Days 60 Calendar Days	\$ 42,842.46 \$ 45,000.00
Installation of the 569 KVA Generator, ATS and Fuel Storage Tank at LC-3	Project POP is 63 calendar days due to Change Order No.1 and No.2	\$ 62,939.58
Harbor Master Roof and Miscellaneous Repair	122 Calendar Days	\$ 63,500.00
Devanning Concrete Ramp Repair (Adjacent to the Old Weighing Scale)	74 Calendar Days June 24, 2022	\$ 69,979.27
Design-Build Repair the Northside Catwalk by the Agat Marina Boat Ramp	180 Calendar Days	\$ 80,000.00
Installation of Canopy Fronting Building Maintenance Bay of EQMR Building	expected to be completed September 15, 2022	\$ 92,000.00
Remove/Replace 3 Each Metal Gate Booths with Reinforced Concrete Structures	243 calendar days is the POP from the NTP date.	\$ 159,557.00
Supply and Installation of New 24 Ea. Cylindrical Fendering System at F-3 and 10 Ea. New Rubber Leg Arch Fender at Wharf F-4 thru F-6	expected to be completed June 2022	\$ 298,259.00
A/E Services for Golf Pier Repair	6 months	\$ 484,017.13
Replacement of 125 Each Reefer Outlets Receptacles	TBD	\$ 600,000.00
Harbor of Refuge Pump Station and Installation of Wastewater Ejector Pump and Harbor of Refuge Installation of Mooring Blocks	TBD	\$ 870,000.00
AJE Services EQMR, WH I, Bldgs. & Relocation of PAG Water Line (Design Phase)	8 months	\$ 1,406,427.48
Installation of Dock "B" Agat Marina	TBD	\$ 1,494,750.00
Design, Demolition, Removal & Proper Disposal of 5 Inoperable Cranes and Optional Removal/Disposal of one Barge YFN 816	October, 2023	\$ 2,573,155.00
EQMR Building Upgrades (Construction Phase)	TBD	\$ 3,980,000.00
PAG Waterline Replacements (Construction Phase)	TBD	\$ 4,856,568.91
Rehabilitation of H-Wharf and Access Road (Construction Phase IFB)	TBD	\$ 47,000,000.00
Painting of Exterior, Interior and Roof Coating of the CFS Building	180 Calendar Days	TBD
Design-Build Agat Marina Bathrooms	360 Calendar Days (July 18, 2023)	\$ 345,000.00

### .... Projects Forthcoming ....

Golf Pier Repair and Improvements (Construction Phase)	TBD	TBD
Warehouse 1 Building Upgrades (Construction Phase)	TBD	TBD
New Administration Building	TBD	TBD
Agana Marina Clean Exist. OWS & Retrofit Double Barrel Outfalls with Check Valve	TBD	TBD