



RESOLUTION NO. 49-FY2017

RELATIVE TO RATIFICATION OF EXPENDITURES FOR THE FIRST THREE YEARS OF THE CHLORINE CONTRACT IN THE AMOUNT OF \$2,460,984.00 AND APPROVING A TWO YEAR CONTRACT EXTENSION WITH ISLAND EQUIPMENT COMPANY FOR THE PURCHASE OF LIQUID CHLORINE

WHEREAS, under 12 G.C.A. § 14105, the Consolidated Commission on Utilities (“CCU”) has plenary authority over financial, contractual, and policy matters relative to the Guam Waterworks Authority (“GWA”); and

WHEREAS, the Guam Waterworks Authority (“GWA”) is a Guam Public Corporation established and existing under the laws of Guam; and

WHEREAS, the CCU approved Resolution No. 41-FY2013 authorizing GWA to issue a bid under (EXHIBIT A) and further authorizing to submit a petition to the Guam Public Utilities Commission for approval of the Multi-Year bid as required under the Contract Review Protocol (PUC) and approved on January 27, 2014.; and

WHEREAS, GWA has determined that issuing the bid, attached hereto as (EXHIBIT B), for liquid chlorine 150 lbs. and 1 ton chlorine cylinders used for disinfecting GWA’s drinking water with a Multi-Year contract term of up to three years in length and with an option to extend for two additional one-year options is in the best interest of GWA due to the fact that prices were fixed for the three year term and GWA would obtain a lower bid price than what GWA would otherwise receive for a shorter contract term; and

WHEREAS, GWA entered into a contract dated on July 28, 2014 with Marianas Gas Company DBA Island Equipment Company (EXHIBIT C) whose mailing address is 151 West Harmon Industrial Park, Unit A, Tamuning, Guam 96923; and

WHEREAS, GWA intends to continue purchases of filled 150lbs. and “one ton” chlorine cylinders from Island Equipment Company for the purpose of disinfecting GWA’s

1 drinking water system which is essential for GWA to provide safe drinking water and protect
2 the public health and safety of the Island of Guam; and
3

4 **WHEREAS**, GWA sought and was granted approval to procure the liquid chlorine in
5 indefinite quantities from both the CCU and the PUC however, the contract resulting from
6 the procurement was not presented at that time to either Commission for formal approval;
7 and
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9 **WHEREAS**, the initial annual estimates for purchases under the contract were
10 \$717,713.00 which would total \$2,321,139.00 in forecasted purchases over the initial 3 year
11 contract period; and
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13 **WHEREAS**, from the date the contract was finalized on July 24, 2014 through July
14 20, 2017, GWA has purchased \$2,460,984.00 worth of liquid chlorine under the contract
15 (Exhibit E); and
16

17 **WHEREAS**, the approved initial liquid chlorine procurement allows for two annual
18 extensions which the vendor has agreed to at a 5% price increase over the life of the
19 combined two year extension (EXHIBIT G), the terms of which will be memorialized in a
20 Renewal Agreement between the vendor and GWA (EXHIBIT F); and
21

22 **WHEREAS**, the highest annual purchase value in the first 3 years of the Contract
23 was \$797,538.15 which, under the pricing terms of the Renewal Agreement would average
24 out to approximately \$837,000.00; and
25

26 **WHEREAS**, given the quantities of chlorine needed to meet Safe Drinking Water
27 requirements, and the price GWA has been paying for chlorine at this time, GWA purchases
28 will exceed One Million Dollars (\$1,000,000) under the Renewal Agreement and as such, it
29 must be approved by both the CCU and PUC under the Contract Review Protocol; and
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31 **WHEREAS**, considering the fact that GWA will continue to need liquid chlorine far
32 into the future, the Renewal Agreement is in the best interest of GWA for the reasons stated
above, and based on the justification attached hereto at (EXHIBIT D), the previously

1 procurement (Exhibits A and B) and the subsequently executed contract contained in Exhibit
2 C support the approval and ratification of previous and proposed future procurements under;
3 and
4

5 **WHEREAS**, GWA seeks CCU ratification of the initial three-year term contract
6 expenditure of \$2,460,984.00 for the purchase of 150lbs. and one-ton chlorine cylinders and
7 also the approval to execute the Renewal Agreement with Island Equipment Company with
8 an expenditure limit of \$920,000 annually which includes a 10% contingency; and
9

10 **NOW BE IT THEREFORE RESOLVED**, the Consolidated Commission on Utilities
11 does hereby approve the following:

- 12 1. The recitals set forth above hereby constitute the findings of the CCU, and are
13 ratified, confirmed and incorporated herein by reference.
- 14 2. The CCU hereby ratifies the subsequent contract and purchases executed by
15 GWA as documented in Exhibit C, and approves the execution of the
16 extension to said contract in accordance with the terms and conditions
17 contained therein.
- 18 3. The CCU hereby concurs with the findings of GWA as set forth in Exhibit D
19 as required under the Contract Review Protocol.
- 20 4. GWA is further authorized to submit a petition to the Guam Public Utilities
21 Commission for approval of the contract, and proposed contract extension as
22 required under the Contract Review Protocol.

23
24 **RESOLVED**, that the Chairman certified and the Board Secretary attests to the adoption
25 of this Resolution.

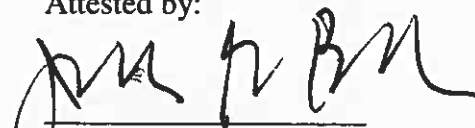
26
27 **DULY AND REGULARLY ADOPTED**, this 25th day of July, 2017.

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29 Certified by:

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32 **JOSEPH T. DUENAS**
Chairperson

Attested by:



J. GEORGE BAMBA
Secretary

1 I, J. George Bamba, Board Secretary of the Consolidated Commission on Utilities as
2 evidenced by my signature above do hereby certify as follows:

3 The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular
4 meeting by the members of the Guam Consolidated Commission on Utilities, duly and
5 legally held at a place properly noticed and advertised at which meeting a quorum was
6 present and the members who were present voted as follows:

7
8 AYES: 5
9 NAYS: 0
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11 ABSTENTIONS: 0
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13 ABSENT: 0
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EXHIBIT A

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GUAM CONSOLIDATED COMMISSION ON UTILITIES

RESOLUTION NO. 41 – FY2013

**RELATIVE TO APPROVING THE CHLORINE BID UNDER THE
GUAM PUBLIC UTILITIES COMMISSION'S CONTRACT REVIEW PROTOCOL**

WHEREAS, Pursuant to Public Law 26-76 and 12 G.C.A. § 14104(o), the Consolidated Commission on Utilities ("CCU") is the governing body and the contracting authority of the Guam Waterworks Authority and has authority to review and approve certain projects relative to the hiring a contractor to assist GWA with performing certain functions; and

WHEREAS, under the Contract Review Protocol that was approved by the Guam Public Utilities Commission ("PUC") on October 27, 2005, GWA is required to seek the approval of the PUC of procurements where the final award will exceed one million dollars (\$1,000,000); and

WHEREAS, GWA has determined that issuing the bid that is attached hereto as "Exhibit A" for liquid chlorine that is used for disinfecting GWA's drinking water for a multiple year contract of up to five years in length is in the best interest of GWA due to the fact that prices will be fixed for longer period of time and economies of scale may result in a lower bid price than what GWA would otherwise receive for a shorter contract term; and

WHEREAS, given the amounts that GWA has been paying for chlorine at this time, GWA estimates that the bid will exceed One Million Dollars (\$1,000,000) and as such, the bid must be approved by both the CCU and PUC under the Contract Review Protocol; and

WHEREAS, considering the fact that GWA will continue to need liquid chlorine far into the future, a multiple year contract of up to five years is in the best interest of GWA for the reasons stated above, and based on the justification attached hereto as "Exhibit B," the bid contained in "Exhibit A" is hereby approved; and

1 **NOW THEREFORE, BE IT RESOLVED BY THE CONSOLIDATED**
2 **COMMISSION ON UTILITIES, AS THE GOVERNING BODY OF THE GUAM**
3 **WATERWORKS AUTHORITY, AS FOLLOWS:**

4
5 **Section 1.** The foregoing recitals hereto are hereby ratified, confirmed, and
6 incorporated herein by reference.

7
8 **Section 2.** GWA is hereby authorized to issue the bid attached to this resolution
9 in Exhibit A which provides for the purchase of liquid chlorine for a period of up to five
10 years

11
12 **Section 3.** The CCU hereby concurs with the findings of GWA as set forth in
13 Exhibit B as required under the Contract Review Protocol.

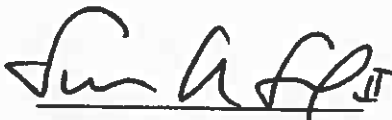
14
15 **Section 4.** GWA is further authorized to submit a petition to the Guam Public
16 Utilities Commission for approval of the bid as required under the Contract Review Protocol.

17
18 **RESOLVED,** that the Chairman certifies and the Secretary attests to the adoption of
19 this Resolution.

20
21 **DULY AND REGULARLY ADOPTED AND APPROVED THIS 17th day of**
22 **September 2013.**

23
24 Certified by:

25 Attested by:

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29 **SIMON A. SANCHEZ, II**
30 **Chairperson**

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32 **JOSEPH (JOEY) T. DUENAS**
Secretary/Treasurer

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I, **Joseph T. Duenas**, Board Secretary of the Consolidated Commission on Utilities as evidenced by my signature above do hereby certify as follows:

The foregoing is a full, true and accurate copy of the resolution duly adopted at a regular meeting by the members of the Guam Consolidated Commission on Utilities, duly and legally held at a place properly noticed and advertised at which meeting a quorum was present and the members who were present voted as follows:

AYES:	<u>5</u>
NAYS:	<u>0</u>
ABSTENTIONS:	<u>0</u>
ABSENT:	<u>0</u>



EXHIBIT B

INVITATION TO BID

The GUAM WATERWORKS AUTHORITY, will receive sealed bids for Liquid Chlorine, in GWA IFB. NO. 2013-07. Bids in duplicate copy will be accepted until 10:00 a.m. Chamorro Standard Time, _____ 2013 at the GWA Procurement & Supply Office at which time and place all bids will be publicly opened and read aloud. All bids must be accompanied by a Bid / Performance Bond in the amount of 15 percent (15%) of the total bid price. Bid security may be bid/performance bond, certified check or cashiers check made payable to Guam Waterworks Authority. A non-refundable amount of \$15.00 is required for the purchase price of every set of bidding documents which are available at the GWA Procurement & Supply Office. Bidders can download a bid package at www.guamwaterworks.org without charge, although vendors are strongly encouraged to contact or visit GWA Procurement & Supply to register to ensure that updated information, notices or bid amendments are distributed to you.

GWA reserves the right to revise or reject any or all proposals and to waive any minor imperfection in the bid proposal in the interest of the Guam Waterworks Authority.

Martin Roush, PE
General Manager

GWA STAMP ISSUE DATE:



GUAM WATERWORKS AUTHORITY

578 North Marine Corps Drive, Tamuning, Guam 96913

**Guam Waterworks Authority
Invitation for Bid Number: GWA IFB 2013-07
For Liquid Chlorine**

Indefinite Quantity Bid

I. BID ITEM(s)

<u>Item No</u>	<u>Description</u>	<u>Qty</u>	<u>Unit Cost</u>	<u>Total Cost</u>
1.0	Liquid Chlorine 150 lb. Cylinders	1,260	_____	_____

Grand Total \$ _____

BIDDING ON:

MFG: _____

Brand: _____

Place of Origin: _____

Date of Delivery: _____
After Receipt of Purchase Order

TECHNICAL SPECIFICATIONS ON ITEM 1.0

- A. **GENERAL:** The Guam Waterworks Authority ("GWA") uses liquid chlorine in 150 lb. cylinders in order to disinfect drinking water at approximately 100 well sites. GWA intends to enter into a three (3) year contract with the option to renew for two (2) additional one year terms for the purchase of liquid chlorine in 150 pound cylinders. All extensions of the contract are subject to the availability of funding. Price modifications for the extensions may be made if the contractor provides proof of changes in their invoice price as required under 2 G.A.R. Section 3118. This specification describes the requirements for the provision of liquid chlorine under this solicitation.

The product described herein shall be manufactured, packaged, shipped, and stored in accordance with the latest additions of the following codes and standards as well as any applicable referenced standards within.

1. AWWA B301-04: Standard for Liquid Chlorine.
2. ANSI/NSF Standard 60: Drinking Water Chemicals.
3. Chlorine Institute, Pamphlet 17: Cylinder and Ton Container Procedures for Chlorine Packaging.
4. Compressed Gas Association, Pamphlet C6: Standards for Visual Inspection of Steel Compressed Gas Cylinders.
5. US Department of Transportation, Hazardous Materials Regulations 49 C.F.R. § 100-177 (Chapter 1, Subchapter C).

- B. **MATERIAL SPECIFICATION:** Liquid Chlorine for disinfection of potable water supplies must meet the requirements of AWWA Standard B-301-04, Section 4.

The supplier under this contract shall be responsible for providing certified analysis from the manufacturer demonstrating compliance with the requirements set forth in this bid.

CONTAINERS: The supplier shall be responsible for providing, inspecting, testing and cleaning of cylinders in accordance with all referenced standards.

1. GWA currently has an inventory of 150 GWA-owned cylinders that are currently being used by GWA. These cylinders shall be used by the successful bidder, but shall always remain the property of GWA. At the end of the contract term, Vendor shall return to GWA 150 ct. (150 lb.) chlorine cylinders in good useable condition aside from normal wear and tear. GWA shall have the right to certify whether or not said cylinders are in good useable condition.
2. Cylinders shall be inspected, tested, and cleaned in accordance with AWWA Standard B301-04, Section 5. The supplier must maintain at all times documentation of compliance with this requirements at the supplier's facility.
3. GWA reserves the right to reject any cylinders that do not meet the chemical, physical, or safety requirements of this specification. In the event that a cylinder is rejected, the supplier shall replace it with a like amount of satisfactory liquid chlorine in an acceptable container.
4. No cylinder deposit or cleaning charge shall be separately levied. All fees for the maintenance of 150 lb. cylinders in accordance with applicable codes shall be included in the unit cylinder price.

STORAGE AND MINIMUM INVENTORY REQUIREMENTS:

Due to the potential for interruption of shipping networks to Guam due to typhoons and other causes, it is necessary to maintain a minimum inventory (backup reserve) of chlorine in order to insure availability at all times. The minimum backup reserve has been established for GWA by the USEPA as noted below.

1. The supplier shall maintain a sufficient inventory of 150 pound chlorine cylinders such that a backup reserve of at least 200 cylinders shall be available at any and all times. This reserve shall be exclusive of any reserve required by other customers.
2. The supplier shall provide an inventory plan (along with bid), based on the quantities described above, illustrating compliance with these backup reserve provisions.
3. The supplier shall be responsible for maintaining a storage facility in compliance with OSHA and other applicable law, codes and standards regarding the receiving, handling, storage, delivery, and emergency response to chlorine gas. The supplier shall maintain documentation of compliance to be provided at the request of GWA.
4. No additional facility maintenance or storage charges (or any other charge) shall be separately levied. All fees for shipping, storage and facility maintenance shall be included in the unit cylinder price.

C. SPECIAL CONDITIONS:

1. The contract for the supply of liquid chlorine shall be for a period of three (3) years. GWA reserves the right to renew this contract for two (2) additional one year terms with both parties so agree in writing. All extensions of the contract are subject to the availability of funding. Price modifications for the extensions may be made if the contractor provides proof of changes in their invoice price as provided under 2 G.A.R. Section 3118.
2. Cost data pursuant to 2 G.A.R. § 3118 to support any proposed increase must be submitted to the Purchasing Director no less than 90 days prior to the effective date of any such requested price increase. Any adjustment allowed shall consist of verifiable material cost increases which may be passed on to the consumer.
3. No adjustment shall be made to compensate a supplier for inefficiency in operation, or for additional profit.
4. Bids indicating price in effect at time of shipment will be considered invalid.
5. Bidder shall respond to a GWA facility should an emergency situation develop, with the appropriate tools necessary to deal with a leak; said response shall be no longer than two hours from the time of notification. Emergency numbers for this procedure shall accompany the bid.
6. If the products proposed in the response to this bid vary in any way from the requirements contained in this specification or other solicitation documents, the bidder is responsible to clearly identify by specification section number, all such differences in writing at the time of bid. Otherwise, it will be assumed that bidder's offer is in total compliance with all aspects of the specification and bid.

II. GENERAL TERMS AND CONDITIONS

A. AUTHORITY.

This Invitation for Bids is issued subject to all of the provisions of the Guam Procurement Act and the Guam Procurement Regulations. The bid requires all parties involved in the preparation, negotiation, performance, or administration of contracts to act in good faith. Failure on the part of any bidder to act in good faith shall serve as a basis for voiding a bid or shall constitute a material breach of any contract entered into between GWA and any bidder which shall allow GWA to immediately terminate the contract.

B. EXPLANATION TO BIDDERS.

Except as otherwise provided herein, no oral explanation in regard to the meaning of any provision of this Bid will be made and no oral instructions will be given before the award of the bid. Discrepancies, omissions, or doubts as to the meaning of any provision of this Bid shall be communicated in writing to the named individual of GWA.

C. QUESTIONS.

All questions regarding the bid must be submitted in writing and be delivered personally, via US mail, via express delivery or via fax and directed to the following parties:

Martin Roush
General Manager
Guam Waterworks Authority
578 North Marine Corps Drive
Tamuning, Guam 96913
Fax. No.: (671) 646-2335

Vince Guerrero
Supply Management Administrator
Guam Waterworks Authority
578 North Marine Corps Drive
Tamuning, Guam 96913
Fax. No.: (671) 649-3750

D. METHOD OF AWARD.

GWA intends to review the bids immediately upon the opening of the bids as provided herein. The bids submitted will be the primary documents for evaluation. GWA reserves the right to waive any minor information or irregularity in bids received. GWA shall have the prerogative to award, amend or reject bids in whole or in part. GWA is not responsible for any and all costs incurred by any person or party incurred in preparing any bid. GWA reserves the right to retain all bids submitted regardless of whether a firm is selected. Submission of a bid indicates acceptance of all terms and conditions by the bidder.

E. REJECTION.

GWA has the right to reject all bids or offers which have been submitted in response to this Bid, at any time, including after delivery if goods are determined to be non-conforming, if GWA determines such to be in the best interest of GWA. All bids and contractual obligations are subject to the availability of funding.

F. TAXES.

Bidders are cautioned that they may be subject to Guam Business Privilege Taxes, including Gross Receipt Tax and Guam Income Taxes on Guam transactions. GWA shall not be responsible for paying any taxes owed by any vendor. Specific information of taxes may be obtained from the Director of the Guam Department of Revenue and Taxation.

G. LICENSING.

Bidders are cautioned that GWA will not consider for award any bid offer submitted by a bidder who has not complied with Guam Licensing Laws. Specific information on licenses may be obtained from the Director of Revenue and Taxation.

H. COVENANT AGAINST CONTINGENT FEES.

The bidder warrants that it has not employed any person to solicit or secure any resultant contract upon agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give GWA the right to terminate the contract, or in its discretion, deduct from the contract price or consideration the amount of such commission, percentage, brokerage, or contingent fees. This warranty shall not apply to commissions payable by the bidder upon contracts or sales secure or made through bona fide established commercial or selling agencies maintained by the bidder for the purpose of securing business.

I. JUSTIFICATION OF DELAY.

The bidder who is awarded the bid guarantees that performance will be completed within the agreed upon completion date. If, however, the selected bidder cannot comply with the completion requirement, it is the selected bidder's responsibility to advise GWA in writing explaining the cause and reasons of the delay.

J. DISCLOSURE OF MAJOR SHAREHOLDERS.

As a condition of bidder, any partnership, sole proprietorship or corporation doing business with GWA shall submit an affidavit executed under oath that list the name address of any person who has held more than ten percent (10%) of the outstanding interest or shares in said partnership, sole proprietorship or corporation at any time during the twelve (12) month period immediately preceding submission of a bid. The affidavit shall contain the number of shares or the percentage of all assets of such partnership, sole proprietorship or corporation, which have held by each such

person during the twelve (12) month period. In addition, the affidavit shall contain the name and address of any person who has received or is entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid for the bidder and shall also contain the amounts of any such commission, gratuity or other compensation. A bid from any firm that has person on the list 10% or more affidavit that is a member of the CCU or a GWA or Guam Power Authority officer that reports directly to the Board will not be evaluated and will be rejected. The affidavit shall be open and available to the public inspection and copying.

K. EQUAL EMPLOYMENT OPPORTUNITY.

Section 3.01(1) of Presidential Executive Order No. 10935 dated March 7, 1965, that was adopted on Guam, requires that the bidder not discriminate against any employee or applicant for employment because of race, creed, color or national origin. The bidder will take whatever steps are necessary to ensure that its employees are treated equally during employment without regard to their race, creed, color or national origin.

L. DETERMINATION OF RESPONSIBILITY OF OFFERORS.

GWA reserves the right to secure information necessary to assess the competency and qualifications of the bidder, in accordance with the "Standard for Determination of the most Qualified bidder" section of the General Terms and Conditions. The competency of bidders, includes, but is not limited to testing of goods and/or services provided by the bidder.

M. STANDARD FOR DETERMINING WHETHER BIDDER IS QUALIFIED.

In determining whether a bidder is qualified, GWA shall be guided by the following:

1. the ability, capacity, and skill of the bidder to perform (i.e., is bidder qualified);
2. whether GWA believes that the bidder can perform promptly or within the specified time;
3. the character, integrity, reputation, judgment experience, and efficiency of the bidder;
4. the sufficiency of the financial resources and ability of the bidder to perform;
5. whether the bidder has submitted all documents required under this Bid; and
6. whether the bidder can meet the terms and conditions of the Bid.

N. PRE-BID CONFERENCES.

Pre-bid conferences may be held at any time prior to the date established herein for submission of bids to explain the procurement requirements for this Bid. GWA will notify all bidders of any substantive clarification provided in response to any inquiry. GWA may extend the due date if such information significantly amends the solicitation or makes compliance with the original proposed due date impractical.

O. BIDS.

The Bidder is required to read each and every page of the bid and by the act of submitting a bid shall be deemed to have accepted all conditions contained therein except as noted elsewhere in the

bid. In no case will failure to inspect constitute grounds for a claim or for the withdrawal of a bid after opening. Bids shall be filled out in ink or typewritten and signed in ink. Erasures or other changes in a bid must be explained or noted over the signature of the bidder. Bids containing any conditions, omissions, unexplained erasures or alterations or items not called for in the bid or irregularities of any kind may be rejected by GWA in whole or in part.

P. COMPETENCY OF BIDDERS.

Bids will be considered only from such bidders who, in the sole opinion of GWA, can show evidence of their ability, experience, equipment, and facilities to render satisfactory performance of the terms and conditions herein (see item "N" above for standards). GWA reserves the right to take all reasonable steps to determine the competency of bidders, including asking questions, testing or any other act deemed prudent by GWA based on the circumstances.

Q. REQUEST FOR BID FORMS.

Each bidder shall be provided with one (1) set of the Bid packet at a cost of \$15.00. If the bidder wishes to download a bid packet on GWA website, the fee will not be charged. All payments shall be by cash, certified check, credit card or money order and shall be made payable to GWA. Prospective bidders are encouraged to notify GWA's Procurement & Supply section @ 647-7818/7887 to be register as a prospective bidder. Failure to register as a bidder could result in not obtaining answers to questions or bid amendments since GWA will send these types of documents to only those vendors we are aware of. GWA shall not be liable for any reason for the failure of any vendor to register with GWA and provide accurate and complete contact information.

R. BID ENVELOPE.

Bid envelopes shall be sealed and marked with the bidder's name and GWA's Invitation for Bid Number.

S. FORM OF BID.

One (1) original hard copy, two (2) complete hard copies and one (1) electronic copy of the bid must be submitted. The original bid must be signed in ink by a person authorized to submit bids on behalf of the bidder. All bids should include a listing of current and former business clients and a description of the type of goods or services being provided. At a minimum, the bid should include a complete resume of the bidding firm, including a resume of the entity's principal(s) that will be preparing or presenting the completed work, sample documentation or other materials that will assist GWA in determining whether the bidder is capable of providing the goods and/or services called for in the bid and all materials required to be submitted along with the Bid as specified herein. All bids shall be submitted entirely in English (including brochures). No bid shall exceed 100 pages in total without the express written consent of GWA.

The electronic copy of the bid shall be submitted on a compact disk ("CD"). All documents shall be in ".pdf" format. Electronic bids shall constitute an exact replica of the original hard copy of the bid that is being submitted.

T. MODIFICATION / ALTERATION.

After the opening of bids, GWA or its designee(s) may conduct discussions with bidders that have submitted valid bids for the purpose of clarification to provide GWA with a full understanding as to the responsiveness and capabilities of the proposed bidder in meeting the requirements of the bid. In conducting discussions there shall be complete confidentiality of any information derived from bids submitted by competing bidders.

U. MODIFICATION OR WITHDRAWAL OF BIDS.

Bids may be modified or withdrawn at any time prior to submission, as otherwise provided herein or by the Guam Procurement Code.

V. CONTACT FOR CONTRACT NEGOTIATION.

All vendors are required to designate a person whom GWA may contact for prompt negotiation.

NAME: _____ TITLE: _____

ADDRESS: _____ TELEPHONE: _____

W. AWARD OF CONTRACT AND NEGOTIATION (IF APPLICABLE).

The lowest responsible bidder may be required to enter into a contract with GWA on terms and conditions acceptable to GWA. If the services are to be secured via Purchase Order, the bidder must still comply with all applicable laws, bid requirements and directives from GWA regardless of whether or formal "contract" has been issued.

The bidder who submits the lowest responsible bid for the required services or supplies may be required to enter into a contract within twenty (20) days following Bidder's receipt of the Notice of Award of Bid. Contract negotiations will be directed toward: (1) making certain that the bidder has a clear understanding of the scope of work, specifically, the essential requirements involved in providing the required services; and (2) determining that the bidder will make available the necessary personnel and facilities to perform the services within the required time. Bidders will be required to follow all laws applicable to this bid at all times and the Bidder is responsible for ascertaining what laws are applicable to this bid.

X. NOTICE OF AWARD.

Written notice of award will be public information and made a part of the procurement file.

Y. CERTIFICATION AGAINST THE EMPLOYMENT OF CONVICTED SEX OFFENDERS.

All vendors must complete and fill out a Certification Against the Employment of Convicted Sex Offenders (part of bid packet – if not present, make sure you ask for one).

Z. TERMINATION OF BID.

After opening, but prior to award, GWA may terminate the bid in whole, or in part if:

1. It is in the best interest of GWA to do so.
2. The goods or services being sought are no longer required.
3. Bid amounts exceed available funding.
4. No bidder is qualified.

III. SPECIAL TERMS AND CONDITIONS

Note, these special terms and conditions apply in the event that GWA uses a purchase order. However, in the event a formal contract is entered into, the terms of the Contract shall control in the event of a conflict between these terms and conditions and the contract.

A. GENERAL COMPLIANCE WITH LAWS.

The Bidder is required to comply with all Federal and territorial laws and ordinances applicable to the work and it is the responsibility of the Bidder to examine all necessary laws, rules, regulations and guidelines to determine its duties thereunder. Bidder shall attach a copy of appropriate business license or an affidavit executed under penalty of perjury that indicates that Bidder is exempt under Guam law (must include legal citations proving exemption).

B. ACCESS TO RECORDS AND OTHER REVIEW.

The Bidder, including his subcontractors, if any, shall maintain all books, documents, papers, accounting records and other evidence pertaining to costs incurred and to make such materials available at their respective offices at all reasonable times during the contract period and for three (3) years from the date of the final payment under the contract, for inspection by GWA.

Each subcontract by Bidder pursuant to this agreement shall include a provision containing all of the conditions of this Special Terms and Conditions Section.

C. OWNERSHIP OF DOCUMENTS.

All briefs, memoranda and other incidental Bidder work or materials furnished hereunder shall be and remain the property of GWA including all publication rights and copyright interests, and may be used by GWA without any additional cost to GWA.

D. INDEMNITY.

Bidder agrees to save and hold harmless the CCU, GWA, its officers, agents, representatives, successors and assigns and other governmental agencies from any and all suits or actions of every nature and kind, which may be brought for or on account of any injury, death, or damage to the extent arising or growing out of the negligent acts or omissions of the Bidder, Bidder's officers, agents (including subcontractors), servants or employees under this agreement.

E. CHANGES.

GWA may at any time, by written order make any change in the services to be performed hereunder. If such changes cause a material increase or decrease in the costs of doing the work under this agreement, or in the time required for this performance, an equitable adjustment shall be made and the agreement shall be modified in writing accordingly to the provisions of the Guam Procurement Law and Procurement Rules and Regulations pertaining to price adjustments.

F. TERMINATION.

TERMINATION FOR DEFAULT:

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

(2) **Bidder's Duties.** Notwithstanding termination of the contract and subject to any directions from GWA, the Bidder shall take timely, reasonable, and necessary action to protect and preserve property in the possession of the Bidder in which GWA has an interest.

(3) **Compensation.** Payment for completed services delivered and accepted by GWA shall be at the contract price. Payment for the protection and preservation of property shall be in an amount agreed upon by the Bidder and GWA; if the parties fail to agree, GWA shall set an amount subject to the Bidder's rights under Chapter 9 (Legal and Contractual Remedies) of the

Guam Procurement Regulations. GWA may withhold from amounts due the Bidder such sums as GWA deems to be necessary to protect GWA against loss because of outstanding liens or claims of former lien holders and to reimburse GWA for the excess costs incurred in procuring similar goods and services.

(4) **Excuse for Nonperformance or Delayed Performance.** Except with respect to defaults of sub-contractor(s) of Bidder, the Bidder shall not be in default by reason of any failure in performance of this contract in accordance with its terms (including any failure by the Bidder to make progress in the prosecution of the work hereunder which endangers such performance) if the Bidder has notified GWA within 15 days after the cause of the delay and the failure arises out of causes such as: acts of God; acts of the public enemy; acts of the government of Guam and any other governmental entity in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather. If the failure to perform or to make progress due to such causes similar to those set forth above, the Bidder shall not be deemed to be in default, unless the services to be furnished by the sub-contractor were reasonably obtainable from other sources in sufficient time to permit the Bidder to meet the contract requirements. Failure of the sub-contractor to perform for reasons other than cited above shall constitute a default of the Bidder unless cured by Bidder with a reasonable time. Upon request of the Bidder, GWA shall ascertain the facts and extent of such failure, and, if GWA determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the Bidder's progress and performance would have met the terms of the contract, the delivery schedule shall be revised accordingly, subject to the rights of GWA and the government of Guam under the laws of Guam.

(5) **Erroneous Termination for Default.** If, after notice of termination of the Bidder's right to proceed under the provisions of this clause, it is determined for any reason that the Bidder was not in default under the provisions of this clause, or that the delay was excusable under the provisions of Paragraph (4) (Excuse for Nonperformance or Delayed Performance) of this clause, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Subsection C, below.

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

TERMINATION FOR CONVENIENCE:

(1) **Termination.** GWA may, when the interest of GWA so requires, terminate this contract in whole or in part, for the convenience of GWA. GWA shall give written notice of the termination to the Bidder specifying the part of the contract terminated and when termination becomes effective.

(2) **Bidder's Obligations.** The Bidder shall incur no further obligations in connection with the terminated work and on the dated set in the notice of termination the Bidder will stop work to the extent specified. The Bidder shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The Bidder shall settle the liabilities and

claims arising out of the termination of subcontracts and orders connected with the terminated work. GWA may direct the Bidder to assign the Bidder's right, title, and interest under terminated orders or subcontracts to GWA. The Bidder must still complete the work not terminated by the notice of termination and may incur obligations as are necessary to do so.

(3) **Right to Work Product.** Upon termination of the contract for the convenience of GWA or for any other reason, Bidder shall transfer title and deliver to GWA all documents and reports, plans, drawings, information and other material produced by Bidder or any of its sub-contractors in connection with the performance of this contract. The Bidder shall protect and preserve property in its possession or in the possession of any of its sub-contractors in which GWA has an interest.

(4) **Compensation.**

(a) The Bidder shall submit a termination claim specifying the amount due because of the termination for convenience together with cost or pricing data to the extent required by 2 G.A.R. § 3118 (Cost or Pricing Data) of the Guam Procurement Regulations bearing on such claim. If the Bidder fails to file a termination claim within one year from the effective date of termination, GWA may pay the Bidder, if at all, an amount set in accordance with Subparagraph (c) of this Paragraph.

(b) GWA and the Bidder may agree to a settlement provided the Bidder has filed a termination claim supported by cost or pricing data to the extent required by 2 G.A.R. § 3118 (Cost or Pricing Data) of the Guam Procurement Regulations and that the settlement does not exceed the total contract price plus settlement costs reduced by payments previously made by GWA and the contract price of the work not terminated.

(c) Absent complete agreement under Subparagraph (2) of this Paragraph, GWA shall pay the Bidder the following amounts, provided payments agreed to under Subparagraph (2) shall not duplicate payments under this Subparagraph:

- (i) contract prices for services accepted under the contract;
- (ii) costs incurred in preparing to perform and performing the terminated portion of the work plus a fair and reasonable profit on such portion of the work (such profit shall not include anticipatory profit or consequential damages) less amounts paid or to be paid for accepted supplies or services; provided, however, that if it appears that the Bidder would have sustained a loss if the entire contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;
- (iii) costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to Subparagraph (b) of this clause;
- (iv) the reasonable settlement costs of the Bidder including accounting, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the contract for the termination and settlement of subcontracts hereunder, together with reasonable storage, transportation, and other costs incurred in connection with the protection or disposition of property allocable to the terminated portion of this contract. Attorney's fees if for any reason it files suit against the government must be paid by the Bidder. The total sum to be paid the Bidder under this Subparagraph shall

not exceed the total contract price plus the reasonable settlement costs of the Bidder reduced by the amount of payments otherwise made, the proceeds of any sales of supplies and manufacturing materials under Subparagraph (b) of this Paragraph, and the contract price of work not terminated.

(d) Cost claimed, agreed to, or established under Subparagraph (b) and (c) of this Paragraph shall be in accordance with Chapter 7 (Cost Principles) of the Guam Procurement Regulations.

G. SEVERABLE PROVISIONS.

If any provision of this agreement shall be deemed by a court of competent jurisdiction to be invalid, then such provision shall be deemed stricken from the agreement and the agreement shall be enforced according to its valid and subsisting terms and provisions.

H. GOVERNING LAW.

The validity of this agreement and any of its terms or provisions, as well as the rights and duties of the parties to this agreement, shall be governed by the laws of Guam. Moreover, any and all actions governing this agreement shall be brought in either the Guam Superior Court or the Guam District Court if applicable.

I. EFFECTIVE DATE OF AGREEMENT.

Any agreement under this Bid shall take effect upon the date said agreement is signed by the GWA General Manger (who shall sign last). Agreements under this provision includes Purchase Orders in the absence of a formal written contract.

J. GOVERNMENT NOT LIABLE.

1. GWA assumes no liability for any accident or injury that may occur to the Bidder, his or her agents, dependents, or personal property while en route to or from Guam or during any travel mandated by the terms of this agreement.

2. GWA shall not be liable to Bidder for any work performed by the Bidder prior to the written and signed approval of this Agreement by the General Manager for GWA and the Bidder hereby expressly waives any and all claims for service performed in expectation of this agreement prior to its signature of the General Manager.

K. ASSIGNMENT.

An assignment of any portion of the performance required under this Bid is not valid unless written approval is first obtained from GWA. Requests for approval of the right to assign any portion of the contract or obligation, if awarded, must be made in writing and submitted with the bid. No other requests for assignment will be accepted.

L. LIQUIDATED DAMAGES.

By submitting a bid, the Bidder agrees to commence work on the date to be specified in a written "Notice to Proceed" from GWA and to fully complete the project within the allotted time thereafter. In the event that the Bidder fails to complete the work called for in the bid, fails to provide the goods or services in the allotted time, then Bidder shall pay to GWA $\frac{1}{4}$ of 1% of the total bid price per day as liquidated damages for the non-performance as specified by the Guam Code Annotated. The liquidated damages herein are not a penalty, but rather a reasonable estimate by GWA of the loss it would suffer as a result of non-performance.

IV. ADDITIONAL SPECIAL TERMS AND CONDITIONS

This is an "Indefinite Quantity Bid" pursuant to the Guam Procurement Regulations. The quantities reflected in the bid are estimated requirements only and not guaranteed minimums. The amounts listed are GWA's best estimate of its average annual needs. Quantities may increase or decrease thru the duration of the contract and continued purchase is subject to the availability of funds. No commitment is made to vendors in terms of purchasing quantity.

- A. The purpose of this bid is to provide GWA with a sufficient quantity of 150 lb liquid chlorine cylinders and to provide GWA with a sufficient supply of liquid chlorine to allow GWA to safely operate its water system and to comply with the terms and conditions of the USEPA / GWA Stipulated Order for Preliminary Relief (as amended) entered into on June 5, 2003. In addition, these specifications have been written to describe minimum performance requirements of the items to be supplied.
- B. GWA reserves the right to conduct a reasonable test following delivery and prior to acceptance to confirm that the products (both the cylinders and the chlorine) meet the minimum specifications set forth herein or otherwise performs as required.
- C. These specifications have been written to describe the minimum requirements to be supplied by the vendor bidding. This bid is subject to Guam's Procurement Laws.

GWA hereby notifies vendors that a reasonable test may be conducted upon delivery of each shipment and prior to acceptance, which may include, but is not limited to testing the goods to be provided under this Bid for quality, manufacturing defects, other irregularities and for compliance with these specifications. GWA also reserves the right to have any goods provided hereunder tested by an independent firm to ensure quality and compliance with requirements set forth in this bid. GWA also reserves the right to have the manufacturing process inspected for all goods provided hereunder.

- D. The Guam Waterworks Authority reserves the right to accept and/or reject any and all bids, to waive any defects, irregularities, or specification discrepancies and to award the bid as deemed to be the best interest to GWA.

- E. As required under Guam law, GWA reserves the right to cancel this bid if it is in the best interest of GWA to do so.**
- F. The successful bidder shall warrant that all goods and services to be provided herein are fit for the intended purpose stated in this Bid, are manufactured in the United States and meet the standards set forth in this Bid. The bidder shall also warrant all goods provided under this Bid to have a useful product shelf life of a period of not less than one year. However, if the manufacturer of such goods provides a shelf life warranty for any period of time greater than one year for any item, that same warranty period shall be extended to GWA.**
- G. In addition, the successful bidder will handle all warranty issues arising out of this agreement and shall act as the warranty administrator for the duration of any warranty provided under this Bid. Thus, if the vendor is not the manufacturer of the products provided under this Bid, GWA will not be required by the bidder to contact any manufacturer directly unless the bidder is the manufacturer of all goods provided hereunder and the bidder shall designate a delivery point on Guam for goods to be delivered or bidder shall pay all freight and handling charges associated with the return of the goods to the manufacturer and all costs for replacement.**
- H. The successful bidder may be required to enter into a written contract on terms and conditions acceptable to GWA (also please note that a Purchase Order is a contract).**
- I. Bidders are advised that they are required to follow all laws, rules and regulations relating to the provision of goods and services. Ignorance of any law, rule or regulation by the bidder at any time during the bidding process or performance under the bid shall not relieve the vendor from the applicability thereof.**
- J. All Bidders shall maintain \$1,000,000 liability insurance policy throughout the duration of the performance of any contract entered into. Bidders shall provide a copy of the insurance policy to GWA as a condition for entering into the contract with GWA. Bidders shall also provide GWA with proof the policy has been renewed and kept in force throughout the contract term.**
- k. Prior to entering into any contract with GWA, any and all successful bidders shall provide GWA with a valid and up-to-date copy of their Guam Business License which provides proof that they are able to engage in the type of business required for this bid.**
- L. Bidders are also advised to use and fill out all forms attached to this Bid, including but not limited to the Affidavit of Non-Collusion, Certification Regarding Hiring Convicted Sex Offenders, Bid Bond, and any other form required to complete their bid.**
- M. Bidders are reminded that submission of a bid constitutes an acknowledgement that they have read and understood all bid terms and agree to be bound by such an that failure to read the bid shall not excuse performance or otherwise give rise to any claim by bidder, including mistake, neglect or for any other reason.**

V. SPECIAL PROVISIONS

1. Bid and Performance Bond Requirements:

All bidders are required to submit bid security in the amount of 15% of their total bid amount which must also indicate that the security is not only for a bid bond, but also for performance under this Bid as required by 5 G.C.A. 5312. Failure to submit a proper bid bond will cause the bid to be rejected.

As required by law, the bid security shall not be released upon award of the bid, but instead shall continue in full force and effect until after delivery of the supplies or services required by the contract awarded to the contractor under the associated Invitation for Bid is completed to secure the faithful performance under this Bid (e.g., until warranty period has ended as any warranty is a service provided in conjunction with the delivery of goods).

THE BID/PERFORMANCE GUARANTEE MAY BE IN THE FORM OF:

- a. Cashier's Check or Certified Check
- b. Letter of Credit
- c. Surety Bond – Valid only if accompanied by:
 - i. Current Certificate of Authority;
 - ii. Power of Attorney issued by the Surety to the Resident General Agent;
 - iii. Power of Attorney issued by two (2) major officers of the Surety to whoever is signing on their behalf

2. **Performance Bond:** see Section 1 above.

3. Failure To Submit Required Documentation.

Failure by Contractor to submit the required information or data will be cause to declare the bidder as non-compliant with the bid. Any declaration of non-compliance shall be at the sole discretion of the General Manager of the Guam Waterworks Authority.

4. Shipping and Cost:

Total cost must include CIF delivery to GWA's Ugum Water Treatment Facility located in Talofof, Guam. Deliveries shall be made via flatbed truck or other means acceptable to GWA. If necessary, a forklift must be provided during deliveries by the successful vendor to unload the truck and place the chemicals at places at the Ugum facility designated by GWA staff. The contractor shall contact GWA's Procurement Division at least 72 hours in advance of each delivery to determine whether or not a forklift will need to be provided

5. Delivery and Payment

- a. The vendor will be responsible for all cost and all risks associated with the provision of these goods until delivery is made and the items are formally accepted by GWA. Formal acceptance under this bid shall not be deemed to be the mere delivery of the goods. Acceptance will only occur after delivery and inspection / testing is performed by GWA. Delivery time is 30 days from the date on the Notice to Proceed. GWA reserves the right to reject non-conforming goods at any time prior to use after the goods have been delivered.
- b. All goods shall be delivered CIF to GWA's Ugum Water Treatment Facility.
- c. The initial shipment shall be delivered to GWA within thirty days after the Notice to Proceed has been provided to the vendor. A Material Safety Data Sheet (MSDS) must be provided with each delivery, regardless of amount. Aside from the initial delivery, all goods must be delivered within 5 businesses from the date the vendor is notified of the need for goods and the amount of goods required to be delivered.
- d. Vendors must maintain at least a three (3) month supply of goods they are responsible for supplying on Guam at all times. Goods shall be stored in a manner to ensure that typhoons or other natural disasters do not make them unavailable to GWA when needed since weather and natural disasters are exactly why the three (3) month supply is being required given the fact that water is a necessary element to ensuring public health.
- e. Please note that usage of the chemicals is dependent upon many factors, including time of year, weather, etc.

Payment for all goods delivered shall be net 30 following the date that an invoice for goods delivered to GWA has been provided to GWA and verified by GWA. Verification shall take no longer than 10 business days. Vendors may not bill GWA for the inventory stock required to be maintained hereunder.

6. Quality:

All items to be delivered under this bid shall be of high quality and be of U.S. manufacture and they shall at all times conform to the specifications set out under this bid.

GWA reserves the right to reject items based on failure to meet the standards set forth herein or based upon quality.

GWA reserves the right to request samples from each bidder to test independently. If bidders do not provide a sample for testing if such a request is made, the bidder may not be deemed to be a qualified bidder and as such their bid may be rejected.

7. Contract Term:

The lowest responsive and responsible bidder for the item above will enter into a contract on terms acceptable to GWA. **Form contracts from vendors shall not be used.** The contract term shall commence on the date of the vendor's acknowledged receipt of a formal Notice to Proceed from GWA. The initial term is for three (3) years for chemicals to be used by GWA to operate the Ugum Surface Water Treatment Facility in compliance with the Long Term 2 Enhanced Surface Water Treatment Rule of the Safe Drinking water Act during the operation of a membrane water treatment facility. GWA finds that a multi-year fixed price contract will ensure the best price in the long-term to hedge against fluctuating prices which tend to increase over time and to increase efficiency in operations by not having to proceed through the bid process annually. This contract may be extended out annually for a maximum period of two (2) years subject to the consent of both parties. In the third year price adjustments may be made subject to the provision of verified cost and pricing data from the vendor.

8. These specifications have been written to describe minimum performance requirements to be supplied by the manufacturers bidding.
9. The successful bidder shall furnish all necessary information and instructions for the proper operation / completion of all requirements in bid specifications.
10. GWA reserves the right to accept and/or reject any and all bids, to waive any defects, irregularities, or specification discrepancies and to award the bid in the best interest of Guam Waterworks Authority.

These specifications were approved and/or prepared by Martin L. Roush, P.E. GWA General Manager and hereby constitute the findings and determinations of the General Manager.

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NON-COLLUSION AFFIDAVIT

Guam)
)ss:
Tamuning)

I, _____ first being duly sworn, depose and say:
(Name of Declarant)

1. That I am the _____ of _____.
(Title) (Name of Company or Person Bidding/RFP)

2. That in making the foregoing proposal or bid, that such proposal or bid is genuine and not collusive or sham, that said bidder/offeror has not colluded, conspired, connived or agreed, directly or indirectly, with any bidder or person, to put in a sham or to refrain from bidding or submitting a proposal and has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person, to fix the bid price of affiant or any other bidder, or to secure any overhead, project or cost element of said bid price, or of that of any bidder, or to secure any advantage against the GUAM WATERWORKS AUTHORITY or any person interested in the proposed contract; and

3. That all statements in said proposal or bid are true.

4. This affidavit is made in compliance with 2 G.A.R. § 3126(b).

So sayeth _____
(Declarant)

Signed on this ____ day of _____ 201____, before me a Notary Public in and for Guam, personally appeared _____, known to me to be the authorized representative of _____, whose name is subscribed to the foregoing instrument and acknowledged to me that he executed the same as his free and voluntary act and deed on behalf of _____, for the uses and purposes therein set forth.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the date last above written.

) Seal (

Notary Public

CERTIFICATION OF NON-EMPLOYMENT OF CONVICTED SEXUAL OFFENDERS

Pursuant to Guam Public Law 28-24, as amended by Guam Public Law 28-98, 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 the 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 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 hours of notice from the Government, and the service provider shall notify the Government when action has been taken. If the service provider fails to take corrective steps within twenty-four hours of notice from the Government, then the Government in its sole discretion may suspend temporarily any contract for services until corrective action has been taken.

I, _____ being a duly authorized representative acknowledge the
(print name)
directive as describe above and ensure the Bid Proposal as submitted addresses the directive.

(Company Name)

(Title)

(Signature)

(Date)

MAJOR SHAREHOLDER DISCLOSURE AFFIDAVIT

TERRITORY OF GUAM }

HAGATNA, GUAM }

I, the undersigned _____, being first duly sworn, depose and says:

1. That the persons who have held more than ten percent (10%) of the company's share during the past twelve months preceding the submission of the bid are as follows (if none, so state):

<u>NAME</u>	<u>ADDRESS</u>	<u>PERCENTAGE OF SHARES HOLD</u>
_____	_____	_____
_____	_____	_____

TOTAL NUMBER OF SHARES _____

2. Persons who have received or are entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid for which this affidavit is submitted are as follows:

<u>NAME</u>	<u>ADDRESS</u>	<u>AMOUNT OF COMMISSIONS, GRATUITY OR OTHER COMPENSATION</u>
_____	_____	_____
_____	_____	_____

Further, affiant sayeth naught.

Date: _____

Signature of individual if bidder is a sole proprietorship;
partner, if the bidders is a partnership; officer, if the bidder
is a corporation (or other authorized person).

Subscribed and sworn to before me this ____ day of _____, 201__.

Notary Public
In and for the Territory of Guam
My commission expires

BID AND PERFORMANCE BOND FOR GOODS AND SERVICES
AS REQUIRED UNDER 5 G.C.A. § 5212

KNOW ALL MEN BY THESE PRESENTS, that

_____ (Name of Contractor)
as Principal, herein after called the Principal and

_____ (Name of Surety)
as duly admitted insurer under the laws of the Territory of Guam, as Surety, hereafter called the Surety, are held and firmly bound unto the Guam Waterworks Authority 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 and is anticipated to enter into a contract in the amount specified below, _____

NOW, THEREFORE, if the Guam Waterworks Authority shall accept the bid and the Principal shall not withdraw said bid within sixty (60) calendar days after the opening of bids, and shall within twenty one (21) calendar days after the prescribed forms are presented to him for signature, enter into a Contract with the Guam Waterworks Authority in accordance with the terms of such bid. This bond shall also be held by the Guam Waterworks Authority to secure the faithful performance of such Contract and for the prompt payment of labor, goods, services and materials furnished in the prosecution thereof. In the event of the failure of the Principal to enter into such Contract, or if the Principals (Contractor) fails to perform in accordance with the requirements set out under the Bid or any other written instrument requirement performance thereunder, the Surety, on behalf of the Principals shall pay to the Guam Waterworks Authority the differences not to exceed the penalty hereof between the amounts specified in said bid and such larger amount for which the Guam Waterworks Authority 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 in full force and effect.

NOW, THEREFORE, THE CONDITIONS OF THIS OBLIGATION is such that, if the contractor shall promptly and faithfully perform said Contract, and shall promptly make payment to all claimants as hereinafter defined for all labor and material used or reasonably required for use in the performance of the Contract, then this obligation shall be void; otherwise it shall remain in full force and effect, subject, however, to the following conditions:

- A. The Surety hereby waives notice of any alteration or extension of the time made by the Authority provided the same is within the scope of the Contract or any modification thereto.

B. Whenever the contractor shall be and is declared in default by the Authority to be in default under the Contract, the Authority having performed its obligations hereunder, the Surety may promptly remedy the default or shall promptly:

1. Complete the Contract in accordance with its terms and conditions; or

2. Obtain a bid or bids for completing the Contract in accordance with its terms and conditions, and upon determination by the Authority and the Surety of the lowest responsible bidder, arrange for a Contract between such bidder and the Authority, and make available as work progresses (even though there should be a default or a succession of defaults under the Contract or Contracts or completion arranged under this paragraph) sufficient funds to pay the cost of completion, less than balance of the Contract price, but not exceeding, including other costs and damages for which the Surety may be liable hereunder, the amount set forth in the first paragraph hereof. The term "balance of the Contract Price," as used in this paragraph shall mean the total amount payable by the Authority to Contractor under the Contract and any amendments thereto, less the amount properly paid by the Authority to Contractor. No right of action shall accrue on this bond to or for use of any person or corporation other than the Authority or successors of the Authority.

C. A claimant is defined as one having a direct contract with the Contractor or with a subcontractor of the Contractor for labor, material, or both, used or reasonably required for use in the performance of the Contract, labor and material being construed to include that part of water, gas, power, light, heat, oil, gasoline, telephone service or rental of equipment directly applicable to the Contract.

D. The above named Contractor and Surety hereby jointly and severally agree with the Authority that every claimant as herein defined, who has not been paid in full before the expiration of a period of ninety (90) days after the date of which the last of such claimant's work or labor was done or performed, or materials were furnished by such claimant, may sue on this bond for use of such claimant, prosecute the suit to final judgment for such sum or sums as may be justly due the claimant, and have execution thereon. The Authority shall not be liable for the payment of any costs or expenses of any such suit.

E. No suit or action shall be commenced hereunder by any claimant:

1. Unless claimant, other than one having a direct contract with the contractor, shall have given written notice to any two (2) of the following entities named below:

(a) the Contractor; (b) the Guam Waterworks Authority, or (c) the Surety above named, within ninety (90) days after such claimant did or performed the last of the work or labor, or furnished the last of the materials for which said claim is made, stating with substantial accuracy the amount claimed and the name of the party to whom the materials were furnished, or for whom the work or labor was done or performed. Such notice shall be personally served by mailing the same by registered mail or certified mail, postage prepaid,

in an envelope addressed to the Contractor at any place the principal maintains an office or conducts its business.

2. After the expiration of one (1) year following the date on which the last of the labor was performed or material was supplied by the party bringing suit.

3. Other than in a court of competent jurisdiction in and for the Territory of Guam.

F. The amount of the bond shall be reduced by and to the extent of any payment or payments made in good faith hereunder.

SIGNED AND SEALED THIS _____ day of _____, 20____, A.D.

IN THE PRESENCE OF:

(Note: If the Principals are Partners, each must execute the Bond)

(WITNESS)

(CONTRACTOR) (SEAL)

(TITLE)

(TITLE)

(MAJOR OFFICER OF SURETY)

(MAJOR OFFICER OF SURETY)

(TITLE)

(TITLE)

(RESIDENT GENERAL AGENT)

EXHIBIT C

FORMAL CONTRACT

THIS AGREEMENT AND FORMAL CONTRACT is made and entered into this 9TH day of JULY 2014 by and between the GUAM WATERWORKS AUTHORITY ("GWA"), whose business address is 578 North Marine Corps Drive, Tamuning, Guam 96913, and MARIANAS GAS COMPANY DBA ISLAND EQUIPMENT COMPANY ("Contractor"), whose mailing address is 151 West Harmon Industrial Park, Unit A, Tamuning, Guam 96913 licensed to conduct business on Guam and having Guam business license Nos. 1411177, 1411178 and 1411180.

WITNESSETH, that whereas, GWA intends to purchase filled 150 lb. and "one ton" chlorine cylinders from Island Equipment Company for the purpose of disinfecting GWA's drinking water system which is considered by the United States Environmental Protection Agency a necessary task in order for GWA to provide safe drinking water and not harm the public of Guam.

NOW THEREFORE, GWA and the Contractor for the considerations hereinafter set forth herein and in other documents associated with the performance hereunder, agree as follows:

SECTION 1. THE CONTRACTOR AGREES:

To sell to GWA subject to the terms and conditions of this Agreement and all GWA Bid No. 2013 - 07, approximately 1,260 count, 150 lb. and 12 "one ton" chlorine cylinders annually. This Agreement shall be for a period of three years beginning from the date both parties have executed this agreement. GWA reserves the right to renew this contract for two (2) additional twelve month periods on the same terms and conditions set forth herein if both parties so agree in writing. Contractor also agrees maintain at all times at least \$1,000,000.00 of general liability insurance which covers injuries resulting from the storage and handling of chlorine cylinders and the performance as described herein. Contractor agrees to maintain all time all licenses, labor, insurance, material, equipment, tools and services necessary to perform and comply with this Contract and the Contract Documents as defined in Section 3 herein. Contractor also understands that it is responsible for all taxes and fees which may be due relative to payment or performance hereunder (including but not limited to, all employee, corporate and gross receipt taxes). GWA reserves the right to amend this Agreement or request a change order, but the right is subject to the mutual agreement of both parties and all amendments or change orders shall be in writing signed by both parties.

Contractor understands that it shall have at a minimum, at least 200 filled 150 lb. and 2 "one ton" chlorine cylinder on island at all times during the contract term available for exclusive use of the Guam Waterworks Authority and it shall not permit any other person or entity to claim said cylinders for their use. Contractor further agrees to provide GWA with the cylinders which have been stored the longest first to GWA so that GWA is assured of having cylinders that are less likely to have problems due to extended storage periods.

- (a) **CONTRACT TIME:** The Contractor agrees to commence work under this contract upon written notice to proceed and to provide filled 150 lb. and one tone chlorine cylinders as specified in the Bid Documents in the time, place and manner provided in the Bid Documents (as amended). Contractor agrees by placing their signature hereto that they have been placed on notice that the provision of the goods and services hereunder is necessary to protect the public health and that time is always of the essence.
- (b) **SUB-CONTRACTORS:** The Contractor agrees to bind every sub-contractor to the terms of the Contract Documents. Contractor further agrees that no sub-contractor may be allowed to perform in any fashion whatsoever under this contract until such time as the express written approval of GWA is obtained. The Contract Documents shall not be construed as creating any contractual relation between a sub-contractor and the Guam Waterworks Authority.

SECTION 2. GWA AGREES:

To pay, and the Contractor agrees to accept in full payment the Contract amount of \$558.75 per filled 150 lb. cylinder and \$5,807.40 per filled one ton cylinder during the first year of this Contract for an estimated Seven Hundred Seventy-Eight Thousand Seven Hundred Thirteen Dollars and Eighty Cents (\$773,713.80) for the provision of an estimated 1,260 filled cylinders and 12 one ton cylinders annually. The price for Chlorine shall be established annually by mutual agreement of the remaining years under this Contract for the estimated 1,260 filled cylinders and 12 one ton cylinders annually. Since this is an indefinite quantity contract, the amounts purchased may vary and the contract amount is subject to quantities ordered by GWA. GWA agrees to pay Contractor for goods and services provided hereunder on a net 30 day basis following receipt by GWA of a monthly invoice that is confirmed and approved by GWA. The Contractor has the duty of coordinating with GWA to confirm total cylinder use during any given monthly period. GWA further agrees to pay contractor 6% interest on any and all invoices more than 60 days late. GWA will not pay for attorney fees or collection costs unless awarded by a court of competent jurisdiction.

GWA further agrees to "loan" Contractor with all cylinders it currently possesses (estimated at 100 to 150) but only for the life of the Contract or any extension thereof. Contractor will provide GWA with a written report indicating the total number of cylinders it has accepted with copies of such report being provided to GWA's General Manager, and Staff Attorney. All cylinders rejected by Contractor shall be returned to GWA at GWA's expense if they are determined by Contractor's chlorine supplier to be defective. However, proof of such defect shall be provided to GWA in writing prior to GWA making any payment for returned cylinders. At the end of the Contract term Contractor will turn over to GWA the same number of cylinders if "borrowed" from GWA with said cylinder being filled and GWA shall pay the Contract price to fill such cylinders. Cylinders returned at the end of the contract shall be in the same condition as what was originally provided to Contractor by GWA (aside from normal wear and tear) and GWA shall have the right to reject any defective cylinders and reduce the amount of the final payment due Contractor by such amount.

SECTION 3. CONTRACT DOCUMENTS:

It is hereby mutually agreed that the following list of instruments, plans, specifications and documents which are attached hereto, bound herewith or incorporated herein by reference shall constitute the Contract (also "Contract Documents"), all of which are made a part hereof and incorporated herein, and collectively evidence and constitute the Contract between the parties, hereto, and they are as fully a part of this Agreement as if they were set out verbatim and in full herein, and are designated as follows:

- a. Invitation to Bid and amendments thereto.
- b. Instructions to Bidders
- c. Bid
- d. Form of Non-Collision Affidavit
- e. Bid Bond
- f. Certification of Bidders Regarding Equal Employment Opportunity
- g. Formal Contract (which shall control in the event of conflict between this and any other contract document)
- h. Performance Bond
- i. General Terms and Conditions
- j. Bid Specifications
- k. Plans (defined as the PSM Plan, the Emergency Response Plan and the Inventory Plan)

SECTION 4. LIQUIDATED DAMAGES:

Liquidated damages shall be calculated per Section III, subsection L of the bid documents.

SECTION 5. COVENANT AGAINST CONTINGENT FEES:

The Contractor warrants that it has not employed any person to solicit or secure this contract upon any agreement for a commission, percentage, brokerage, or contingent fee. Breach of this warranty shall give GWA the right to immediately terminate the contract, or at its direction, deduct from the contract price or consideration the amount of such commission, percentage, brokerage or contingent fee. This warranty shall not apply to commissions payable by Contractors upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for the purpose of securing business.

SECTION 6. DISPUTES:

Disputes shall be resolved pursuant to Section III, subsection N of the Bid.

SECTION 7. CONTRACT BINDING:

It is agreed that this Contract and all the Covenants hereof shall inure to the benefit of and binding upon GWA and the Contractor respectively and his parties, successors, assignees and

legal representative. Neither GWA nor the Contractor shall have the right to assign, transfer or sublet his interests or obligations hereunder without written consent of the other party.

It is hereby mutually agreed by and between the parties hereto that no mechanic, contractor, subcontractor, material man or other person can or will contract for or in any other manner have or acquire any lien upon the binding or works covered by this contract, or the land upon which the same is situated.

SECTION 8. LIABILITY:

GWA, its officers, agents, employees and governing board assumes no liability for any accident or injury that may occur to the Contractor, Contractor's agents, employees, or to Contractor's property or for Contractor's intentional acts, negligence, strict liability, error or omissions of any of contractor, its employees or agents while performing under this contract (including shipping) or from the job during any travel required by the terms of this Contract and that all such liability shall be the sole liability of Contractor.

SECTION 9. NOTICES:

All notices between the parties shall be in writing and shall be deemed served when personally delivered or when deposited in the mail, registered or certified, first-class postage prepaid, addressed as follows:

To: **GUAM WATERWORKS AUTHORITY**

Martin Roush, P.E.
GWA General Manager
578 North Marine Corps Drive
Tamuning, Guam 96913

To: **CONTRACTOR**

Mathews Pothen
President
Island Equipment Company
151 W. Harmon Industrial Park, Unit A
Tamuning, Guam 96913

SECTION 10. TERMINATION:

Termination of this Contract shall be pursuant to Section III, subsection F of the bid documents.

SECTION 11. SEVERABLE PROVISIONS:

If any provision of this agreement shall be deemed by a court of competent jurisdiction to be invalid, then such provision shall be deemed stricken from the agreement and the agreement

shall be enforced according to its valid and subsisting terms and provisions. The terms of this Contract shall control in the event of any conflict between this Contract and any other document incorporated or referenced herein.

SECTION 12. GOVERNING LAW AND VENUE:

The validity of this agreement and any of its terms or provisions, as well as the rights and duties of the parties to this agreement, shall be governed by the laws of Guam. Moreover, any and all actions governing this agreement shall be brought in the Superior Court of Guam or the Guam District Court if applicable.

SECTION 13. OWNERSHIP OF DOCUMENTS:

All briefs, memoranda and other incidental work or materials, aside from materials such as cylinders owned by Contractor, furnished by Contractor hereunder shall be and remain the property of GWA, including all publication rights and copyright interests, and may be used by GWA without any additional cost to GWA.

SECTION 14. INDEMNITY:

Contractor agrees to save and hold harmless GWA, its board members, officers, agents, representatives, successors and assigns and other governmental agencies from any and all suits or actions of every nature and kind, which may be brought for or on account of any injury, death, or damage arising or growing out of the acts or omissions of the Contractor, Contractor's officers, agents (including subcontractors), servants or employees under this Agreement.

SECTION 15. GENERAL COMPLIANCE WITH LAWS:

The Contractor agrees to comply with all federal and territorial laws, rules, regulations and ordinances applicable to the work being performed hereunder. Contractor further understands that chlorine is an ultra-hazardous substance and understands that it must comply with all permit requirements for the shipping, handling and storage of such substances and assumes all risk and liability for doing so. The Contractor further agrees to maintain all appropriate business licenses and permits during the entire term of this Contract and any extension thereof.

SECTION 16. ACCESS TO RECORDS AND OTHER REVIEW:

The Contractor, including his subcontractors, if any, shall maintain copies of all books, documents, papers, accounting records and other evidence pertaining to costs incurred relating to this Agreement and to make such materials available at their respective offices at all reasonable times during the contract period and for three (3) years from the date of the final payment under the contract, for inspection by the Guam Waterworks Authority. All originals of any documents related to this Contract shall be provided to GWA as soon as possible, but not later than one day prior to the conclusion of this Agreement. Each subcontract by Contractor pursuant to this agreement shall include a provision containing the conditions of this Section.

SECTION 17. SUBCONTRACTING:

GWA reserves the right to approve all subcontractors with whom Contractor intends to employ regarding this project in advance of any work being performed by any subcontractor in the furtherance of this project. In any agreement between the Contractor and any subcontractor regarding work performed for this project, the subcontractor must agree and be bound by all terms and conditions of this Contract, including those documents referenced and incorporated herein.

SECTION 18. TOTAL AGREEMENT BETWEEN THE PARTIES:

This contract constitutes the total agreement between the parties hereto and this agreement may not be altered or amended except via a written instrument signed by both parties to this Contract. No oral representation or modification of this Contract or any performance thereunder will be accepted.

IN WITNESS WHEREOF the parties hereto have executed this contract as of the day and year the GWA General Manager has affixed his signature below.

GUAM WATERWORKS AUTHORITY:

CONTRACTOR:

Martin Roush
For Martin Roush, P.E.
General Manager, GWA

Mathews Pothen
Mathews Pothen
President, Island Equipment Co.

Date: 7/28/14

Date: 7/9/2014

Certified Funds Available:

5310-61802-430 - 7303000.00
5311-61803-4300-30000.00

Approved as to Legality:

[Signature]
Certifying Officer
Guam Waterworks Authority

Samuel J. Taylor
Samuel J. Taylor
Staff Attorney, GWA

Date: 7-14-14

Date: 7/27/14

Guam Business License or Certificate of Authorization Nos.: 1411177, 1411178 and 1411180.

Contract No.: _____

Contract Amount: \$773,713.80 (estimated annual value)

Vendor No: _____

CORPORATE CERTIFICATION AS TO AUTHORIZATION TO BIND

I, **Mathews Pothen**, certify that I am the Secretary of the corporation named as Contractor herein; and I further certify that **Mathews Pothen** who signed this contract on behalf of the Contractor, was then **President and Acting Secretary** of said corporation by authority of said corporation of its governing body, and is within the scope of its corporate powers to bind said corporation to the terms and conditions of this Contract.



Marie Taitano Camacho

NOTARY PUBLIC

MARIE TAITANO CAMACHO
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: March 01, 2015
My Commission Number: NP011-0012P
P.O. Box 3745 Hagatna, GU 96932

***** END OF CONTRACT *****

Received By:

RINO C. MEJIA
1 GRAND EQUIPMENT CO.
AUGUST 7, 2014
2:48 P.M.

EXHIBIT D



GUAM WATERWORKS AUTHORITY
"Better Water, Better Lives."

Gloria B. Nelson Public Service Building | 688 Route 15 | Mangilao, Guam 96913
Tel: (671) 300-6846

Issues for Decision

Resolution No. - FY2017

Relative to 150 LBS. and 1 Ton Liquid Chlorine Cylinders for the Guam Waterworks Authority Deep Well facilities Island-Wide

What is the project's objective and is it necessary and urgent?

Liquid Chlorine is for the treatment of drinking water to disinfect impurities and is a requirement by the safe Drinking Water Act and required by local and federal laws.

Where is the location?

Various locations Island-wide

How much will it cost?

3 Year contract cost for the following:

150lbs. Chlorine Cylinder \$558.75 each

1 Ton Chlorine Cylinder \$5,807.40 each

Bid Specified amount estimated for 150lbs. is 1,260 cylinders Annually

Bid Specified amount estimated for 1 Ton is 12 cylinders Annually

Total expenditure for the 3-year contract term is \$2,258,853

Term for 1 year for renewal with a 5% price increase:

150lbs. Chlorine Cylinder \$586.68 each

1 Ton Chlorine Cylinder \$6,097.78 each

Estimated Cost for 150lbs. Chlorine Cylinder \$586.68/\$739,216.80 Annually

Estimated Cost for 1 Ton. Chlorine Cylinder \$6,097.78/\$73,173.36 Annually

Total Cost \$812,390.16 Estimated Annually

When will it be completed?

After the 1 year term.

What is the funding source?

O & M

The RFP/BID responses (if applicable):

Reference Bid No. GWA 2013-07

EXHIBIT E

Guam Waterworks Authority

Summary of Chlorine Expenditures (Island Equipment) on IFB 2013-07

Contract Period: July 28, 2014 - July 27, 2017

Report Period: July 28, 2014 - July 20, 2017

FY	Dates	Amount Expended
2014	07/28/14 - 9/30/14	\$ 107,280.00
2015	10/01/14 - 09/30/15	797,538.15
2016	10/01/15 - 09/30/16	782,451.90
2017	10/01/16 - 09/30/17	773,713.80
		<hr/>
		\$ 2,460,984

EXHIBIT F

RENEWAL AGREEMENT

THIS RENEWAL AGREEMENT is made and entered into between the **GUAM WATERWORKS AUTHORITY** ("GWA"), whose business address is Gloria B. Nelson Public Service Building 688 Route 15, Mangilao, Guam 96913, and **Marianas Gas Company DBA Island Equipment Company** ("Contractor"), whose business address is 151 West Harmon Industrial Park, Unit A, Tamuning, Guam 96913 licensed to conduct business on Guam and having Guam business license nos. 1411177, 1411178 and 1411180.

The parties entered into a Formal Contract on July 28, 2014 for the purchase of liquid chlorine pursuant to a formal GWA procurement. The initial term of the Contract was three years with two annual extensions available upon mutual agreement. The parties have stipulated to combining the extensions into a single renewal that retains all original terms except those specifically set forth herein.

NOW THEREFORE, GWA and the Contractor for the considerations hereinafter set forth herein and in other documents associated with the performance hereunder, agree as follows:

SECTION 1. ORIGINAL TERMS TO REMAIN IN EFFECT:

All terms and conditions in the original Formal Contract ("Contract") dated July 28 2014, are to remain in effect aside from the modifications set forth below in Section 2.

SECTION 2. AMENDMENTS TO ORIGINAL FORMAL CONTRACT:

The parties agree to extend the term of the Contract for two years, and as such this Renewal Agreement shall expire by its own terms two years from the date the GWA General Manager affixes his signature on this document.

The price for the liquid chlorine delivered during the entire year term of this Renewal Agreement is as follows:

\$586.68 per filled 150-lb cylinder

\$6,097.78 per filled one-ton cylinder

The annual purchases projected pursuant to this Renewal Agreement is \$837,000.00.

The Contractor understands that as a precondition to the additional extension of this Contract it shall:

1. Provide sufficient proof acceptable to GWA that the Contractor possesses a license required by law to engage in the type of business contemplated under the Original Contract this First Amended Contract.

2. Provide sufficient proof acceptable to GWA that Contractor possesses insurance in the types and amounts required.
3. Provide sufficient proof acceptable to GWA that all bonding required under this Contract is in place.

Contractor further understands and agrees that items 1 through 3 above shall remain in place throughout the entire term of this Renewal Agreement.

This Renewal Agreement shall take effect upon the date it is signed by both the GWA General Manager and the Contractor and the date of this agreement shall be the date upon which the General Manager affixes his signature.

The Guam Waterworks Authority:

By: _____
 Marianas Gas Corporation
 Authorized Representative

By: _____
 Miguel C. Bordallo, P.E.
 General Manager

Date: _____

Date: _____

Certified Funds Available:

Approved as to Form

By: _____
 Certifying Officer
 Guam Waterworks Authority

By: _____
 Kelly Clark
 GWA General Counsel

Date: _____

Date: _____

Contract Amount: _____

Certifying Officer: _____

Amount Certified: _____

Date: _____

Source of funding: _____

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/

**CORPORATE OR PARTNERSHIP CERTIFICATION
AS TO AUTHORIZATION TO BIND**

I, _____ certify that I am the
Secretary of the corporation or managing partner named as Contractor herein; that _____
who signed this contract on behalf of the Contractor, was then
_____ of said corporation/partnership by authority of said
corporation of its governing body, and is within the scope of its corporate/partnership powers to
bind said corporation/partnership to the terms and conditions of this Contract.

Signed: _____

Date: _____

(CORPORATE/PARTNERSHIP SEAL)

***** END OF CONTRACT *****

EXHIBIT G



**Marianas Gas Corporation dba:
Island Equipment Company®**

Corporate Office and Harmon Store:
181 West Harmon Industrial Park Road, Unit A, Tamuning Guam 96913
Tel. Nos. : (671) 646-8261/8268; Fax No. : (671) 646-8288; Web Site: www.iecoguam.com

Manufacturing Plant & Agat Store
Route 2A, Agat, Guam 96915
Tel. Nos. : (671) 868-4674/2488; Fax No. : (671) 868-4971

July 19, 2017

Mr. Vince Guerrero, CPM
Supply Management Administrator
Guam Waterworks Authority
Gloria B. Nelson Public Service Building
688 Route 15, Mangilao, GU 96913

Reference: GWA IFB 2013-07

Hafa Adai, Mr. Guerrero:

Pursuant to our previous letter dated July 3, 2017, Marianas Gas Corporation DBA Island Equipment Company agrees to exercise Year Option 1 and 2 of the Agreement and Contract with Guam Waterworks Authority based on the last 3 years contract at a new selling price of \$ 586.68 per filled 150-lb cylinder and \$ 6,097.78 per filled one ton cylinder.

We hope for your kind consideration on this request.

Thank you very much.

Sincerely,


Bing Mejia
Sales & Marketing Manager

Cc: Selina Ashland, General Manager