



**CONSOLIDATED
COMMISSION ON UTILITIES**

Guam Power Authority • Guam Waterworks Authority
P.O.BOX 2977 • Agana, Guam 96932

GUAM CONSOLIDATED COMMISSION ON UTILITIES

RESOLUTION NO.: 2016 -17

**RELATIVE TO AUTHORIZING THE GUAM POWER AUTHORITY TO CONVERT
THE FEE COMPENSATION STRUCTURE OF THE CONTRACT WITH THE
GREENSPAN CO./ADJUSTERS INTERNATIONAL.**

WHEREAS, on February 29, 2016, a purchase order was issued to The Greenspan Co./Adjusters International (Greenspan) through GPA-RFP-16-001 to provide Forensic Accounting and Insurance Claim Services to the Guam Power Authority (GPA) to assist in the quantification, documentation and presentation of the loss sustained as a result of the recent events at two power plants; and

WHEREAS, the contract was awarded with the fee compensation based on hourly charges and other negotiated expenses with total billings in the initial year of the contract estimated to be approximately two hundred forty thousand dollars (\$240,000) (please see Exhibit A); and

WHEREAS, a significant amount of time and effort is expected to be incurred at the beginning of the claim, when insurance proceeds are less likely to be paid, as opposed to later in the claim process; and

WHEREAS, under this incentive-based layered contingency fee structure, three percent (3%) will be charged on all money paid on the claim up to one hundred million dollar (\$100,000,000) and five percent (5%) will be charged on all money paid over one hundred million dollar (\$100,000,000); and

WHEREAS, although there is a professional fees endorsement included in GPA's insurance policy under which the claim is being made and GPA anticipates Greenspan's fees to

1 be funded through insurance proceeds, GPA understands that it is still responsible for the
2 estimated maximum amount of thirteen million dollar (\$13,000,000) fee to Greenspan, assuming
3 that the total amount of three hundred million dollars (\$300,000,000) is paid by the insurers on
4 the claim; and
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6 **NOW, THEREFORE BE IT RESOLVED**, by the Consolidated Commission on
7 Utilities as follows:
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- 9 1. The General Manager of the Guam Power Authority is hereby authorized to petition the
10 Guam Public Utilities Commission (PUC) to change the basis of the fee compensation on the
11 contract with The Greenspan Co./Adjusters International from an hourly basis plus
12 negotiated expenses to a layered contingency fee structure plus airfare as negotiated and
13 incurred.
14 2. The estimated maximum cost to be incurred in the settlement of this claim is thirteen million
15 dollar (\$13,000,000).
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18 **RESOLVED**, that the Chairman certifies and the Board Secretary attests to the adoption
19 of this Resolution.
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21 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 22nd DAY OF**
22 **MARCH 2016.**
23

24 Certified by:

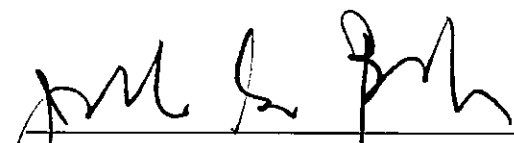
Attested by:

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28 **JOSEPH T. DUENAS**

29 Chairperson

30 Consolidated Commission on Utilities
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28 **J. GEORGE BAMABA**
29 Secretary

30 Consolidated Commission on Utilities

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3 **SECRETARY'S CERTIFICATE**

4 **I, J. George Bamba**, Secretary for the CCU do hereby certify that the foregoing is
5 a full, true, and correct copy of the resolution duly adopted at a regular meeting of the
6 members of Guam's CCU, duly and legally held at the meeting place thereof on March 22,
7 2016 at which meeting of all said members had due notice and at which at least a majority
8 thereof were present, and

9 At said meeting said resolution was adopted by the following vote:

10
11 Ayes: 4
12 Nays: 0
13 Absent: 1
14 Abstain: 0

15
16 As of the date of this certification, said original resolution has not been amended,
17 modified, or rescinded since the date of its adoption, and the same is now in full force and effect.

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19 **SO CERTIFIED** this 22nd day of March, 2016



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J. George Bamba

J. GEORGE BAMBA
Secretary

Consolidated Commission on Utilities