



**CONSOLIDATED COMMISSION ON UTILITIES**

Guam Power Authority | Guam Waterworks Authority

P.O. Box 2977 ~~Hagatna~~, Guam 96932 | (671) 648-3002 | guamccu.org

**RESOLUTION NO. FY2023-11**

**AUTHORIZING THE MANAGEMENT OF GUAM POWER AUTHORITY TO  
PROCURE PROPERTY INSURANCE FOR FY'2024 TO FY'2026**

**WHEREAS**, the Consolidated Commission on Utilities (CCU) has determined that it is a prudent and reasonable business practice to maintain insurance coverage on Guam Power Authority's (GPAs) assets to the extent practical; and

**WHEREAS**, the Guam Power Authority's Bond Indenture agreement requires GPA to "secure and maintain property insurance on all facilities constituting the system against risks of loss or damage to the extent that such insurance is obtainable at reasonable cost"; and

**WHEREAS**, the indenture further requires GPA to carry insurance "of a scope and nature as that usually carried in the industry"; and

**WHEREAS**, the contract review protocol established by the Public Utilities Commission (PUC) requires that all contracts in excess of \$1.5 million be authorized by the PUC in advance of the procurement; and

**WHEREAS**, the current property insurance cost for FY'2023 is \$6.67 million and this procurement will exceed the PUC contract review threshold; and

**WHEREAS**, GPA's existing Property Insurance policy including Boiler and Machinery coverage and Terrorism coverage will expire on November 1, 2023; and

**WHEREAS**, GPA desires to issue its insurance Multi-step bid as soon as possible in order to allow sufficient time for insurance vendors to prepare their bid; and

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2       **WHEREAS**, the term of the insurance bid being requested will be for a three (3) year period  
3 (FY'2024 thru FY'2026) with options for two (2) additional one (1) year extensions.  
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5       **NOW, THEREFORE, BE IT RESOLVED, BY THE CONSOLIDATED**  
6 **COMMISSION ON UTILITIES (CCU), SUBJECT TO THE REVIEW AND APPROVAL**  
7 **OF THE PUBLIC UTILITIES COMMISSION (PUC), AS FOLLOWS:**  
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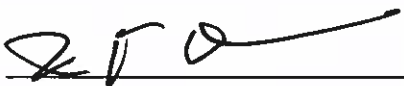
- 9       1. The GPA General Manager is authorized to submit the draft multi-step bid for property  
10 insurance coverage to include boiler and machinery coverage and terrorism for a three  
11 (3) year period (FY'2024 thru FY'2026) with options for two (2) additional one (1) year  
12 extensions coverage to the Public Utilities Commission for their approval in accordance  
13 with the contract review protocol.  
14
- 15       2. The GPA General Manager is authorized to make minor modifications to the bid  
16 documents in order to finalize the document for procurement, however, any material  
17 modification to the bid documents will require additional approval from the CCU.  
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- 19       3. Final approval from the Consolidated Commission on Utilities and the Public Utilities  
20 Commission is required before a property insurance contract is authorized.  
21

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

25       **DULY AND REGULARLY ADOPTED AND APPROVED THIS 24<sup>TH</sup> DAY OF**  
26 **JANUARY 2023.**  
27

28 Certified by:

Attested by:

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31 

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31 

32 **JOSEPH T. DUENAS**

32 **PEDRO ROY MARTINEZ**

33 Chairperson

Secretary

34 Consolidated Commission on Utilities

Consolidated Commission on Utilities

1 I, Pedro Roy Martinez, Board Secretary of the Consolidated Commission on Utilities  
2 (CCU), as evidenced by my signature above, do hereby certify as follows:

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

8  
9 Ayes: 4  
10 Nays: \_\_\_\_\_  
11 Abstain: \_\_\_\_\_  
12 ~~Absent:~~ 1  
13 *Excused*

