



CONSOLIDATED COMMISSION ON UTILITIES

Guam Power Authority | Guam Waterworks Authority

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

GPA RESOLUTION NO. FY2024-02

TO AUTHORIZE THE MANAGEMENT OF GUAM POWER AUTHORITY TO AWARD THE CASUALTY INSURANCE

WHEREAS, the Consolidated Commission on Utilities has determined that it is prudent and reasonable business practice to maintain coverage on Guam Power Authority’s 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 caused by or resulting from fire and from action of the elements (including loss from typhoons, earthquakes, floods and tidal waves), to the extent that such insurance is obtainable at reasonable cost”; and

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

WHEREAS, GPA’s current casualty line of insurance policies were awarded in 2018 with a term of three (3) year period with two (2) options to renew for an additional one (1) year period and are set to expire on October 31, 2023; and

WHEREAS, for administrative ease, GPA combined the automobile liability insurance, general liability insurance, crime insurance, excess liability, excess workers’ compensation, directors’ and officers’ liability insurance, and professional liability insurance as a single casualty insurance bid and solicited these requirements under multi step bid MS GPA-062-23, for a three-year (3) term with two (2) one-year options; and

1 **WHEREAS**, one vendor submitted a proposal, which is GPA's incumbent provider; and

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4 **WHEREAS**, the initial premiums came at higher than prior premium by 18%, MS GPA-
5 062-23 was cancelled and sole source was done to negotiate a reduced premium; and

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

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11 **WHEREAS**, the insurance broking team has configured, with the goal in mind of
12 improving to the greatest extent possible the terms and conditions of GPA's series of casualty
13 insurance policies; and

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15 **WHEREAS**, GPA recommends to award the new casualty line of insurance policies to
16 AM Insurance, a local insurance brokerage firm, and its affiliate for the period from November
17 1, 2023 to November 1, 2024, and two one-year options and the broker and the underwriters are
18 prepared to offer the following:

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20 1. The annual premium of \$688,323.

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<u>Line of Insurance</u>	<u>Premium</u>
GL	\$ 81,275
Auto	88,124
Professional	145,350
Excess	204,804
Workmen's	15,236
Blanket Crime	49,034
D&O	<u>104,500</u>
	\$ 688,323

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30 **WHEREAS**, GPA now brings these matters before the Consolidated Commission on
31 Utilities.
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1 **NOW, THEREFORE BE IT RESOLVED**, by the Consolidated Commission on
2 Utilities, as the governing body of the Guam Power Authority, subject to the approval of the
3 Guam Public Utilities Commission, as follows:

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- 5 1. The GPA General Manager is authorized to enter into a contract with AM Insurance
6 and its affiliates.
 - 7 2. The GPA General Manager is authorized to accept the terms of the casualty line of
8 insurance policies offered by AM Insurance and its affiliates for a combined annual
9 premium of Six Hundred Eighty-Eight Thousand Three Hundred Twenty-Three
10 Dollars (\$688,323).
 - 11 3. The one-year contract with two one-year options is estimated at Two Million Sixty-
12 Four Thousand Nine Hundred Sixty-Eight Dollars (\$2,064,968).

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14 **RESOLVED**, that the Chairman of the Commission certifies and the Secretary of the
15 Commission attests to the adoption of this Resolution.

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17 **DULY AND REGULARLY ADOPTED**, this day of 24th of October, 2023.

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19 Certified by:

 Attested by:

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22 **JOSEPH T. DUENAS**
23 Chairperson

PEDRO ROY MARTINEZ
 Secretary

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SECRETARY'S CERTIFICATE

I, **Pedro Roy Martinez**, Secretary of the Consolidated Commission on Utilities (CCU) 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>
ABSTAIN:	<u>0</u>
ABSENT:	<u>0</u>



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