



GENERAL SERVICES AGENCY

(Ahensian Setbision Hinirat)

Government of Guam

148 Route 1 Marine Drive, Piti Guam 96915

Tel: 475-1713 * Telefax: 472-4217; 475-1716; 475-1727

Accountability * Impartiality * Competence * Openness * Value

INVITATION FOR BID NO. : GSA/PAG-006-12

DESCRIPTION:

FY2013 INSURANCE COVERAGE FOR PORT AUTHORITY OF GUAM

SPECIAL REMINDER TO PROSPECTIVE BIDDERS

Bidders are reminded to read the Sealed Bid Solicitation and Instructions, and General Terms and conditions attached to the IFB to ascertain that all of the following requirements checked below are submitted in the bid enveloped, in duplicate, at the date and time for bid opening.

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

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

On this _____ day of _____, 2012, I, _____,

authorized representative of _____ acknowledge receipt of this special reminder to prospective bidders with the above referenced IFB.

Bidder Representative's Signature

Invitation for Bid: GSA/PAG-006-12

**FY2013 INSURANCE COVERAGE
FOR THE PORT AUTHORITY OF GUAM**

ACKNOWLEDGEMENT RECEIPT FORM

Please be advised that to be considered a prospective bidder you must fill out this Acknowledgement receipt form. Please submit via email or fax form to marie.villanueva@gsa.guam.gov. or fax to 472-4217 / 475-1727

Name _____

Signature _____

Date _____

Time _____

Contact Number _____

Fax Number _____

Contact Person regarding IFB _____

Title _____

E-Mail Address _____

Company/Firm _____

Address _____

Note: GSA shall will not be liable for failure to provide notice to any party who did not register contact information.

INVITATION FOR BID

ISSUING OFFICE:

GENERAL SERVICES AGENCY
GOVERNMENT OF GUAM
148 ROUTE 1, MARINE DRIVE
PITI, GUAM 96915

1
Cl H. Km 8/24/12

CLAUDIA S. ACFALLE
Chief Procurement Officer

DATE ISSUED: AUGUST 28, 2012

BID INVITATION NO: GSA/PAG-006-12

BID FOR: **FY2013 INSURANCE COVERAGE FOR PORT AUTHORITY OF GUAM**

SPECIFICATION: See Attached

DESTINATION: PORT AUTHORITY OF GUAM

REQUIRED DELIVERY DATE: **To be effectuated on October 1, 2012 For a period of three (3) years with an option to renew for two (2) additional years upon availability of funds.**

INSTRUCTION TO BIDDERS:

INDICATE WHETHER: INDIVIDUAL PARTNERSHIP CORPORATION

INCORPORATED IN: _____

This bid shall be submitted in duplicate and sealed to the issuing office above no later than (Time) **2:00PM** Date: 9/12/12 and shall be publicly opened. Bid submitted after the time and date specified above shall be rejected. See attached General Terms and Conditions, and Sealed Bid Solicitation for details.

The undersigned offers and agrees to furnish within the time specified, the articles and services at the price stated opposite the respective items listed on the schedule provided, unless otherwise specified by the bidder. In consideration to the expense of the Government in opening, tabulating, and evaluating this and other bids, and other considerations, the undersigned agrees that this bid remain firm and irrevocable within **60** calendar days from the date opening to supply any or all the items which prices are quoted.

NAME AND ADDRESS OF BIDDER:

SIGNATURE AND TITLE OF PERSON
AUTHORIZED TO SIGN THIS BID:

AWARD: CONTRACT NO.: _____ AMOUNT: _____ DATE: _____

ITEM NO(S). AWARDED: _____

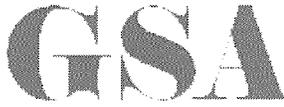
CONTRACTING OFFICER:

CLAUDIA S. ACFALLE
Chief Procurement Officer

NAME AND ADDRESS OF CONTRACTOR:

SIGNATURE AND TITLE OF PERSON
AUTHORIZED TO SIGN THIS CONTRACT:

Eddie Baza Calvo
Governor



GENERAL SERVICES AGENCY
Government of Guam
148 Route 1 Marine Drive Corp
Piti, Guam 96915

Ray Tenorio
Lt. Governor

Benita Manglona
Director, Dept. of Admin.

Anthony C. Blaz
Deputy Director

Special Provisions

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

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

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

Subscribed and sworn before me this _____ day of _____, 2012

Notary Public

Eddie Baza Calvo
Governor



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Government of Guam
148 Route 1 Marine Drive Corp
Piti, Guam 96915

Ray Tenorio
Lt. Governor

Benita Manglona
Director, Dept. of Admin.

Anthony C. Blaz
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FORM E
DECLARATION RE COMPLIANCE WITH U.S. D.O.L. WAGE DETERMINATION

Procurement No: **GSA/PAG-006-12**
FY2013 INSURANCE COVERAGE FOR THE PORT AUTHORITY OF GUAM

Name of Offeror Company: _____ hereby certifies under penalty of perjury:

- (1) That I am _____ (the offeror, a partner of the offeror, an officer of the offeror) making the bid or proposal in the foregoing identified procurement;
- (2) That I have read and understand the provisions of 5 GCA § 5801 and § 5802 which read:

§ 5801. Wage Determination Established.

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

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

§ 5802. Benefits.

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

- (3) That the offeror is in full compliance with 5 GCA § 5801 and § 5802, as may be applicable to the procurement referenced herein;
- (4) That I have attached the most recent wage determination applicable to Guam issued by the U.S. Department of Labor. (INSTRUCTIONS – Please attach!)

Signature Date

WD 05-2147 (Rev.-14) was first posted on www.wdol.gov on 06/19/2012

REGISTER OF WAGE DETERMINATIONS UNDER		U.S. DEPARTMENT OF LABOR
THE SERVICE CONTRACT ACT		EMPLOYMENT STANDARDS ADMINISTRATION
By direction of the Secretary of Labor		WAGE AND HOUR DIVISION
		WASHINGTON D.C. 20210

Diane C. Koplewski	Division of		Wage Determination No.: 2005-2147
Director	Wage Determinations		Revision No.: 14
			Date Of Revision: 06/13/2012

States: Guam, Northern Marianas, Wake Island

Area: Guam Statewide
Northern Marianas Statewide
Wake Island Statewide

Fringe Benefits Required Follow the Occupational Listing

OCCUPATION CODE - TITLE	FOOTNOTE	RATE
01000 - Administrative Support And Clerical Occupations		
01011 - Accounting Clerk I		12.50
01012 - Accounting Clerk II		13.53
01013 - Accounting Clerk III		15.59
01020 - Administrative Assistant		17.67
01040 - Court Reporter		15.38
01051 - Data Entry Operator I		10.48
01052 - Data Entry Operator II		11.99
01060 - Dispatcher, Motor Vehicle		13.06
01070 - Document Preparation Clerk		12.25
01090 - Duplicating Machine Operator		12.25
01111 - General Clerk I		10.29
01112 - General Clerk II		11.28
01113 - General Clerk III		12.32
01120 - Housing Referral Assistant		17.15
01141 - Messenger Courier		10.12
01191 - Order Clerk I		11.23
01192 - Order Clerk II		12.25
01261 - Personnel Assistant (Employment) I		14.33
01262 - Personnel Assistant (Employment) II		14.90
01263 - Personnel Assistant (Employment) III		16.48
01270 - Production Control Clerk		18.34
01280 - Receptionist		9.67
01290 - Rental Clerk		11.10
01300 - Scheduler, Maintenance		13.75
01311 - Secretary I		13.75
01312 - Secretary II		15.38
01313 - Secretary III		17.15
01320 - Service Order Dispatcher		11.57
01410 - Supply Technician		17.67
01420 - Survey Worker		15.26
01531 - Travel Clerk I		11.61
01532 - Travel Clerk II		12.57
01533 - Travel Clerk III		13.44
01611 - Word Processor I		12.25
01612 - Word Processor II		13.75
01613 - Word Processor III		15.38
05000 - Automotive Service Occupations		
05005 - Automobile Body Repairer, Fiberglass		13.34
05010 - Automotive Electrician		13.06
05040 - Automotive Glass Installer		12.10
05070 - Automotive Worker		12.10
05110 - Mobile Equipment Servicer		8.59
05130 - Motor Equipment Metal Mechanic		13.06
05160 - Motor Equipment Metal Worker		12.10
05190 - Motor Vehicle Mechanic		13.06
05220 - Motor Vehicle Mechanic Helper		10.12
05250 - Motor Vehicle Upholstery Worker		12.10
05280 - Motor Vehicle Wrecker		12.10
05310 - Painter, Automotive		12.37
05340 - Radiator Repair Specialist		12.10

05370 - Tire Repairer	7.81
05400 - Transmission Repair Specialist	12.10
07000 - Food Preparation And Service Occupations	
07010 - Baker	10.47
07041 - Cook I	9.54
07042 - Cook II	11.78
07070 - Dishwasher	7.25
07130 - Food Service Worker	7.78
07210 - Meat Cutter	11.86
07260 - Waiter/Waitress	7.59
09000 - Furniture Maintenance And Repair Occupations	
09010 - Electrostatic Spray Painter	14.38
09040 - Furniture Handler	8.85
09080 - Furniture Refinisher	14.38
09090 - Furniture Refinisher Helper	10.66
09110 - Furniture Repairer, Minor	12.51
09130 - Upholsterer	14.38
11000 - General Services And Support Occupations	
11030 - Cleaner, Vehicles	8.23
11060 - Elevator Operator	8.23
11090 - Gardener	10.99
11122 - Housekeeping Aide	8.33
11150 - Janitor	8.23
11210 - Laborer, Grounds Maintenance	9.14
11240 - Maid or Houseman	7.25
11260 - Pruner	8.23
11270 - Tractor Operator	10.33
11330 - Trail Maintenance Worker	9.14
11360 - Window Cleaner	9.14
12000 - Health Occupations	
12010 - Ambulance Driver	15.81
12011 - Breath Alcohol Technician	15.81
12012 - Certified Occupational Therapist Assistant	21.70
12015 - Certified Physical Therapist Assistant	21.70
12020 - Dental Assistant	13.20
12025 - Dental Hygienist	29.85
12030 - EKG Technician	23.96
12035 - Electroneurodiagnostic Technologist	23.96
12040 - Emergency Medical Technician	15.81
12071 - Licensed Practical Nurse I	14.14
12072 - Licensed Practical Nurse II	15.81
12073 - Licensed Practical Nurse III	17.63
12100 - Medical Assistant	11.54
12130 - Medical Laboratory Technician	14.14
12160 - Medical Record Clerk	11.82
12190 - Medical Record Technician	13.59
12195 - Medical Transcriptionist	14.14
12210 - Nuclear Medicine Technologist	34.75
12221 - Nursing Assistant I	10.03
12222 - Nursing Assistant II	11.30
12223 - Nursing Assistant III	12.31
12224 - Nursing Assistant IV	13.84
12235 - Optical Dispenser	15.81
12236 - Optical Technician	14.14
12250 - Pharmacy Technician	13.41
12280 - Phlebotomist	13.84
12305 - Radiologic Technologist	22.64
12311 - Registered Nurse I	20.70
12312 - Registered Nurse II	25.32
12313 - Registered Nurse II, Specialist	25.32
12314 - Registered Nurse III	30.64
12315 - Registered Nurse III, Anesthetist	30.64
12316 - Registered Nurse IV	36.72
12317 - Scheduler (Drug and Alcohol Testing)	19.59
13000 - Information And Arts Occupations	
13011 - Exhibits Specialist I	15.06
13012 - Exhibits Specialist II	18.66
13013 - Exhibits Specialist III	22.83
13041 - Illustrator I	15.06
13042 - Illustrator II	18.66
13043 - Illustrator III	22.83

13047 - Librarian	20.66
13050 - Library Aide/Clerk	12.00
13054 - Library Information Technology Systems Administrator	18.66
13058 - Library Technician	15.06
13061 - Media Specialist I	13.46
13062 - Media Specialist II	15.06
13063 - Media Specialist III	16.80
13071 - Photographer I	12.82
13072 - Photographer II	14.32
13073 - Photographer III	17.75
13074 - Photographer IV	21.73
13075 - Photographer V	26.30
13110 - Video Teleconference Technician	12.91
14000 - Information Technology Occupations	
14041 - Computer Operator I	13.65
14042 - Computer Operator II	15.76
14043 - Computer Operator III	17.56
14044 - Computer Operator IV	19.50
14045 - Computer Operator V	21.81
14071 - Computer Programmer I (see 1)	15.73
14072 - Computer Programmer II (see 1)	19.50
14073 - Computer Programmer III (see 1)	23.84
14074 - Computer Programmer IV (see 1)	
14101 - Computer Systems Analyst I (see 1)	24.23
14102 - Computer Systems Analyst II (see 1)	
14103 - Computer Systems Analyst III (see 1)	
14150 - Peripheral Equipment Operator	13.65
14160 - Personal Computer Support Technician	19.50
15000 - Instructional Occupations	
15010 - Aircrew Training Devices Instructor (Non-Rated)	24.23
15020 - Aircrew Training Devices Instructor (Rated)	29.32
15030 - Air Crew Training Devices Instructor (Pilot)	33.30
15050 - Computer Based Training Specialist / Instructor	24.23
15060 - Educational Technologist	22.82
15070 - Flight Instructor (Pilot)	33.30
15080 - Graphic Artist	20.47
15090 - Technical Instructor	17.65
15095 - Technical Instructor/Course Developer	21.58
15110 - Test Proctor	13.87
15120 - Tutor	13.87
16000 - Laundry, Dry-Cleaning, Pressing And Related Occupations	
16010 - Assembler	8.08
16030 - Counter Attendant	8.08
16040 - Dry Cleaner	9.34
16070 - Finisher, Flatwork, Machine	8.08
16090 - Presser, Hand	8.08
16110 - Presser, Machine, Dry-cleaning	8.08
16130 - Presser, Machine, Shirts	8.08
16160 - Presser, Machine, Wearing Apparel, Laundry	8.08
16190 - Sewing Machine Operator	9.86
16220 - Tailor	10.33
16250 - Washer, Machine	8.46
19000 - Machine Tool Operation And Repair Occupations	
19010 - Machine-Tool Operator (Tool Room)	14.49
19040 - Tool And Die Maker	18.20
21000 - Materials Handling And Packing Occupations	
21020 - Forklift Operator	12.49
21030 - Material Coordinator	18.34
21040 - Material Expediter	18.34
21050 - Material Handling Laborer	10.65
21071 - Order Filler	9.66
21080 - Production Line Worker (Food Processing)	12.49
21110 - Shipping Packer	13.33
21130 - Shipping/Receiving Clerk	13.33
21140 - Store Worker I	13.23
21150 - Stock Clerk	18.58
21210 - Tools And Parts Attendant	12.49
21410 - Warehouse Specialist	12.49
23000 - Mechanics And Maintenance And Repair Occupations	
23010 - Aerospace Structural Welder	20.69
23021 - Aircraft Mechanic I	19.70

23022 - Aircraft Mechanic II	20.69
23023 - Aircraft Mechanic III	21.74
23040 - Aircraft Mechanic Helper	13.70
23050 - Aircraft, Painter	18.50
23060 - Aircraft Servicer	16.09
23080 - Aircraft Worker	17.38
23110 - Appliance Mechanic	14.49
23120 - Bicycle Repairer	9.74
23125 - Cable Splicer	15.43
23130 - Carpenter, Maintenance	13.00
23140 - Carpet Layer	13.55
23160 - Electrician, Maintenance	14.99
23181 - Electronics Technician Maintenance I	14.72
23182 - Electronics Technician Maintenance II	15.05
23183 - Electronics Technician Maintenance III	18.31
23260 - Fabric Worker	12.60
23290 - Fire Alarm System Mechanic	15.43
23310 - Fire Extinguisher Repairer	11.67
23311 - Fuel Distribution System Mechanic	15.43
23312 - Fuel Distribution System Operator	13.01
23370 - General Maintenance Worker	11.95
23380 - Ground Support Equipment Mechanic	19.70
23381 - Ground Support Equipment Servicer	16.09
23382 - Ground Support Equipment Worker	17.38
23391 - Gunsmith I	11.67
23392 - Gunsmith II	13.55
23393 - Gunsmith III	15.43
23410 - Heating, Ventilation And Air Conditioning Mechanic	15.76
23411 - Heating, Ventilation And Air Conditioning Mechanic (Research Facility)	16.55
23430 - Heavy Equipment Mechanic	15.15
23440 - Heavy Equipment Operator	13.73
23460 - Instrument Mechanic	15.43
23465 - Laboratory/Shelter Mechanic	14.49
23470 - Laborer	10.65
23510 - Locksmith	14.49
23530 - Machinery Maintenance Mechanic	17.38
23550 - Machinist, Maintenance	15.43
23580 - Maintenance Trades Helper	9.92
23591 - Metrology Technician I	15.43
23592 - Metrology Technician II	16.41
23593 - Metrology Technician III	17.37
23640 - Millwright	15.43
23710 - Office Appliance Repairer	14.38
23760 - Painter, Maintenance	13.55
23790 - Pipefitter, Maintenance	15.32
23810 - Plumber, Maintenance	14.38
23820 - Pneudraulic Systems Mechanic	15.43
23850 - Rigger	15.43
23870 - Scale Mechanic	13.55
23890 - Sheet-Metal Worker, Maintenance	15.21
23910 - Small Engine Mechanic	13.55
23931 - Telecommunications Mechanic I	19.01
23932 - Telecommunications Mechanic II	19.76
23950 - Telephone Lineman	18.24
23960 - Welder, Combination, Maintenance	14.66
23965 - Well Driller	15.43
23970 - Woodcraft Worker	15.43
23980 - Woodworker	11.67
24000 - Personal Needs Occupations	
24570 - Child Care Attendant	10.09
24580 - Child Care Center Clerk	12.58
24610 - Chore Aide	12.43
24620 - Family Readiness And Support Services Coordinator	12.44
24630 - Homemaker	16.12
25000 - Plant And System Operations Occupations	
25010 - Boiler Tender	15.43
25040 - Sewage Plant Operator	14.49
25070 - Stationary Engineer	15.43
25190 - Ventilation Equipment Tender	10.73

25210 - Water Treatment Plant Operator	14.49
27000 - Protective Service Occupations	
27004 - Alarm Monitor	10.90
27007 - Baggage Inspector	7.35
27008 - Corrections Officer	12.05
27010 - Court Security Officer	12.05
27030 - Detection Dog Handler	10.90
27040 - Detention Officer	12.05
27070 - Firefighter	12.05
27101 - Guard I	7.37
27102 - Guard II	10.90
27131 - Police Officer I	12.05
27132 - Police Officer II	13.40
28000 - Recreation Occupations	
28041 - Carnival Equipment Operator	9.53
28042 - Carnival Equipment Repairer	10.08
28043 - Carnival Equipment Worker	7.78
28210 - Gate Attendant/Gate Tender	13.18
28310 - Lifeguard	11.01
28350 - Park Attendant (Aide)	14.74
28510 - Recreation Aide/Health Facility Attendant	10.76
28515 - Recreation Specialist	18.26
28630 - Sports Official	11.74
28690 - Swimming Pool Operator	17.71
29000 - Stevedoring/Longshoremen Occupational Services	
29010 - Blocker And Bracer	15.20
29020 - Hatch Tender	15.20
29030 - Line Handler	15.20
29041 - Stevedore I	14.22
29042 - Stevedore II	16.25
30000 - Technical Occupations	
30010 - Air Traffic Control Specialist, Center (HFO) (see 2)	35.77
30011 - Air Traffic Control Specialist, Station (HFO) (see 2)	24.66
30012 - Air Traffic Control Specialist, Terminal (HFO) (see 2)	27.16
30021 - Archeological Technician I	17.49
30022 - Archeological Technician II	19.56
30023 - Archeological Technician III	24.21
30030 - Cartographic Technician	23.18
30040 - Civil Engineering Technician	21.93
30061 - Drafter/CAD Operator I	17.49
30062 - Drafter/CAD Operator II	19.56
30063 - Drafter/CAD Operator III	20.74
30064 - Drafter/CAD Operator IV	24.21
30081 - Engineering Technician I	14.62
30082 - Engineering Technician II	16.41
30083 - Engineering Technician III	18.36
30084 - Engineering Technician IV	22.34
30085 - Engineering Technician V	27.83
30086 - Engineering Technician VI	33.66
30090 - Environmental Technician	21.10
30210 - Laboratory Technician	20.74
30240 - Mathematical Technician	23.34
30361 - Paralegal/Legal Assistant I	19.06
30362 - Paralegal/Legal Assistant II	21.53
30363 - Paralegal/Legal Assistant III	26.35
30364 - Paralegal/Legal Assistant IV	30.80
30390 - Photo-Optics Technician	21.93
30461 - Technical Writer I	22.17
30462 - Technical Writer II	27.10
30463 - Technical Writer III	32.79
30491 - Unexploded Ordnance (UXO) Technician I	22.74
30492 - Unexploded Ordnance (UXO) Technician II	27.51
30493 - Unexploded Ordnance (UXO) Technician III	32.97
30494 - Unexploded (UXO) Safety Escort	22.74
30495 - Unexploded (UXO) Sweep Personnel	22.74
30620 - Weather Observer, Combined Upper Air Or (see 2)	20.74
Surface Programs	
30621 - Weather Observer, Senior (see 2)	23.00
31000 - Transportation/Mobile Equipment Operation Occupations	
31020 - Bus Aide	8.15
31030 - Bus Driver	9.69

31043 - Driver Courier	8.97
31260 - Parking and Lot Attendant	7.25
31290 - Shuttle Bus Driver	9.99
31310 - Taxi Driver	8.21
31361 - Truck Driver, Light	8.97
31362 - Truck Driver, Medium	11.61
31363 - Truck Driver, Heavy	12.48
31364 - Truck Driver, Tractor-Trailer	12.48
99000 - Miscellaneous Occupations	
99030 - Cashier	7.46
99050 - Desk Clerk	9.70
99095 - Embalmer	22.74
99251 - Laboratory Animal Caretaker I	16.24
99252 - Laboratory Animal Caretaker II	17.04
99310 - Mortician	22.74
99410 - Pest Controller	13.28
99510 - Photofinishing Worker	11.95
99710 - Recycling Laborer	10.76
99711 - Recycling Specialist	16.27
99730 - Refuse Collector	10.24
99810 - Sales Clerk	8.95
99820 - School Crossing Guard	15.03
99830 - Survey Party Chief	20.30
99831 - Surveying Aide	11.54
99832 - Surveying Technician	15.00
99840 - Vending Machine Attendant	20.19
99841 - Vending Machine Repairer	23.57
99842 - Vending Machine Repairer Helper	20.19

ALL OCCUPATIONS LISTED ABOVE RECEIVE THE FOLLOWING BENEFITS:

HEALTH & WELFARE: \$3.71 per hour or \$148.40 per week or \$643.07 per month

VACATION: 2 weeks paid vacation after 1 year of service with a contractor or successor; and 4 weeks after 3 years. Length of service includes the whole span of continuous service with the present contractor or successor, wherever employed, and with the predecessor contractors in the performance of similar work at the same Federal facility. (Reg. 29 CFR 4.173)

HOLIDAYS: A minimum of ten paid holidays per year, New Year's Day, Martin Luther King Jr's Birthday, Washington's Birthday, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day, and Christmas Day. (A contractor may substitute for any of the named holidays another day off with pay in accordance with a plan communicated to the employees involved.) (See 29 CFR 4174)

THE OCCUPATIONS WHICH HAVE NUMBERED FOOTNOTES IN PARENTHESES RECEIVE THE FOLLOWING:

1) COMPUTER EMPLOYEES: Under the SCA at section 8(b), this wage determination does not apply to any employee who individually qualifies as a bona fide executive, administrative, or professional employee as defined in 29 C.F.R. Part 541. Because most Computer System Analysts and Computer Programmers who are compensated at a rate not less than \$27.63 (or on a salary or fee basis at a rate not less than \$455 per week) an hour would likely qualify as exempt computer professionals, (29 C.F.R. 541.400) wage rates may not be listed on this wage determination for all Occupations within those job families. In addition, because this wage determination may not list a wage rate for some or all occupations within those job families if the survey data indicates that the prevailing wage rate for the occupation equals or exceeds \$27.63 per hour conformances may be necessary for certain nonexempt employees. For example, if an individual employee is nonexempt but nevertheless performs duties within the scope of one of the Computer Systems Analyst or Computer Programmer occupations for which this wage determination does not specify an SCA wage rate, then the wage rate for that employee must be conformed in accordance with the conformance procedures described in the conformance note included on this wage determination.

Additionally, because job titles vary widely and change quickly in the computer industry, job titles are not determinative of the application of the computer professional exemption. Therefore, the exemption applies only to computer employees who satisfy the compensation requirements and whose primary duty consists of:

- (1) The application of systems analysis techniques and procedures, including consulting with users, to determine hardware, software or system functional specifications;

- (2) The design, development, documentation, analysis, creation, testing or modification of computer systems or programs, including prototypes, based on and related to user or system design specifications;
- (3) The design, documentation, testing, creation or modification of computer programs related to machine operating systems; or
- (4) A combination of the aforementioned duties, the performance of which requires the same level of skills. (29 C.F.R. 541.400).

2) AIR TRAFFIC CONTROLLERS AND WEATHER OBSERVERS - NIGHT PAY & SUNDAY PAY: If you work at night as part of a regular tour of duty, you will earn a night differential and receive an additional 10% of basic pay for any hours worked between 6pm and 6am. If you are a full-time employed (40 hours a week) and Sunday is part of your regularly scheduled workweek, you are paid at your rate of basic pay plus a Sunday premium of 25% of your basic rate for each hour of Sunday work which is not overtime (i.e. occasional work on Sunday outside the normal tour of duty is considered overtime work).

HAZARDOUS PAY DIFFERENTIAL: An 8 percent differential is applicable to employees employed in a position that represents a high degree of hazard when working with or in close proximity to ordnance, explosives, and incendiary materials. This includes work such as screening, blending, dying, mixing, and pressing of sensitive ordnance, explosives, and pyrotechnic compositions such as lead azide, black powder and photoflash powder. All dry-house activities involving propellants or explosives. Demilitarization, modification, renovation, demolition, and maintenance operations on sensitive ordnance, explosives and incendiary materials. All operations involving regrading and cleaning of artillery ranges.

A 4 percent differential is applicable to employees employed in a position that represents a low degree of hazard when working with, or in close proximity to ordnance, (or employees possibly adjacent to) explosives and incendiary materials which involves potential injury such as laceration of hands, face, or arms of the employee engaged in the operation, irritation of the skin, minor burns and the like; minimal damage to immediate or adjacent work area or equipment being used. All operations involving, unloading, storage, and hauling of ordnance, explosive, and incendiary ordnance material other than small arms ammunition. These differentials are only applicable to work that has been specifically designated by the agency for ordnance, explosives, and incendiary material differential pay.

**** UNIFORM ALLOWANCE ****

If employees are required to wear uniforms in the performance of this contract (either by the terms of the Government contract, by the employer, by the state or local law, etc.), the cost of furnishing such uniforms and maintaining (by laundering or dry cleaning) such uniforms is an expense that may not be borne by an employee where such cost reduces the hourly rate below that required by the wage determination. The Department of Labor will accept payment in accordance with the following standards as compliance:

The contractor or subcontractor is required to furnish all employees with an adequate number of uniforms without cost or to reimburse employees for the actual cost of the uniforms. In addition, where uniform cleaning and maintenance is made the responsibility of the employee, all contractors and subcontractors subject to this wage determination shall (in the absence of a bona fide collective bargaining agreement providing for a different amount, or the furnishing of contrary affirmative proof as to the actual cost), reimburse all employees for such cleaning and maintenance at a rate of \$3.35 per week (or \$.67 cents per day). However, in those instances where the uniforms furnished are made of "wash and wear" materials, may be routinely washed and dried with other personal garments, and do not require any special treatment such as dry cleaning, daily washing, or commercial laundering in order to meet the cleanliness or appearance standards set by the terms of the Government contract, by the contractor, by law, or by the nature of the work, there is no requirement that employees be reimbursed for uniform maintenance costs.

The duties of employees under job titles listed are those described in the "Service Contract Act Directory of Occupations", Fifth Edition, April 2006, unless otherwise indicated. Copies of the Directory are available on the Internet. A link to the Directory may be found on the WHD home page at <http://www.dol.gov/esa/whd/> or through the Wage Determinations On-Line (WDOL) Web site at <http://wdol.gov/>.

REQUEST FOR AUTHORIZATION OF ADDITIONAL CLASSIFICATION AND WAGE RATE (Standard Form 1444 (SF 1444))

Conformance Process:

The contracting officer shall require that any class of service employee which is not listed herein and which is to be employed under the contract (i.e., the work to be performed is not performed by any classification listed in the wage determination), be classified by the contractor so as to provide a reasonable relationship (i.e., appropriate level of skill comparison) between such unlisted

classifications and the classifications listed in the wage determination. Such conformed classes of employees shall be paid the monetary wages and furnished the fringe benefits as are determined. Such conforming process shall be initiated by the contractor prior to the performance of contract work by such unlisted class(es) of employees. The conformed classification, wage rate, and/or fringe benefits shall be retroactive to the commencement date of the contract. {See Section 4.6 (C)(vi)} When multiple wage determinations are included in a contract, a separate SF 1444 should be prepared for each wage determination to which a class(es) is to be conformed.

The process for preparing a conformance request is as follows:

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

Information required by the Regulations must be submitted on SF 1444 or bond paper.

When preparing a conformance request, the "Service Contract Act Directory of Occupations" (the Directory) should be used to compare job definitions to insure that duties requested are not performed by a classification already listed in the wage determination. Remember, it is not the job title, but the required tasks that determine whether a class is included in an established wage determination. Conformances may not be used to artificially split, combine, or subdivide classifications listed in the wage determination.

AFFIDAVIT re CONTINGENT FEES

TERRITORY OF GUAM)
) SS:
HAGATNA, GUAM)

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

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

2. As a part of the offering company's bid or proposal, to the best of my knowledge, the offering company has not retained any person or agency on a percentage, commission, or other contingent arrangement to secure this contract. This statement is made pursuant to 2 GAR Division 4 § 11108(f).

3. As a part of the offering company's bid or proposal, to the best of my knowledge, the offering company has not retained a person to solicit or secure a contract with the government of Guam upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business. This statement is made pursuant to 2 GAR Division 4 § 11108(f).

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

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

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

NOTARY PUBLIC
My commission expires _____

GOVERNMENT OF GUAM

GENERAL SERVICES AGENCY
148 Route 1, Marine Corp. Drive
Piti, Guam 96915

BID BOND
NO. _____

KNOW ALL MEN BY THESE PRESENTS that _____, as
Principal hereinafter called the Principal, and (Bonding Company), _____
A duly admitted insurer under the laws of the Territory of Guam, as Surety, hereinafter called the Surety are
Held firmly bound unto the Territory of Guam for the sum of _____
Dollars (\$ _____), for Payment of which sum will
and truly to be made, the said Principal and the said Surety bind ourselves, our heirs, executors,
administrators, successors and assigns, jointly and severally, firmly by these presents.

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

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

Signed and sealed this _____ day of _____ 2012

(SEAL)

(PRINCIPAL)

(WITNESS)

(TITLE)

(MAJOR OFFICER OF SURETY)

(MAJOR OFFICER OF SURETY)

(TITLE)

(TITLE)

(RESIDENT GENERAL AGENT)

INSTRUCTION TO PROVIDERS:

NOTICE to all Insurance and Bonding Institutions:

The Bond requires the signatures of the Vendor, two (2) major Officers of the Surety and Resident General Agent, if the Surety is a foreign or alien surety.

When the form is submitted to General Services Agency, it should be accompanied with copies of The following:

1. Current Certificate of Authority to do business on Guam issued by the Department of Revenue and Taxation.
2. Power of Attorney issued by the Surety to the Resident General Agent.
3. Power of Attorney issued by two (2) major officers of the Surety to whoever is signing on their behalf.

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

**GOVERNMENT OF GUAM
GENERAL TERMS AND CONDITIONS**

SEALED BID SOLICITATION AND AWARD

Only those Boxes checked below are applicable to this bid.

- [X] 1. **AUTHORITY:** This solicitation is issued subject to all the provision of the Guam Procurement Act (5GCA, Chapter 5) and the Guam Procurement Regulations (copies of both are available at the Office of the Complier of laws, Department of Law, copies available for inspection at General Services Agency). It requires all parties involved in the Preparation, negotiation, performance, or administration of contracts to act in good faith.
- [X] 2. **GENERAL INTENTION:** Unless otherwise specified, it is the declared and acknowledged intention and meaning of these General Terms and conditions for the bidder to provide the Government of Guam (Government) with specified services or with materials, supplies or equipment completely assembled and ready for use.
- [X] 3. **TAXES:** Bidders are cautioned that they are subject to Guam Income Taxes as well as all other taxes on Guam Transactions. Specific information on taxes may be obtained from the Director of Revenue and Taxation.
- [X] 4. **LICENSING:** Bidders are cautioned that the Government will not consider for award any offer submitted by a bidder who has not complied with the Guam Licensing Law. Specific information on licenses may be obtained from the Director of Revenue and Taxation.
- [] 5. **LOCAL PROCUREMENT PREFERENCE:** All procurement of supplies and services where possible, will be made from among businesses licensed to do business on Guam in accordance with section 5008 of the Guam Procurement Act (5GCA, Chapter 5) and Section 1-104 of the Guam Procurement Regulations.
- [X] 6. **COMPLIANCE WITH SPECIFICATIONS AND OTHER SOLICITATION REQUIREMENTS:**
Bidders shall comply with all specifications and other requirements of the Solicitation.
- [X] 7. **“ALL OR NONE” BIDS:** NOTE: By checking this item, the Government is requesting all of the bid items to be bid or none at all. The Government will not award on an itemized basis.
- [X] 8. **INDEPENDENT PRICE DETERMINATION:** The bidder, upon signing the Invitation for Bid, certifies that the prices in his bid were derived at without collusion, and acknowledge that collusion and anti-competitive practices are prohibited by law. Violations will be subject to the provision of Section 5651 of that of the Guam Procurement Act. Other existing civil, criminal or administrative remedies are not impaired and may be in addition to the remedies in Section 5651 of the Government code.
- [X] 9. **BIDDER’S PRICE:** The Government will consider not more than two (2) (Basic and Alternate) item prices and the bidder shall explain fully each price if supplies, materials, equipment, and/or specified services offered comply with specifications and the products origin. Where basic or alternate bid meets the minimum required specification, cost and other factors will be considered. Failure to explain this requirement will result in rejection of the bid.
- [X] 10. **BID ENVELOPE:** Envelope shall be sealed and marked with the bidder’s name, Bid number, time, date and place of Bid Opening.
- [X] 11. **BID GUARANTEE REQUIREMENT:** Bidder is required to submit a Bid Guarantee Bond or standby irrevocable Letter of Credit or Certified Check or Cashier’s Check in the same bid envelope to be held by the Government pending award. The Bid Guarantee Bond, Letter of Credit, Certified Check or Cashier’s Check must be issued by any local surety or banking institution licensed to do business on Guam and made payable to the Treasure of Guam in the amount of fifteen percent (15%) of his highest total bid offer. The Bid Bond must be submitted on Government Standard Form BB-1 (copy enclosed). Personal Checks will not be accepted as Bid Guarantee. If a successful Bidder (contractor) withdraws from the bid or fails to enter into contract within the prescribed time, such Bid guarantee will be forfeited to the Government of Guam. Bids will be disqualified if not accompanied by Bid Bond, Letter of Credit, Certified Check or Cashier’s check. Bidder must include in his/her bid, valid copies of a Power of Attorney from the Surety and a Certificate of Authority from the Government of Guam to show proof that the surety company named on the bond instrument is authorized by the Government of Guam and qualified to do business on Guam. For detailed information on bonding matters, contact the Department of Revenue and Taxation. Failure to submit a valid Power of Attorney and Certificate of Authority on the surety is cause for rejection of bid. **Pursuant to 5 GCA § 5212, all competitive sealed bidding for the procurement of supplies or services exceeding \$25,000.00 a 15% Bid Security of the total bid price must accompany the bid package. The bid bond, Letter of Credit, Certified Check or Cashier’s Check will serve as Bid Security for this procurement.**
- [X] 12. **PERFORMANCE GUARANTEE:** Bidders who are awarded a contract under this solicitation, guarantee that goods will be delivered or required services performed within the time specified. Failure to perform the contract in a satisfactory manner may be cause for suspension or debarment from doing business with the Government of Guam. In addition, the Government will hold the Vendor liable and will enforce the requirements as set forth in Section 40 of these General Terms and Conditions.
- [X] 13. **SURETY BONDS:** Bid and Bid Bonds coverage must be signed or countersigned in Guam by a foreign or alien surety’s resident general agent. The surety must be an Insurance Company, authorized by the government of Guam and qualified to do business in Guam. Bids will be disqualified if the Surety Company does not have a valid Certificate of Authority from the Government of Guam to conduct business in Guam.
- [X] 14. **COMPETENCY OF BIDDERS:** Bids will be considered only from the such bidders who, in the opinion of the Government, can show evidence of their ability, experience, equipment, and facilities to render satisfactory service.

- [X] 15. **DETERMINATION OF RESPONSIBILITY OF BIDDERS:** The Chief Procurement Officer reserves the right for securing from bidders information to determine whether or not they are responsible and to inspect plant site, place of business; and supplies and services as necessary to determine their responsibility in accordance with Section 15 of these General Terms and Conditions. (2 GAR, Div. 4 § 3116)
- [X] 16. **STANDARD FOR DETERMINATION OF LOWEST RESPONSIBLE BIDDER:** In determining the lowest responsible offer, the Chief Procurement Officer shall be guided by the following:
- a) Price of items offered.
 - b) The ability, capacity, and skill of the Bidder to perform.
 - c) Whether the Bidder can perform promptly or within the specified time.
 - d) The quality of performance of the Bidder with regards to awards previously made to him.
 - e) The previous and existing compliance by the Bidder with laws and regulations relative to procurement.
 - f) The sufficiency of the financial resources and ability of the Bidder to perform.
 - g) The ability of the bidder to provide future maintenance and services for the subject of the award.
 - h) The compliance with all of the conditions to the Solicitation.
- [X] 17. **TIE BIDS:** If the bids are for the same unit price or total amount in the whole or in part, the Chief Procurement Officer will determine award based on 2 GAR, Div. 4, § 3109(o) (2) or to reject all such bids.
- [X] 18. **BRAND NAMES:** Any reference in the Solicitation to manufacturer's Brand Names and number is due to lack of a satisfactory specification of commodity description. Such preference is intended to be descriptive, but not restrictive and for the sole purpose of indicating prospective bidders a description of the article or services that will be satisfactory. Bids on comparable items will be considered provided the bidder clearly states in his bid the exact articles he is offering and how it differs from the original specification.
- [X] 19. **DESCRIPTIVE LITERATURE:** Descriptive literature(s) as specified in this solicitation must be furnished as a part of the bid and must be received at the date and time set for opening Bids. The literature furnished must clearly identify the item(s) in the Bid. The descriptive literature is required to establish, for the purpose of evaluation and award, details of the product(s) the bidder proposes to furnish including design, materials, components, performance characteristics, methods of manufacture, construction, assembly or other characteristics which are considered appropriate. Rejection of the Bid will be required if the descriptive literature(s) do not show that the product(s) offered conform(s) to the specifications and other requirements of this solicitation. Failure to furnish the descriptive literature(s) by the time specified in the Solicitation will require rejection of the bid.
- [] 20. **SAMPLES:** Sample(s) of item(s) as specified in this solicitation must be furnished as a part of the bid and must be received at the date and time set for opening Bids. The sample(s) should represent exactly what the bidder proposes to furnish and will be used to determine if the item(s) offered complies with the specifications. Rejection of the Bid will be required if the sample(s) do not show that the product(s) offered conform(s) to the specifications and other requirements of this solicitation. Failure to furnish the sample(s) by the time specified in the Solicitation will require rejection of the Bid.
- [] 21. **LABORATORY TEST:** Successful bidder is required to accompany delivery of his goods with a Laboratory Test Report indicating that the product he is furnishing the Government meets with the specifications. This report is on the bidder's account and must be from a certified Testing Association.
- [X] 22. **AWARD, CANCELLATION, & REJECTION:** Award shall be made to the lowest responsible and responsive bidder, whose bid is determined to be the most advantageous to the Government, taking into consideration the evaluation factors set forth in this solicitation. No other factors or criteria shall be used in the evaluation. The right is reserved as the interest of the Government may require to waive any minor irregularity in bid received. The Chief Procurement Officer shall have the authority to award, cancel, or reject bids, in whole or in part for any one or more items if he determines it is in the public interest. Award issued to the lowest responsible bidder within the specified time for acceptance as indicated in the solicitation, results in a bidding contract without further action by either party. In case of a error in the extension of prices, unit price will govern. It is the policy of the Government to award contracts to qualified local bidders. The Government reserves the right to increase or decrease the quantity of the items for award and make additional awards for the same type items and the vendor agrees to such modifications and additional awards based on the bid prices for a period of thirty (30) days after original award. No. award shall be made under this solicitation which shall require advance payment or irrevocable letter of credit from the government (2 GAR, Div.4 §1103).
- [] 23. **MARKING:** Each outside container shall be marked with the Purchase Order number, item number, brief item description and quantity. Letter marking shall not be less than 3/4" in height.
- [X] 24. **SCHEDULE FOR DELIVERY:** Successful bidder shall notify the General Services Agency, Telephone Nos. 475-1707 or 475-713, at least twenty-four (24) hours before delivery of any item under this solicitation.
- [] 25. **BILL OF SALE:** Successful supplier shall render Bills of Sale for each item delivered under this contract. Failure to comply with this requirement will result in rejection of delivery. The Bill of Sale must accompany the items delivered but will not be considered as an invoice for payment. Supplier shall bill the Government in accordance with billing instructions as indicated on the Purchase Order.
- [] 26. **MANUFACTURER'S CERTIFICATE:** Successful bidder is required, upon delivery of any item under this contract, to furnish a certificate from the manufacturer indication that the goods meet the specifications. Failure to comply with this request will result in rejection of delivery payment. Supplier shall bill the Government in accordance with billing instructions as indicated on the Purchase Order.

- [X] 27. **INSPECTION:** All supplies, materials, equipment, or services delivered under this contract shall be subject to the inspection and/or test conducted by the Government at destination. If in any case the supplies, materials, equipment, or services are found to be defective in material, workmanship, performance, or otherwise do not conform with the specifications, the Government shall have the right to reject the items or require that they be corrected. The number of days required for correction will be determined by the Government.
- [X] 28. **MOTOR VEHICLE SAFETY REQUIREMENTS:** The Government will only consider Bids on motor vehicles which comply with the requirements of the National Traffic and Motor Vehicle safety Act of 1966 (Public Law 89-563) and Clean Air Act as amended (Public Law 88-206), that are applicable to Guam. Bidders shall state if the equipment offered comply with these aforementioned Federal Laws.
- [X] 29. **SAFETY INSPECTION:** All motor vehicles delivered under this contract must pass the Government of Guam Vehicle Inspection before delivery at destination.
- [X] 30. **GUARANTEE:**
- a) Guarantee of Vehicle Type of Equipment:**
The successful bidder shall guarantee vehicular type of equipment offered against defective parts, workmanship, and performance, for a period of not less than one (1) year after date of receipt of equipment. Bidder shall also provide service to the equipment for at least one (1) year. Service to be provided shall include, but will not be limited to tune ups (change of spark plugs, contact points and condensers) and lubrication (change of engine and transmission oil). All parts and labor shall be at the expense of the bidder. All parts found defective and not caused by misuse, negligence or accident within the guarantee period shall be repaired, replaced, or adjusted within six (6) working days after notice from the Government and without cost to the Government. Vehicular type of equipment as used in this context shall include equipment used for transportation as differentiated from tractors, backhoes, etc.
- b) Guarantee of Other Type of Equipment:**
The successful bidder shall guarantee all other types of equipment offered, except those mentioned in 30a, above, against defective parts, workmanship, and performance for a period of not less than three (3) months after date of receipt of equipment. Bidder shall also provide service to the equipment for at least three (3) months. All parts found defective within that period shall be repaired or replaced by the Contractor without cost to the Government. Repairs, adjustments or replacements of defective parts shall be completed by the contractor within six (6) working days after notice from the Government.
- (c) Compliance with this Section is a condition of this Bid.**
- [X] 31. **REPRESENTATION REGARDING ETHICS IN PUBLIC PROCUREMENT:** The bidder or contractor represents that it has not knowingly influenced and promises that it will not knowingly influence a Government employee to breach any of the ethical standards and represents that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities and kickbacks set forth on Chapter 11 (Ethics in Public Contracting) of the Guam Procurement Act and in Chapter 11 of the Guam Procurement Regulations.
- [X] 32. **REPRESENTATION REGARDING CONTINGENT FEES:** The contractor represents that it has not retained a person to solicit or secure a Government contract upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for retention of bona fide employees or bona fide established commercial selling agencies for the purpose of securing business (GPR Section 11-207).
- [X] 33. **EQUAL EMPLOYMENT OPPORTUNITY:** Contractors shall not discriminate against any employee or applicant of employment because of race, color, religion, sex, or national origin. The contractor will take affirmative action to ensure that employees are treated equally during employment without regards to their race, color, religion, sex, or national origin.
- [X] 34. **COMPLIANCE WITH LAWS:** Bidders awarded a contract under this Solicitation shall comply with the applicable standard, provisions, and stipulations of all pertinent Federal and/or local laws, rules, and regulations relative to the performance of this contract and the furnishing of goods.
- [] 35. **CHANGE ORDER:** Any order issued relative to awards made under this solicitation will be subject to and in accordance with the provisions of Section 6-101-03.1 of the Guam Procurement Regulations.
- [] 36. **STOP WORK ORDER:** Any stop work order issued relative to awards made under this solicitation will be subject to and in accordance with the provisions of Section 6-101-04.1 of the Guam Procurement Regulations.
- [X] 37. **TERMINATION FOR CONVENIENCE:** Any termination order for the convenience of the Government issued relative to wards made under this solicitation will be subject to and in accordance with the provisions of Section 6-101.10 of the Government Procurement Regulations.
- [X] 38. **TIME FOR COMPLETION:** It is hereby understood and mutually agreed by and between the contractor and the Government that the time for delivery to final destination or the timely performance of certain services is an essential condition of this contract. If the contractor refuses or fails to perform any of the provisions of this contract within the time specified in the Purchase Order (from the date Purchase Order is acknowledged by vendor), then the contractor is in default. Defaults will be treated subject to and in accordance with the provisions of 2 GAR, Div. 4 § 6101(8)

- [X] 39. **JUSTIFICATION OF DELAY:** Bidders who are awarded contracts under this Solicitation, guarantee that the goods will be delivered to their destination or required services rendered within the time specified. If the bidder is not able to meet the specified delivery date, he is required to notify the Chief Procurement Officer of such delay. Notification shall be in writing and shall be received by the Chief Procurement Officer at least twenty-four (24) hours before the specified delivery date. Notification of delay shall include an explanation of the causes and reasons for the delay including statement(s) from supplier or shipping company causing the delay. The Government reserves the right to reject delay justification if, in the opinion of the Chief Procurement Officer, such justification is not adequate.

- [X] 40. **LIQUIDATED DAMAGES:** When the contractor is given notice of delay or nonperformance as specified in Paragraph 1 (Default) of the Termination for Default Clause of this contract and fails to cure in the time specified, the contractor shall be liable for damages for delay in the amount of one-fourth of one percent (1%) of outstanding order per calendar day from date set for cure until either the territory reasonable obtains similar supplies or services if the contractor is terminated for default, or until the contractor provides the supplies or services if the contractor is not terminated for default. To the extent that the contractor's delay or nonperformance is excused under Paragraph 40 (Excuse for Nonperformance or Delayed Performance) of the Termination for Default Clause of this contract, liquidated damages shall not be due the territory. The contractor remains liable for damages caused other than by delay. 2 GAR, Div. 4 §6101(9) (a).

- [X] 41. **PHYSICAL LIABILITY:** If it becomes necessary for the Vendor, either as principal, agent or employee, to enter upon the premises or property of the Government of Guam in order to construct, erect, inspect, make delivery or remove property hereunder, the Vendor hereby covenants and agrees to take, use, provide and make all proper, necessary and sufficient precautions, safeguards and protections against the occurrence of any accidents, injuries or damages to any person or property during the progress of the work herein covered, and to be responsible for, and to indemnify and save harmless the Government of Guam from the payment of all sums of money by reason of all or any such accidents, injuries or damages that may occur upon or about such work, and fines, penalties and loss incurred for or by reasons of the violations of any territorial ordinance, regulations, or the laws of Guam or the United States, while the work is in progress. Contractor will carry insurance to indemnify the Government of Guam against any claim for loss, damage or injury to property or persons arising out of the performance of the Contractor or his employees and agents of the services covered by the contract and the use, misuse or failure of any equipment used by the contractor or his employees or agents, and shall provide certificates of such insurance to the Government of Guam when required.

- [X] 42. **CONTACT FOR CONTRACT ADMINISTRATION:** If your firm receives a contract as a result of this Solicitation, please designate a person whom we may contact for prompt administration.

Name: _____

Title: _____

Address: _____

Telephone: _____

SEALED BID SOLICITATION INSTRUCTIONS

1. **BID FORMS:** Each bidder shall be provided with two (2) sets of Solicitation forms. Additional copies may be provided upon request. Bidders requesting additional copies of said forms will be charged per page in accordance with 5 GCA § 10203 of the Government Code of Guam. All payments for this purpose shall be by cash, certified check or money order and shall be made payable to the General Services Agency (EO 86-24).
2. **PREPARATIONS OF BIDS:**
 - a) Bidders are required to examine the drawings, specifications, schedule, and all instructions. Failure to do so will be at bidder's risk.
 - b) Each bidder shall furnish the information required by the Solicitation. The bidder shall sign the solicitation and print or type his name on the Schedule. Erasures or other changes must be initialed by the person signing the bid. Bids signed by an agent are to be accompanied by evidence of this authority unless such evidence has been previously furnished to the issuing office.
 - c) Unit price for each unit offered shall be shown and such price shall include packing unless otherwise specified. A total shall be entered in the amount column of the Schedule for each item offered. In case of discrepancies between a unit price and extended price, the unit price will be presumed to be correct.
 - d) Bids for supplies or services other than those specified will not be considered.
Time, if stated as a number of days, means calendar days and will include Saturdays, Sundays, and holidays beginning the day after the issuance of a Notice to Proceed. Time stated ending on a Saturday, Sunday or Government of Guam legal holiday will end at the close of the next business day.
3. **EXPLANATION TO BIDDERS:** Any explanation desired by a bidder regarding the meaning or interpretation of the Solicitation, drawings, specifications, etc., must be submitted in writing and with sufficient time allowed for a written reply to reach all bidders before the submission of their bids. Oral explanations or instructions given before the award of the contract will not be binding. Any information given to a prospective bidder concerning a Solicitation will be furnished to all prospective bidders in writing as an amendment to the Solicitation if such information would be prejudicial to uninformed bidders.
4. **ACKNOWLEDGEMENT OF AMENDMENTS TO SOLICITATIONS:** Receipt of an amendment to a Solicitation by a bidder must be acknowledged by signing an acknowledgement of receipt of the amendment. Such acknowledgement must be received prior to the hour and date specified for receipt of bids.
5. **SUBMISSION OF BIDS:**
 - a) Bids and modifications thereof shall be enclosed in sealed envelopes and addressed to the office specified in the Solicitation. The bidder shall show the hour and date specified in the Solicitation for receipt, the Solicitation number, and the name and address of the bidder on the face of the envelope.
 - b) Telegraphic bids will not be considered unless authorized by the Solicitation. However, bids may be modified or withdrawn by written or telegraphic notice, provided such notice is received prior to the hour and date specified for receipt (see paragraph 6 of these instructions).
 - c) Samples of items, when required, must be submitted within the time specified, unless otherwise specified by the Government, at no expense to the Government. If not destroyed by testing, samples will be returned at bidder's request and expense, unless otherwise specified by the Solicitation.
 - d) Samples or descriptive literature should not be submitted unless it is required on this solicitation. Regardless of any attempt by a bidder to condition the bid, unsolicited samples or descriptive literature will not be examined or tested at the bidder's risk, and will not be deemed to vary any of the provisions of this Solicitation.
6. **FAILURE TO SUBMIT BID:** If no bid is to be submitted, do not return the solicitation unless otherwise specified. A letter or postcard shall be sent to the issuing office advising whether future Solicitations for the type of supplies or services covered by this Solicitation are desired.
7. **LATE BID, LATE WITHDRAWALS, AND LATE MODIFICATIONS:**
 - a) **Definition:** Any bid received after the time and date set for receipt of bids is late. Any withdrawal or modification of a bid received after the time and date set for opening of bids at the place designated for opening is late (Guam Procurement Regulations 2 GAR, Div.4 §3109(k)).
 - b) **Treatment:** No late bid, late modification, or late withdrawal will be considered unless received before contract award, and the bid, modification, or withdrawal would have been timely but for the action or inaction of territorial personnel directly serving the procurement activity.
8. **DISCOUNTS:**
 - a) Notwithstanding the fact that prompt payment discounts may be offered, such offer will not be considered in evaluating bids for award unless otherwise specified in the Solicitation. However, offered discounts will be taken if payment is made within the discount period, even though not considered in the evaluation of bids.
 - b) In connection with any discount offered, time will be computed from date of delivery and acceptance of the supplies to the destination as indicated in the purchase order or contract. Payment is deemed to be made for the purpose of earning the discount on the date of mailing of the Government check.

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

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

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

12. **CONFIDENTIAL DATA:** The Procurement Officer shall examine the bids to determine the validity of any requests for nondisclosure of trade secrets and other proprietary data.

ITEM NO.	DESCRIPTION	MONTHLY COST	ANNUAL COST
1.1	PROPERTY INSURANCE	\$ _____	\$ _____
2.1	LIABILITY INSURANCE	\$ _____	\$ _____
3.1	DIRECTORS & OFFICERS LIABILITY INSURANCE	\$ _____	\$ _____
4.1	AUTOMOBILE INSURANCE	\$ _____	\$ _____

ATTACHED SPECIFICATIONS

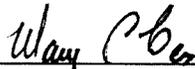
INSURANCE SPECIFICATIONS

FY 2013

Port Authority of Guam

Effective: 12:01 AM, 1st October 2012

These specifications have been developed by the Port Authority of Guam's Risk Manager, Mr. Michael Moody of IRIS, LTD and concurred by:



MARY C. TORRES, GENERAL MANAGER

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BACKGROUND

The Port Authority of Guam (PAG) (Authority) was created in 1975 by Public Law 13-87, an act of the Guam Legislature. Under the Act, the Government of Guam waives the limitation of liability found in the Government Code to the extent the Government of Guam or the Authority is covered by insurance. The law also requires that the Authority publish a notice of the existence of any insurance, and each policy must contain a clause waiving any defense of sovereign immunity by underwriters.

The Authority owns and operates the seaport and cargo terminal on an approximate 927 acre site on Cabras Island, near the Village of Piti. The Authority also owns the Gregorio Perez Marina in Hagatna, which has docking facilities for 42 small boats, and the Agat Small Boat Marina, which has 162 slips. The main facility on Cabras Island was built by the U.S. Navy between 1964 and 1969 and was turned over to the Port Authority of Guam in 1975. The principal areas of the Port are Berths F-1 and Golf Pier, both leased to others and used as petroleum handling facilities; Hotel Wharf, a 500 foot, sheet pile, structure used primarily by visiting passenger vessels; Berth F2, leased to other parties for handling of bulk cement, ship repair and fish net repair and Berth F-3, a 753 foot sheet pile pier used by commercial fishing vessels; and Berths F-4 to F-6, an approximate 1,980 foot concrete wharf used for ship loading and unloading.

In 1993 Guam experienced an 8.1 magnitude earthquake that caused over \$12,000,000 damage to Wharves F-3 to F6. Repairs were completed in August 1998 following an extended delay to the repair work caused by Typhoon Paka in December, 1997. Damages from this typhoon were approximately \$2,000,000 to the Wharf Repair Project and \$7,000,000 to the remaining property.

On February 17, 2009 an agreement was endorsed between the governments of Japan and the United States concerning the relocation of Marine Expeditionary Force personnel and their dependents from Okinawa to Guam. Demands for cargo movement during base construction, increased military population after construction and future organic growth in the region served by the Port are expected to put demands on the Port which it cannot support in its current condition and configuration. Cargo volumes are projected to start increasing significantly by 2012.

In April 2008, the Port's Board of Directors approved a \$261,000,000 master plan that covered four years of remodeling and reconstruction. Details of the implementation and financing of this plan can be found at:

<http://www.portguam.com/docs/modernization/pag-leg-approvals-report-revised%20-080309.pdf>

This project is being revised due to changes in the Federal Government's plans. Final details are expected to be released later this year.

In January 2012, structural damage was discovered in Berth F-5. The cause is believed to be earthquake related and preliminary estimates of repairs is approximately \$15,000,000. Design studies are in progress.

INSTRUCTIONS

1. The Port is seeking bids for broker services and insurance contracts (policies for the next three years with options to renew for two additional years with terms to commence October 1, 2012, or whenever feasible to insure the continuous coverage of the Port's risks. The Port's insurance coverage expiration date is September 30, 2012.
2. The Port will not consider the purchase of insurance arranged by any individual or entity not licensed as an insurance agent or broker on Guam.
3. All policies shall be provided by insurance carriers licensed to conduct business on Guam and having a financial rating of at least A- (Excellent) by A. M. Best, or Aa3 (Excellent) by Moody's, or AA- (Strong) by Standard & Pools.
4. The Broker shall include information in their proposal on the claims reporting procedures to be used by each carrier.
5. The Broker shall include information regarding available deferred premium payment plans. The rate of interest or finance charges, if any, must be fully disclosed.
6. The Broker shall include in their proposal an affidavit attesting that it has neither received nor will receive any commissions, fees, bonuses or any other remuneration from any Insuror, Insuror's representative, or sub-broker for procuring insurance from that source. Breach of this requirement shall give the Port the right to terminate the Broker, or, at its discretion, to deduct from the Broker's fees the amount of such commissions, fees, bonuses or other remuneration.
7. If the Broker intends to offer an alternate carrier, or revised terms and conditions from the expiring policies, they must submit complete specimen policies, including all endorsements by September 12, 2012.
8. The Broker shall provide PAG with written evidence of the renewal of 100% of the coverage(s) no later than 9:00 AM on Thursday, 27 September 2012.

If additional information is required, the Broker should contact:

PORT INSURANCE

In order to preserve existing rates and coverages the Authority will only consider proposals from sources that have the ability to provide quotes for both property and liability coverages.

PROPERTY INSURANCE

Named Insured

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

Policy Period

1 October 2012 to 1 October 2013, both days at 12:01 AM Local Standard Time

Coverages Required

Coverage	Limits
Blanket coverage for risks of direct physical loss or damage to all real and personal property of every kind and description belonging to the Insured or in which the Insured has an insurable interest. Including: <ul style="list-style-type: none"> • Earthquake, Windstorm, Flood, Typhoon, and Tidal Wave • Loss of Revenue/Business Interruption and Extra Expense • Boiler and Machinery Breakdown 	\$25,000,000 any one occurrence
Sub Limits	
Personal Property in transit	\$250,000
Valuable Papers & Records and Computer Media	\$1,000,000
Automatic Acquisition	\$1,000,000
Boiler Explosion and Machinery Breakdown	\$5,000,000
Denial of Access	\$1,000,000
Suppliers' and Customers'	\$1,000,000
Debris Removal	\$250,000
Mold (in the aggregate)	\$250,000
Self-Insured Retention	
Each and every Loss in respect of Earthquake Shock, Flood and Windstorm	\$2,350,000
Each and Every Loss in respect of all other perils	\$50,000

Required Conditions

Schedules

The schedules of Property included with these Specifications represent, to the best of the Insured's knowledge, a complete listing of the property it wishes to insure and the current replacement values thereof. The schedules are not to be used to establish sub-limits of coverage, nor are they to be considered as any form of valuation. The amount payable under this Policy shall not be limited by individual values shown on the schedules prepared for Underwriters.

Valuation

Recovery shall be made on the basis of one hundred percent (100%) of the property's current replacement value at the time and place of loss, subject to the limit of coverage provided by the Policy. The Insured shall not be required to rebuild damaged or destroyed structures on the same site nor with like kind and quality.

Misrepresentation & Fraud

The Insured shall not be prejudiced by an unintentional or inadvertent error, omission, incorrect valuation or incorrect description of the interest, risk or property; provided that notice is given to Underwriters as soon as practical after discovery of any such error or omission.

Waiver of Subrogation – Tenants

In event of loss, Underwriters waive their rights of subrogation against any tenant occupying, renting or leasing property from the Insured.

Service of Suit Clause

Service of process in any suit may be made upon AM Insurance, Suite 113F Ada's Commercial Center, 215-A Chalan Santo Papa, Agana, Guam 96932

Cancellation Clause

If Underwriters desire to cancel this policy, other than for non-payment, they shall give not less than ninety (90) days prior written notice by email and Certified Mail to:

Alma B. Javier, Procurement & Supply Manager
Port Authority of Guam
1026 Cabras Highway, Suite 201
Piti, Guam 96915
E-mail: abjavier@portguam.com

and Michael Moody, Risk Manager
IRIS, Ltd.
4188 Via Solano
Palos Verdes Estates, CA 90274
E-mail: mmoody@irisltd.us

Automatic Acquisition

This policy is extended to cover additional property which may be acquired during the term of this Policy. Values must be reported to Underwriters during the policy period for determination of additional premium. The Insured may add property up to 5% of the total schedule without any additional premium.

Waiver of Coinsurance or Average Clause

In the event of loss, there shall be no application of a coinsurance or average clause in determining the recovery due the Insured.

Demolition Cost

This policy also covers, within the sum insured, the cost of demolishing any undamaged portion of the building(s) covered under this Policy including the cost of clearing the site resulting from enforcement of any state or municipal law or ordinance regulating the construction or repair of buildings and in force at the time of loss which necessitates such demolition.

Increased Cost of Construction

The amount of insurance includes within the sum insured the actual amount of the increased costs of repair, rebuilding or construction resulting from the enforcements of any applicable law or ordinance regulating the construction or repair of buildings.

Demolition and Increased Time to Rebuild

Underwriters will be liable for loss to the interest insured by the Policy, caused by enforcement of any state or municipal law or ordinance regulating the construction or repair of buildings and in force at the time such loss occurs, which requires the demolition of any portion of the described building(s) not damaged by the peril(s) insured against. Underwriters will also be liable for loss due to the additional period of time required for repair or reconstruction, in conformity with the minimum standard of such law or ordinance.

Business Interruption Extension

Coverage is extended to include the Actual Loss sustained by the Insured resulting directly from Interruption of Business for a period not to exceed twenty-four (24) calendar months.

Extra Expense Extension

Coverage is extended to include the necessary Extra Expense incurred by the Insured in order to continue as nearly as practicable the normal conduct of the Insured's business following loss or damage to property insured by this Policy.

Denial of Access

This Policy is extended to cover the actual loss sustained when access to the Insured's property is impaired or denied by order of civil authority, subject to a limitation of 4 weeks.

Jurisdiction

This insurance shall be governed by and construed in accordance with the laws of the Guam and the exclusive jurisdiction of the USA including Guam courts. The seat of arbitration shall be Guam.

Suppliers and Customers Extension

This insurance is extended to insured the actual loss of earnings sustained by the Insured when property of the type insured hereunder but belonging to either suppliers or customers of the Insured, is physically lost or damaged by an insured peril.

Any amount recoverable under this clause shall not exceed the reduction in Gross Earnings less charges and expenses which do not necessarily continue during the interruption of business for only such length of time, never to exceed 12 calendar months, as would be required with the exercise of due diligence and dispatch to rebuild, repair or replace such part of the property of the supplier or customer as has been physically lost or damaged commencing with the time and date of physical loss or damage and not limited by the date of expiration of this insurance.

The maximum amount payable under this extension is \$1,000,000 any one occurrence.

Permission to Add Additional Property

The Insured may add additional property during the term of this policy up to 5% of the total schedule per annum without additional premium.

Claims Adjustment

MacLeod Claims Management, Ltd. of New Zealand to act as appointed loss adjustors in respect of all claims.

Preservation of Property

The expenses incurred by the Insured in taking reasonable and necessary actions for the temporary protection/preservation of property insured will be added to the total physical loss or damage subject to the applicable deductible and without increase in the limit contained in the policy.

Damage to Building Exterior

Any endorsement or clause that excludes coverage for loss or damage to paint; or waterproofing material applied to the exterior of a Buildings, or shingles of any material; applied to the exterior surface of Buildings shall be waived.

Damage to Building Interior

Any endorsement or clause that excludes coverage for damage to the inside of a building or property in the building caused by rain, sand, or dust unless the typhoon first damages the roof or wall and enters through the resulting opening shall be waived.

Earthquake Damage

Any endorsement or clause that limits coverage to damage that weakens the structural frame or therefore the stability of the life of the building or structure shall be waived.

Any endorsement or clause that excludes loss for plaster cracks between masonry and gypsum board and any other deterioration of cement or plaster, as well as any damage caused by shrinkage, settling, deterioration and/or wear and tear shall be waived.

PORT AUTHORITY OF GUAM
PROPERTY SCHEDULE FY2013
Updated: April 30, 2012

Item	Description	Building	Contents	Total	Built	Area/LF	Sto
	Cabras Island						
1	Administration	2,100,000	1,000,000	3,100,000	1969	26,283	3
2	Computer Hardware (Port wide)		2,000,000	2,000,000			
3	Container Freight Station	3,146,850	-	3,146,850	1969	27,000	1=3
4	BOD Building (CSX /MSA)	840,000	5,000	845,000	1969	5,000	2
5	Fuel Pier F-1	8,230,000	-	8,230,000		345 LF	
6	Janitorial (Old Gas Station)	78,750	3,000	81,750	1969	1,066	1
7	Golf Pier	4,200,000	-	4,200,000		200 LF	
8	Hazmat Station	105,000	-	105,000		-	1
9	Hotel Wharf	8,456,000	-	8,456,000		500 LF	
10	Maintenance & Repair Shop	3,150,000	1,500,000	4,650,000	1969	23,439	1=3
11	New Control Tower	105,000	10,000	115,000	1969	1,400	2
12	Old Control Tower	255,150	5,000	260,150	1969	932	3
13	Port Police	525,000	30,000	555,000	1969	3,720	2
14	Port Beach (Pavilion & Rest.)	31,500	-	31,500			
15	Rig & Loft	525,000	20,000	545,000	1969	3,600	1=3
16	Gate House No. 1	15,750	-	15,750	1976	50	
17	Gate House No. 2 Checkpoint	503,370	20,000	523,370	1980	5,310	1
18	Transit Shed No. 1	6,825,000	-	6,825,000	1969	52,978	
19	Transit Shed No. 2	6,546,540	200,000	6,746,540	1969	54,000	
20	Wharfs F-2- F-6	55,125,000	-	55,125,000	VRS	3,225	
21	Restroom Fac., TS2 West	89,250	5,000	94,250	1969	1,167	
22	Restroom Fac., TS2 North	89,250	5,000	94,250	1998		
23	Restroom Fac., BOD	89,250	5,000	94,250	1998		
24	Miscellaneous Lighting & Fencing	550,000	-	550,000	Various		
25	Harbor of Refuge Warehouse	179,550	-	179,550	1992		
26	Substations 1,2,3 & 4	1,260,000	-	1,260,000	96/97		
27	Terminal Yard & Paving	10,400,000	-	10,400,000	VRS		
28	LC-1 Concrete Shelter SS1	159,820	-	159,820	2002	1,375	1
29	LC-2 Concrete Shelter SS2	109,660	-	109,660	2002	975	1
30	LC-3 Concrete Shelter SS3	167,327	-	167,327	2002	1,500	1
31	LC-4 Concrete Shelter SS4	226,743	-	226,743	2002	1,950	1
32	Wharf Surveillance System	45,855	-	45,855	2004		
33	Tank No. 7	336,000	-	336,000			
34	Excess Hazmat Container Yard	336,928	-	336,928	2005	252,167	
35	CMU Wall (Hazmit Grant)	155,629	-	155,629	2006	1380 LF	
36	Reefer Outlet Plugs	137,547	-	137,547	2007		
38	CMU Wall (Main gate to EQMR)	93,991	-	93,991	2007		
39	Shore Power Project	133,005	-	133,005	2009		
40	Housing Units (8)	137,547	-	137,547	2011		
	Cabras Island Totals	\$ 115,461,262	\$ 4,808,000	\$ 120,269,262			

PORT AUTHORITY OF GUAM
PROPERTY SCHEDULE FY2013
 Updated: April 30, 2012

Item	Description	Building	Contents	Total	Built	Area/LF	Sto
Agat Marina							
1	Admin Building	260,400	2,000	262,400	1985		
2	Restaurant	492,660	-	492,660	1985		
3	Floating Docks	945,000	-	945,000	1985		
4	Bunkering Wharf	100,000	-	100,000			
Agat Total		\$ 1,798,060	\$ 2,000	\$ 1,800,060			
Gregorio D. Perez Marina							
1	Floating Docks	235,620	-	235,620			
2	Washdown Fac/Collection Tank	90,000		90,000			
3	Restroom Facility	21,000	2,000	23,000			
Perez Marina Total		\$ 346,620	\$ 2,000	\$ 348,620			

Sub-Total All Locations	\$ 117,605,942	\$ 4,812,000	\$ 122,417,942
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Revenue (Blanket)			
Operating Revenue			\$ 26,676,474
Rental Income			\$ 5,784,050

Property All Locations			\$ 122,417,942
Misc Unscheduled Property			\$ 1,000,000
Total Revenue			\$ 32,460,524
Total Equipment			\$ 17,482,248

(see separate Equipment Sc

GRAND TOTAL			\$ 173,360,714
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Notes:

1. Building values shown with the exception of PAG Administration are 100% appraised insurable replacement costs + appreciation to date.
2. Wharf values calculated using the lineal cost of wharves F3-F6 less cost of spur rail.

PORT AUTHORITY OF GUAM
EQUIPMENT SCHEDULE FY13
 Updated: April 30, 2012

Description	ID No.s	Unit Cost	Qty	Total Cost	Assigned	Notes
Tractors						
1994 Ford 8000 Tractor -Lesso	2134/2138	1	2	2	Port Police	
2010 Kalmar-Ottawa 4 x 2	T-83 - T92	90,730	10	907,300	Transportation	Mar. 2010
2007 Kalmar-Ottawa YT-50	T75-T82	85,744	8	685,952	Transportation	
1998 Ottawa/Commando 50	T59,T62,T68-T71, T74	61,831	7	432,817	Transportation	Surveyed T-67 &
	Sub-Total			\$ 2,026,071		
Forklifts						
2008 Hyster 20 Ton Forklift	FL-08-168	252,999	1	252,999	Transportation	2049
2008 Hyster 5 Ton Diesel Forklift	FL-08-40-44	44,799	5	223,995	Transportation	2028-2032
2008 Hyster 10 Ton Diesel Forklift	FL-08-165-167	147,799	3	443,397	Transportation	2046/2047/2048
1998 Hyster 5.5T	FL98-32-33,35,39	40,793	4	163,172	Transportation	1117/1120/1121/
1996 Caterpillar 10T	FL-96-163	99,769	1	99,769	Transportation	1541
1996 Caterpillar 20T	FL-96-164	265,159	1	265,159	Transportation	1540
1988 Toyota 3T 5FD-30	FL-88-10	21,494	1	21,494	Transportation	378
	Sub-Total			\$ 1,469,985		
Toplifters						
2009 Hyster Challenger Top Lifter H50.00XM-16CH	F117E01679G	645,000	1	645,000.00	Transportation	Feb. 2010
2009 Hyster Challenger Top Lifter H50.00XM-16CH	F117E01680G	645,000	1	645,000.00	Transportation	Feb. 2010
2009 Hyster Top Lifters H50.00XM-16CH	F117E01675G/F117E01674G	650,000	2	1,300,000	Transportation	2087/2088
	Sub-Total			\$ 2,590,000		
Sidelifters						
1998 Hyster Empty Ctr lift H330XL	SL 98-03,04,05	160,000	3	480,000	Transportation	1127/1145/1209
	Sub-Total			\$ 480,000		
Cranes						
2001 Liebherr LHM400 Harbor Mobile Crane	S/N 140261	3,569,125	1	3,569,125	Transportation	1943
1979 Gantry Crane # 2 40LT Paceco		5,900,000	1	5,900,000	Transportation	7,000,000
	Sub-Total			\$ 9,469,125		

PORT AUTHORITY OF GUAM
EQUIPMENT SCHEDULE FY13
 Updated: April 30, 2012

	Description	ID No.s	Unit Cost	Qty	Total Cost	Assigned	Notes
Gensets							
2005	Katolight 500 KW Generator (LC4)	1869	89,999	1	89,999	From FEMA	
1998	Onan Genset 275KW (Substa 2)	997	40,000	1	40,000	From FEMA	
1998	Onan Genset 275KW (Substa 3)	998	40,000	1	40,000	From FEMA	
2005	Katolight 500 KW Generator (LC1)	1870	89,999	1	89,999	From FEMA	
2005	Security Equipment		144,194	1	144,194	TSA Grant Funding	
			Sub-Total		\$ 404,192		
Other							
2010	Portable Fire Pumps-HH220i Auto Prime Fire Pump	0922831-2/0922831-3/0922831-1	173,195	3	519,585		191/192/199
	Barge YFN 814		55,000	1	55,000	Harbormaster	
1995	Ford Fuel Truck		69,694	1	69,694	Crane Mechanics	
1998	Articulating Boom Platforms (Grove Manlift)		137,000	1	137,000	Preventive	
1991	Straddle Hoist " Echo "		100,000	1	100,000	Transportation	
1995	SWAGE Pressure Machine		61,596	1	61,596	Stevedore/Rigger	296
1991	Straddle Hoist " Foxtrot "		1,597,347	1	100,000	Transportation	
			Sub-Total		\$ 1,042,875		
TOTAL					\$ 17,482,248	(total shown on Property Schedule)	

Note: Values shown for equipment are exclusive of delivery costs, installation and testing.

PORT LIABILITY INSURANCE

Named Insured

The Jose D. Leon Guerrero Commercial Port, Port Authority of Guam, any Director, Officer, elected or appointed official, contract employee, servant, employee or volunteer worker while acting for or on behalf of the Port Authority.

Term

1 October 2012 to 1 October 2013, both days at 12:01 AM Local Standard Time

Coverages Required

Coverage	Limits
Port Authority Legal and/or Public Liabilities any one accident and/or occurrence	\$50,000,000
Public Officials Liability any one accident and/or occurrence	\$5,000,000
To indemnify the Insured for their legal liabilities, contractual, statutory or otherwise, including, but not limited to terminal operators, wharfingers, stevedores and warehouse operators liability, as applicable per Lloyds Marine Policy MAR91.	
Deductible	
Any one accident and/or occurrence	\$15,000

Required Conditions

Claims Adjustment

MacLeod Claims Management, Ltd. of New Zealand to act as appointed loss adjustors in respect of all claims.

Additional Insureds, Waivers of Subrogation

Additional Insureds, Waivers of Subrogation, Indemnities and Contractual Agreements, Hold Harmless Agreements and Cross Liability Clauses shall be automatically included hereon as expiring and as required by the Insured; any new agreements "held covered" to be agreed by the Insurers as soon as possible.

Special Events

Coverage includes the Insured's liability arising out of any events held throughout the year on the Insured's premises provided that the event is in conjunction with the Insured's business and have notified underwriters prior to the event.

Jurisdiction

This insurance shall be governed by and construed in accordance with the laws of the Guam and the exclusive jurisdiction of the USA including Guam courts. The seat of arbitration shall be Guam.

Cancellation Clause

If Underwriters desire to cancel this policy, other than for non-payment, they shall give not less than ninety (90) days prior written notice by email and Certified Mail to:

Alma B. Javier, Procurement & Supply Manager
Port Authority of Guam
1026 Cabras Highway, Suite 201
Piti, Guam 96915
E-mail: abjavier@portguam.com

and Michael Moody, Risk Manager
IRIS, Ltd.
4188 Via Solano
Palos Verdes Estates, CA 90274
E-mail: mmoody@irisltd.us

Waiver of Sovereign Immunity Clause

In the event of a claim under this Policy, Insurers waive the right to invoke the legal defense of Sovereign Immunity.

Service of Suit Clause

Service of process in any suit may be made upon AM Insurance, Suite 113F Ada's Commercial Center, 215-A Chalan Santo Papa, Agana, Guam 96932

Voluntary Removal of Wreck/Cargo Disposal

Coverage includes those costs and expenses incurred by the Insured in disposing of the cargo and/or property of an Insured's customer, including the removal of any wreck and/or debris thereof, following an accident to such cargo and/or property during the Policy period for which the Insured is legally liable provided that such wreck and/or debris is within the confines of the Port and/or Terminal and/or the agreed Insured location(s).

Special Endorsement Re Matson/Horizon Cranes

Coverage pertaining to the usage of three Matson/Horizon cranes (POLA 14, 16, & 17) by Port Authority of Guam and their employees for loading/unloading Matson/Horizon (including Matson Islanders) vessels, is on a "primary" basis (and not excess of Matson/Horizon Third Party Liability policy limits). Coverage is extended to provide against loss and/or damage to these cranes while being operating by Port Authority of Guam employees, but excludes claims in respect to perils for which Matson Navigation Co. Inc. and Horizon Lines LLC as owners are obligated to provide coverage for per Point 6 (b) of License Agreement No. 210076 between parties.

As part of the Agreement between the Insured and Matson for operation of Matson cranes there is provision for the Port Authority's General Manager to set the direction of where and how cranes be utilized. It is agreed that if circumstances arise that require usage of these cranes to load/unload third party vessels, coverage is extended accordingly.

Coverage is extended to include loss and/or damage to Subic crane (Gantry #3) while being operated by the Port Authority of Guam and its employees, in the normal course of loading and/or unloading activities at the port of Guam, but excludes claims in respect to perils for which Matson Navigation Co. Inc. and Horizon Lines LLC as owners (by assignment/succession) are obligated to provide coverage for, per Article 10 of the Agreement.

No Claims Bonus Clause

As expiring



PORT AUTHORITY QUESTIONNAIRE

PORT AUTHORITY QUESTIONNAIRE

1. **NAME & ADDRESS:** Please list the name and address of Port Authority, and enclose your latest annual financial report and port handbook.

JOSE D. LEON GUERRERO COMMERCIAL PORT
 DBA: PORT AUTHORITY OF GUAM
 1026 CABRAS HIGHWAY, SUITE 201
 PITI, GUAM 96925

2. **LOCATION(S):** Please list the address of your location(s), including the postal/ zip codes where applicable, and latitudes & longitudes and attach a map showing the outline and boundaries of the port(s).

ADDRESS AS ABOVE
 LATITUDE: 13.467
 LONGITUDE: 144.783

3. **TYPE OF PORT:**

Are you a landlord port? Yes No or an operational port? Yes No

If you are both a landlord and operational port, please provide the percentage split based on revenue:- percentage of revenue as a landlord:- 18%
 percentage of operational revenue:- 82%

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

4. **FACILITIES:** Please enter the number of facilities available, if none enter :-

Container terminals	<input type="checkbox"/> 1	Dry Bulk Terminals	<input type="checkbox"/> 1
Ro-Ro terminals	<input type="checkbox"/> 1	Gas terminals	<input checked="" type="checkbox"/> X
Container Depots	<input type="checkbox"/> 1	Oil terminals	<input checked="" type="checkbox"/> X
Warehouses	<input type="checkbox"/> 2	Passenger Terminals	<input type="checkbox"/> 1
Temperature Controlled Warehouse	<input checked="" type="checkbox"/> X	Dry docks	<input checked="" type="checkbox"/> X
Breakbulk/General cargo terminals	<input type="checkbox"/> 1	Ship repair	<input checked="" type="checkbox"/> X
Grain Terminals	<input checked="" type="checkbox"/> X	Yacht marina	<input type="checkbox"/> 2
Other (please specify):-	<input type="checkbox"/> Y		

5a. **SERVICES:** Services provided by you, please answer "Y" performed by you, "S"



PORT AUTHORITY QUESTIONNAIRE

performed by your subcontractor and "N" not provided:-

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

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

No

5b. SERVICES - WAREHOUSING

Only answer this part of the question if you provide warehousing or storage of any cargo (other than containerised cargo) either as a landlord or as an operator:

- What is your responsibility for the cargo stored?
 - No Responsibility (if YES, please move on to Question 6) Yes No
 - Responsibility as a landlord only for maintenance of the warehouse building, fire prevention within the warehouse and warehouse security? Yes No
 - Responsibility for care, custody and control of all cargo, but no responsibility for force majeure? Yes No
 - Responsibility for care, custody and control of all cargo, including responsibility for force majeure? Yes No
- Please provide estimated maximum value of goods stored at any one time: USD _____
- What % of your total revenue is generated by warehousing operations? _____ %
- Do all warehouses have sprinklers and fire detection systems? Yes No
If NO, please **attach** details of your fire detection measures.
- Is there a fire main throughout the site? Yes No
- Is there an emergency fire pump or suitable reserve power supply to ensure there is fire fighting water at all times? Yes No



PORT AUTHORITY QUESTIONNAIRE

6. CONTRACTS/INDEMNITIES

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

Do you have any of the following contracts? And if so, please indicate the extent of Liability for your negligence (please tick the relevant box):-

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

If "Other" is ticked, please give details.

b) Other Contracts/Leases/licenses:

Do your leases / licences contain indemnities in your favour? Yes No

Do these contracts/leases/licenses have indemnities covering your own negligence?
Yes No

Have you given any indemnities to an other party under any agreement?
Yes No

If yes, please give details.

c) Tenants and/or Subcontractors:

Is there a requirement in your Contract with tenants and/or subcontractors that they have adequate liability and property insurance? Yes No

If yes, what is the minimum limit that you require? USD \$500,000 Personal Injury, \$1M Accident, \$200,000 Property Damage

Do you check annually that all tenants and/or subcontractors maintain and renew their insurance? Yes No

Note: *There is a policy requirement that your Tenants and Subcontractors purchase and maintain adequate liability and property insurance, and that you review those policies annually.*



PORT AUTHORITY QUESTIONNAIRE

7. **VOLUMES** - Please advise Cargo throughputs per Policy Year:

	<u>LAST YEAR</u>	<u>CURRENT YEAR</u> as of March 30, 2012	<u>NEXT YEAR ESTIMATE</u>
TEU's	161,925	65,748	126,236
Break Bulk (tonnes)	125,987	76,712	147,287
Dry Bulk (tonnes)	0	0	0
Wet Bulk (tonnes)	0	0	0
Autos	3,631	2,632	5,053
Passengers	6,274	2,887	5,543
Others (specify below)			

What is your annual revenue?

as of March 30, 2012

<u>LAST YEAR</u>	<u>CURRENT YEAR</u>	<u>NEXT YEAR ESTIMATE</u>
35,850,816	16,906,523	32,460,524

What % of revenue is derived from cargo handling?

<u>LAST YEAR</u>	<u>CURRENT YEAR</u>	<u>NEXT YEAR ESTIMATE</u>
78%	78%	74%

How many vessel calls per annum? Please provide figures broken down into size of vessel:-

	<u>LAST YEAR</u>	<u>CURRENT YEAR</u>	<u>NEXT YEAR ESTIMATE</u>
Up to 5,000 GT			
5,000 to 15,000 GT			
Over 15,000 GT			

THE PORT DOES NOT MAINTAIN STATISTICS IN THIS MANNER.



PORT AUTHORITY QUESTIONNAIRE

8. PROPERTY --

a) Please provide a summary of property values broken down as follows:-

	SUM INSURED US\$
Wharves, Quays and Jetties	77,291,620
Buildings	21,351,279
Warehouse/Storage Facilities	6,546,540

b) Please also **attach a full schedule** with description, values, age, location including details of construction and details of fire extinguishing appliances / sprinklers;

c) Please itemise separately (together with the location) any single structure where the insured value is in excess of USD 15,000,000;

d) Please itemise separately (together with location) any property outside the confines of the port; See attached property schedule, Agat and Gregorio D. Perez Marinas

e) Please provide your estimated **Maximum Possible Loss**. USD 125,000,000

9. **HANDLING EQUIPMENT** - Please provide the aggregate value for the current year and next year and **attach a schedule** showing against each item, description, value and age.

Are your declared values based on:-

New replacement value? Yes No
 Market value? Yes No
 Depreciated (book) value? Yes No

Please provide your estimated **Maximum Possible Loss**. USD 17,482,248

10. **HULL and P & I** - Please **attach a vessel schedule** with Name, Value, Type, Age, GRT, use, and number of crew, plus horse power (for tugs).



PORT AUTHORITY QUESTIONNAIRE

11. BUSINESS INTERRUPTION

a) What is your applicable annual revenue?

as of March 30, 2012

LAST YEAR	CURRENT YEAR	NEXT YEAR ESTIMATE
35,850,816	16,906,523	32,460,524

b) Do you require cover for increased cost of working; Yes No
 and loss of revenue? Yes No

c) What cover is required?
 physical loss/damage of handling equipment? Yes No
 physical loss/damage to property? Yes No
 and port blockage of Operations? Yes No

d) If port blockage is required, do you require cover for:-
 blockage of berths; Yes No
 approach channels and locks; Yes No
 and land entrances? Yes No

e) Is your electricity supply generated by yourself?
 or through external means?
 (please tick ✓ the relevant box)

Do you have a back up / emergency generator? Yes No

f) Are there alternative/reserve equipment/ means of access available to mitigate any claim? Yes No
 If yes, please give details.

Please **attach a map** of the port to illustrate your answer.



PORT AUTHORITY QUESTIONNAIRE

12. **LOSS PREVENTION / RISK MANAGEMENT** - Please attach details of:-

- a) Your risk control / loss control management,
- b) pollution control/environmental impairment control,
- c) property and equipment maintenance and staff training programmes,
- d) all fire detection and fire fighting equipment and its condition, include equipment in buildings, warehouses and on cargo handling equipment, particularly grain and coal conveyors and other equipment, susceptible to fire/explosion;

e) Security precautions (including):

- 24 hour security guards? Yes No
- All buildings/perimeter fences/gates alarmed? Yes No
- Close Circuit TV? Yes No
- Continual documentation security checks? Yes No
- Other? Please attach details Yes No

f) independent surveys of facilities / equipment during the last twelve months. If you do not have a recent satisfactory survey, it will be a subjectivity of your quote that a survey be performed at your expense, unless otherwise agreed.

Are there any revisions to the loss prevention / risk management measures in a) to f) above envisaged / planned during the policy period? Yes No

If yes, please attach details.

g) International Ship & Port Facility Security Code compliant. Yes No

If no, please advise status of application.

CLAIMS HISTORY - Please attach separate Liabilities, Physical Damage and Hull claims histories (both paid and outstanding and any related fees or expenses **including legal fees**) for the last 5 complete years net of any deductible and advise of any deductible applicable. Please also attach details of any existing litigation.

Signed May C. Co.

Date 5/4/2012



PORT AUTHORITY QUESTIONNAIRE

Company Position General Manager
.....

IMPORTANT:

This questionnaire is to be completed and signed by the Assured and will form part of the Insurance Policy.

The premium charged and the conditions of this Policy are based upon the information provided in this questionnaire, any operations and/or physical changes in the nature of the Assured's Operations during the policy period which materially changes or alters in any way the information contained in this questionnaire must immediately be advised to Underwriters. Any change advised will be assessed by Underwriters to enable them to decide whether they are prepared to continue to provide coverage and at what terms. Failure to comply with this requirement could affect the validity of the Policy.

ASSURED TO NOTE:

The construction of this policy shall be governed by English law and practice. Any dispute between Underwriters and the Assured as to the meaning of this Policy shall be resolved by Arbitration in London strictly in accordance with the terms of the Arbitration clause contained in the policy.

ATTACHMENT

QUESTION #	RESPONSE
12.	<p>Loss Prevention/Risk Management</p> <p>a) Risk control and loss control management practices in use are the use of the Accident Review Board Meetings. These meetings are held at least monthly to determine the root cause of accidents that have occurred on Port property. The meetings are used to identify if the accidents are as of the result of equipment or mechanical failure, training deficiencies or employee inattention to detail. The Port's Personnel Rules and Regulations employee handbook provides guidance on acceptable employee behavior on the worksite. The handbook also clearly states the steps that are available to management to curb or eliminate unwanted or undesired behavior. The Port Authority has in place a policy for substance abuse testing for designated positions. Those "testing designated positions" are typically those that involve the use of Port mobile equipment, machinery or firearms.</p> <p>b) The Port is a government agency and its actions with respect to operations are subject to the purview of the United States Coast Guard, Guam Environmental Protection Agency and other agencies. Waste oil disposal is outsourced to qualified private companies.</p> <p>c) The Port Authority has a maintenance department responsible for equipment, facilities and grounds maintenance. The Port equipment maintenance program follows a preventative program based on the manufacturer's recommendations. Of the five (5) ship to shore gantry cranes in Port operations, one is Port owned and is past the normal replacement time frame. The four cranes in use are owned by a third party. The Port Authority has also partnered with the same third party in an effort to extend its reach to obtain hard to procure gantry parts. The Port also schedules and requires its equipment operators to attend annual refresher training in the safe use of forklifts, safe handling of hazardous waste materials amongst others. The facilities section handles the minor maintenance tasks for the Port buildings and small boat marinas. Major tasks are normally outsourced to the private sector through the government procurement process.</p> <p>d) The fire protection systems in the warehouse and other buildings are functional. Fire main water is available and the fire alarm systems are functional. The warehouses are primarily used for dry breakbulk storage. Grain and coal elevators are non-existent at this location. Procedures have been in place to deny entry which is saved for emergency vehicles to access the Terminal Yard while handling certain dangerous cargo.</p>

DIRECTORS & OFFICERS LIABILITY

Named Insured

The Jose D. Leon Guerrero Commercial Port, Port Authority of Guam and subsidiary and associated companies in which the Insured has a controlling interest as stated in the Insured's proposal form.

Term

1 October 2012 to 1 October 2013, both days at 12:01 AM Local Standard Time

Coverages Required

Coverage	Limit of Liability
Directors and Officers Liability, any one claim and in the aggregate	\$5,000,000
Subject to a sublimit for Employment Practice Liability (part of and not in addition to the limit)	\$2,000,000
Self Insured Retention	
Each and every claim	\$10,000
Each and every Employment Practices Liability claims	\$75,000
Alternate Quotes	
1) Waiver of Recourse endorsement	

Required Conditions

Pending or Prior Litigation

The Insurer will not be liable to make any payment of loss in connection with a claim arising out of, based upon or attributable to any pending or prior litigation as of:

10/1/1993 with respect to the first \$1,000,000 limit
 10/1/1997 with respect to the next \$1,000,000 limit
 10/1/1999 with respect to the remaining \$3,000,000 limit

Territory

This policy applies to Wrongful Acts actually or allegedly taking place or claims made anywhere in the world.

Cancellation Clause

If Underwriters desire to cancel this policy, other than for non-payment, they shall give sixty (60) days prior written notice by email and Certified Mail to:

Alma B. Javier, Procurement & Supply Manager
 Port Authority of Guam
 1026 Cabras Highway, Suite 201
 Piti, Guam 96915
 E-mail: abjavier@portguam.com

and

Michael Moody, Risk Manager
 IRIS, Ltd.
 4188 Via Solano
 Palos Verdes Estates, CA 90274
 E-mail: mmoody@irisltd.us



Service of Suit Clause

Service of process in any suit may be made upon AM Insurance, Suite 113F Ada's Commercial Center, 215-A Chalan Santo Papa, Agana, Guam 96932

Application Form

PLEASE COMPLETE ALL SECTIONS INCOMPLETE APPLICATIONS WILL BE REJECTED

CHARTIS

CHARTIS INSURANCE
C/O CALVO'S INSURANCE UNDERWRITERS, INC.
MANAGING GENERAL AGENTS
P.O. BOX CI
HAGATNA, GUAM 96932
TEL. (671) 472-6816

PROPOSAL FORM FOR
DIRECTORS & OFFICERS INSURANCE

Application Form

PLEASE COMPLETE ALL SECTIONS INCOMPLETE APPLICATIONS WILL BE REJECTED

CHARTIS

Business

Evolutionary Insurance

BusinessGuard Proposal Form For Directors & Officers Liability and Company Reimbursement Insurance

AN IMPORTANT NOTICE

Your Duty of Disclosure

Before you enter into a contract of general insurance with an Insurer, you have a duty to disclose to the Insurer every matter that you know, or could reasonably be expected to know, is relevant to the Insurer's decision whether to accept the risk of the insurance and, if so, upon what terms. You have the same duty to disclose those matters to the Insurer before you renew, extend, vary or reinstate a contract of general insurance.

Your duty however does not require disclosure of matter:-

- that diminishes the risk to be undertaken by the Insurer;
- that is of common knowledge;
- that your Insurer knows or, in the ordinary course of his business, ought to know;
- as to which compliance with your duty is waived by the Insurer.

(It should be noted that this duty continues after the proposal form has been completed up until the policy is entered into).

Non-Disclosure

If you fail to comply with your duty of disclosure, the Insurer may be entitled to reduce his liability under the contract in respect of a claim or may cancel the contract.

If your non-disclosure is fraudulent, the Insurer may also have the option of avoiding the contract from its beginning.

Rights of Subrogation

Where the contract of insurance includes a provision which excludes or limits the insurer's liability in respect of any loss because you are a party to an agreement which excludes or limits your rights to recover damages from a third party in respect of that loss, you are hereby notified that signed any such agreement may place your indemnity under this proposed contract of insurance at risk.

When completing this Proposal Form...

- Please answer all questions giving full and complete answers.
- If the space provided on the Proposal Form is insufficient, please use a separate signed and dated sheet in order to provide a complete answer to any question.
- Please ensure that the Proposal Form is properly signed and dated.

Application Form

CHARTIS

PLEASE COMPLETE ALL SECTIONS INCOMPLETE APPLICATIONS WILL BE REJECTED

BusinessGuard Proposal Form For Directors & Officers Liability and Company Reimbursement Insurance

Proposer Details:

1. Name of Proposer:

PORT AUTHORITY OF GUAM, JOSE D. LEON GUERRERO COMMERCIAL PORT

2. Address of Head Office:

1026 CABRAS HIGHWAY, SUITE 201, PITI, GUAM 96925

3. Country of Registration:

GUAM

4. Date of incorporation/formation:

Created in 1975 (Government Agency)

5. (a) How long has the Proposer continually carried on business?

Since 1975

(b) State the principal business activities of the Proposer and its subsidiaries?

SEAPORT OPERATOR

6. Limit(s) of Liability being requested:

\$5,000,000 SUBJECT TO A SUBLIMIT OF \$2,000,000 FOR EMPLOYMENT PRACTICES LIABILITY

7. (a) Give a complete list of all subsidiary companies including country of registration and percentage owned by Proposer. Please use attachment

(b) Does the Proposer have any subsidiary(ies) incorporated/formed in the United States of America?..... Yes No

(c) Is the Proposer requesting Directors and Officers insurance for each subsidiary listed in (a) above?..... Yes No

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

PROPOSER HAS NO SUBSIDIARIES

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

Application Form

CHARTIS

PLEASE COMPLETE ALL SECTIONS INCOMPLETE APPLICATIONS WILL BE REJECTED

BusinessGuard Proposal Form For Directors & Officers Liability and Company Reimbursement Insurance

8. (a) Please provide total (consolidated) annual gross assets of the Company from the most recent year end report:

FY2011 \$80,389,679

(b) Please provide total (consolidated) annual revenues/turnover of the Company from the most recent year end report:

FY2011 \$35,850,816

(c) Please provide the total (consolidated) net worth of the Company for the past two years:

FY2010: \$ 66,680,402

FY2011: \$ 69,180,613

(d) Please provide the total (consolidated) net income of the Company for the past two years:

FY2010: \$ 7,062,106

FY2011: \$ 2,500,211

9. During the last five years has:

(a) the name of the Proposer changed?..... Yes No

(b) any acquisition or merger taken place of the Proposer or any subsidiary occurred?..... Yes No

(c) any subsidiary been sold or ceased trading?..... Yes No

(d) the Company undergone a management buyout leveraged buyout or other change in capital structure of the Parent Company changed?..... Yes No

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

10. Does the Company or any director or officer have Directors & Officers Liability Insurance currently in force?.....

If "yes" please state:

(a) Insurer: AMERICAN HOME

(b) Indemnity Limit: \$5,000,000 subject to \$2,000,000 sublimit for Employment Practices Liab

(c) Expiry Date: OCTOBER 1, 2012

(d) Premium: \$46,874

(e) Retention(s): \$10,000 each claim / \$75,000 for each Employment Practice Liab claim

Application Form

CHARTIS

PLEASE COMPLETE ALL SECTIONS INCOMPLETE APPLICATIONS WILL BE REJECTED

BusinessGuard Proposal Form For Directors & Officers Liability and Company Reimbursement Insurance

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

If "yes" please give details.

12. Is the Proposer:

(a) Privately Held? Yes No

(b) Publicly Traded (equity or debt)? Yes No

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

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

(a) Is the Proposer publicly listed on an Unlisted Securities Market? Yes No

(b) Traded in any other way?..... Yes No

Please specify:

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

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

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

Application Form

CHARTIS

PLEASE COMPLETE ALL SECTIONS INCOMPLETE APPLICATIONS WILL BE REJECTED

BusinessGuard Proposal Form For Directors & Officers Liability and Company Reimbursement Insurance

16. Please list for the Company:

(a) Total number of shareholders:

None

(b) Total number of shares issued:

None

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

None

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

None

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

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

Not Applicable

17. (a) Is the Proposer or any subsidiary considering any acquisition, tender offer, merger, buy-out or other change in equity structure?..... Yes No

(b) Is the Proposer or any subsidiary aware of whether any other company or entity is considering an acquisition, tender offer, merger, buy-out or other change in equity structure of which the Proposer or any subsidiary would be a target?..... Yes No

(c) Is the Proposer or any of its subsidiaries intending either a new public offering of securities (equity or debt), or a change in the listing status of its existing securities, within the next year?..... Yes No

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

Application Form

CHARTIS

PLEASE COMPLETE ALL SECTIONS INCOMPLETE APPLICATIONS WILL BE REJECTED

BusinessGuard Proposal Form For Directors & Officers Liability and Company Reimbursement Insurance

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

If "Yes," who, title and why?

See attachment

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

If "Yes," who, title and why?

19. (a) Who is the company's external auditing firm? FY2011 Ernest & Young

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

If "yes," why and when?

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

If "Yes," why and to whom?

Service contract expired in FY2011. At this point it is unknown who will be awarded the contract.
this service is currently out in a RFP.

Application Form

CHARTIS

PLEASE COMPLETE ALL SECTIONS INCOMPLETE APPLICATIONS WILL BE REJECTED

BusinessGuard Proposal Form For Directors & Officers Liability and Company Reimbursement Insurance

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

If "no," please provide specific details.

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

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

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

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

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

If "yes," please provide details.

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

If "yes," please provide details.

FY08 Financials restated due to the change of the DB Plan that was accounted for as a single employer plan was redesignated as a cost-sharing multiple-employer plan effective 10/1/08.

Application Form

CHARTIS

PLEASE COMPLETE ALL SECTIONS INCOMPLETE APPLICATIONS WILL BE REJECTED

BusinessGuard Proposal Form For Directors & Officers Liability and Company Reimbursement Insurance

Cover for the United States of America

Please complete questions 26-33 if the Proposer is requesting any coverage for claims brought in the United States of America or claims made elsewhere arising out of the Company's operations in the United States of America.

26. (a) Please provide the total gross assets of the Company in the United States of America:

FY2011 \$ 80,389,679

(b) Please provide the total revenues of the Company derived from its activities in the United States of America:

FY2011 \$ 35,850,816

(c) Total number of employees in the United States of America and three US states with the largest number of such employees:

373

27. Does the Company have any ownership interest of 50% or less in any entity located or incorporated in the United States of America? Yes No

If "yes":

(a) Please provide in an attachment the name of the entity, type of industry, whether public or private, and if publicly traded, type of securities (equity or debt) and the name of exchange or market on which such securities are traded:

(b) Does the Company have any representation on the Board of Directors, or as an Executive Officer, on any entity listed in question 27(a) above?..... Yes No

If "yes" to 27(b), please provide name of entity, name of individual and position.

Application Form



PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED.

**BusinessGuard Proposal Form For Directors & Officers
Liability and Company Reimbursement Insurance**

28. Does the Company treat stock options as an expenses in its financial statements?..... Yes No

29. Does the Proposer or any of its subsidiaries have any stock, shares or debentures issued in North America?..... Yes No

If "yes":

(i) Are such stocks, shares or debentures publicly traded?..... Yes No

If "Yes," then list:

Name of entity	Type of security (equity or bond)	Each securities exchange /market per country	Type of listing (direct, ADR and level, OTC)	Percentage traded as a total of all issued share capital

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

If "no," why?

Last administration the BOD created a financial committee. Currently, one of the Board of Director is assigned to regularly work with management to review the financial condition.

If "yes,"

(a) Does the Audit Committee meet more than four times a year?..... Yes No

(b) Has any member of the audit committee resigned or been replaced within the past two years? Yes No

If "yes" to question 30(b), who and why?

Application Form



PLEASE COMPLETE ALL SECTIONS INCOMPLETE APPLICATIONS WILL BE REJECTED

BusinessGuard Proposal Form For Directors & Officers Liability and Company Reimbursement Insurance

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

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

32. Is the Company or any director or officer of the Company presently, or has the company or any director or officer of the Company been in the past 5 years, the subject of a U.S. Securities and Exchange Commission (SEC) enforcement action or a U.S. Internal Revenue Service (IRS) enforcement action?Yes No

If "yes," please provide details.

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

If "yes," please provide details.

The following questions are to be completed by all applicants.

Claims Information

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

If "yes," please provide details.

~~See claims history.~~ _____

Application Form



PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED

BusinessGuard Proposal Form For Directors & Officers Liability and Company Reimbursement Insurance

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

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

It is agreed that with respect to Questions 34 and 35 above, that if such claim, proceeding, action, knowledge, information or involvement exists, then such claim, proceeding or action and any claim or action arising from such claim, proceeding, action, knowledge, information or involvement is excluded from the proposed coverage.

Application Form

CHARTIS

PLEASE COMPLETE ALL SECTIONS. INCOMPLETE APPLICATIONS WILL BE REJECTED.

BusinessGuard Proposal Form For Directors & Officers Liability and Company Reimbursement Insurance

Documentation

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

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

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

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

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

**BusinessGuard Proposal Form For Directors & Officers
Liability and Company Reimbursement Insurance**

CONSENT CLAUSE

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

Application Form

CHARTIS

PLEASE COMPLETE ALL SECTIONS INCOMPLETE APPLICATIONS WILL BE REJECTED

BusinessGuard Proposal Form For Directors & Officers Liability and Company Reimbursement Insurance

Declaration

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

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

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

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

Signed *Mary C. Torres*
 Title GENERAL MANAGER
 CEO or Chairman of the Board of Directors
 (Authorized signatory of the insured)
 Company PORT AUTHORITY OF GUAM
 Date 5/4/2012

CHARTIS INSURANCE
C/O CALVO'S INSURANCE UNDERWRITERS, INC.
MANAGING GENERAL AGENTS
 P.O. BOX CI
 HAGATNA, GUAM 96932

DIRECTORS & OFFICERS INSURANCE APPLICATION

NAMED INSURED:

JOSE D. LEON GUERRERO COMMERCIAL PORT, PORT AUTHORITY OF GUAM

LIST OF PERSONS TO BE INSURED AT INCEPTION OF THE POLICY

NAME	POSITION
Mary C. Torres	General Manager
Anisia B. Terlaje	Deputy General Manager
Michael T. Benito	Board of Director
Eduardo R. Illao	Board of Director
Daniel J. Tydingco	Board of Director
Mary Michelle Gibson	Board of Director
Christine Won Pat Baleto	Board of Director

ATTACHMENT

PORT AUTHORITY OF GUAM

NAME OF APPLICATION

QUESTION #	RESPONSE
18	<p>4/18/11 Anisia B. Terlaje was appointed as Deputy General Manager. On 2/20/12 Governor reassigned General Manager Pedro Leon Guerrero to another agency and assigned Mary C. Torres as General Manager for the Port.</p> <p>Our Board of Directors changed, when a board members term expires the Governor has the option to extend term or appoint another member. Below is a current listing of our Board Members.</p>
	<p>Michael T. Benito January 19, 2011</p> <p>Eduardo R. Illao January 19, 2011</p> <p>Daniel J. Tydingco February 1, 2011</p> <p>Mary Michelle Gibson May 16, 2011</p> <p>Christine Won Pal Baleto December 6, 2011</p>

Port Authority - Board of Directors

<u>Name</u>	<u>Legislative Gov's Appt.</u>	<u>Confirmation</u>	<u>Expiration</u>
Michael T. Benito	19-Jan-11	21-Feb-11	21-Feb-14
Eduardo R. Illao	19-Jan-11	21-Feb-11	21-Feb-14
Daniel J. Tydingco	1-Feb-11	21-Feb-11	21-Feb-14
Mary Michelle Gibson	16-May-11	3-Aug-11	3-Aug-14
Christine Won Pat Baletto	6-Dec-11	15-Mar-12	15-Mar-15

AUTOMOBILE INSURANCE

Named Insured

Port Authority of Guam, Jose D. Leon Guerrero Commercial Port, and any person or entity using the insured vehicle with the Authority's permission.

Term

1 October 2012 to 1 October 2013, both days at 12:01 AM Standard Time

Coverages Required

Coverage	Limits
Bodily Injury and Property Damage Liability each accident Including: • Hired and Non-Owned Auto Liability	\$2,000,000 CSL
Medical Payments	Not Covered
Comprehensive – Deductible	1,000
Collision - Deductible	1,000
Uninsured Motorist – Each Person/Each Vehicle	Not Covered
Personal Accident – Each Person/Each Vehicle	Not Covered
Loss of Use	Not Covered
Typhoon – Deductible	1,000

Required Conditions

Valid Drivers License Waiver

The requirement that drivers possess a valid drivers license is waived as respects the Authority.

Under-Age Driver Waiver

The exclusion of Material Damage coverage should the vehicle be operated by a driver under the age of 25 is waived as respects the Authority.

Operator Waiver

The exclusion of coverage should the vehicle be operated by a person while committing a felony or who is under the influence of intoxicating liquor or controlled drugs or substances is waived as respects the Authority.

Newly Acquired and Substitute Vehicles

Newly acquired or substitute vehicles shall be automatically covered from the date of acquisition until the expiration of the policy. The additional premium for all such vehicles, and the return premium for vehicles deleted from the schedule, will be determined by final audit adjustment following expiration of the policy.

Errors & Omissions Clause

The Insured shall not be prejudiced by an unintentional or inadvertent error, omission, incorrect valuation or incorrect description of any vehicle; provided that notice is given to Underwriters as soon as practical after discovery of any such error or omission.

Racing, Pacemaking or Speed Testing

The exclusion of coverage should the vehicle be operated for racing, pacemaking or speed testing is waived as respects the Authority.

Jurisdiction

This insurance shall be governed by and construed in accordance with the laws of the Guam and the exclusive jurisdiction of the USA including Guam courts. The seat of arbitration shall be Guam.

Waiver of Sovereign Immunity

In the event of a claim, Underwriters waive any defense of Sovereign Immunity.

Cancellation Clause

If Underwriters desire to cancel this policy, other than for non-payment, they shall give sixty (60) days prior written notice by email and Certified Mail to:

Alma B. Javier, Procurement & Supply Manager	and	Michael Moody, Risk Manager
Port Authority of Guam		IRIS, Ltd.
1026 Cabras Highway, Suite 201		4188 Via Solano
Piti, Guam 96915		Palos Verdes Estates, CA 90274
E-mail: abjavier@portguam.com		E-mail: mmoody@irisltd.us

Service of Suit Clause

Service of process in any suit may be made upon AM Insurance, Suite 113F Ada's Commercial Center, 215-A Chalan Santo Papa, Agana, Guam 96932

Inclusion of Windstorm, Hurrigan, Typhoon, Flood or Tidal Wave

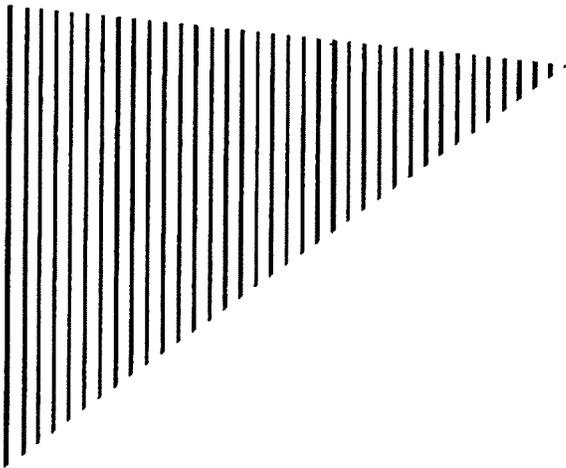
Material damage includes damages from windstorm, typhoon, flood or tidal wave.

**PORT AUTHORITY OF GUAM
AUTOMOBILE SCHEDULE FY13**

Updated: April 30, 2012

No.	Year	Make	Description	VIN	Cost	NBV	License #	Assigned	Color	Asset No.
1	1998	Ford	Ranger 4 x 2 SC	1FTYR14U0WPA92478	18,114	-	3459	Welders		1278
2	2005	Ford	Ranger XL 4 X 2 Pickup	1FTYR10D005PA56831	15,190	-	4244	Transportation	White	1814
3	2005	Ford	Ranger XL 4 X 2 Pickup	1FTYR10D005PA44113	15,190	-	4246	Transportation	White	1810
4	2005	Ford	Ranger XL 4 X 2 Pickup	1FTYR10D005PA32340	15,190	-	4247	Transportation	White	1811
5	2005	Ford	Ranger XL 4 X 2 Pickup	1FTYR10D15PA47330	15,190	-	4248	Transportation	Beige	1812
6	2005	Ford	Ranger XL 4 X 2 Pickup	1FTYR10D15PA47331	15,190	-	4249	Transportation	Beige	1813
7	2005	Ford	Ranger XL 4 X 2 Pickup	1FTYR10D45PA56832	15,190	-	4221	Transportation	Silver	1815
8	2005	Ford	Ranger XL 4 X 2 Pickup	1FTYR10D55PA71842	15,190	-	4285	Port Police	White	1816
9	2005	Ford	Ranger XL 4 X 2 Pickup	1FTYR10D75PA71843	15,190	-	4286	Bldg. Maintenance	White	1817
10	2007	Ford	Ranger 4 x 4 Pickup	1FTZR45E17PAZ3572	22,273	-	4625	Harbormaster	White	1940
11	2007	Ford	Ranger 4x2 Pickup	1FTYR10D7PA37368	17,795	-	4620	EQMR	Dark Gray	1941
12	2008	Hyundai	Hyundai Accent	KMHCM46C18U261650	11,971	3,392	5661	General Manager	White	2055
13	2008	Hyundai	Hyundai Accent	KMHCM46C28U248843	11,971	3,392	5671	Deputy GM	White	2056
14	2008	Hyundai	Hyundai Accent	KMHCM46C68U248800	11,971	3,392	5672	Clerical	White	2057
15	2008	Ford	E-350 15 Passenger Van	1FBSS31L18DA31117	28,800	8,160	5052	Transportation	White	2058
16	2009	Ford	Ranger 4x2 Pickup	1FTYR10E19PA23690	28,900	12,523	5510	Electrical	White	2085
17	2009	Ford	Ranger 4x2 Pickup	1FTYR10E59PA23689	28,900	12,523	5509	Fleet	White	2084
18	2010	Ford	F150 4x4 Pickup	1FTFW1EV8AKA32509	41,900	22,347	5595	Transportation	White	2111
19	2010	Ford	F150 4x4 Pickup	1FTFW1EV4AKA32510	41,900	22,347	5594	Transportation	White	2112
20	1989	Chevy	Chevrolet Truck Utility	1GCF24H1LZ177203	1	-		Port Police-Lesso	White	2114
21	1995	GM	Kodiak Stake Truck	1GEM7H1JOSJ110762	1	-		Port Police-Lesso		2115
22	1994	Ford	Ranger Pickup	1FTCR10UJXRU63971	1	-		Port Police-Lesso		2116
23	1998	Ford	Ranger Pickup	1FTYR10U1W1PB65699	1	-	51	Port Police-Lesso	White	2181
24	2010	Kawasaki	Utility Vehicle	JK1A1FDG14AB502938	15,695	10,725		Port Police		2195

TOTAL	\$ 401,714
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*Financial Statements and Other Financial
Information*

Port Authority of Guam
(A Component Unit of the Government of Guam)

*Years ended September 30, 2011 and 2010
with Report of Independent Auditors*

Port Authority of Guam
(A Component Unit of the Government of Guam)

Financial Statements and
Other Financial Information

Years ended September 30, 2011 and 2010

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Report of Independent Auditors

Board of Directors
Port Authority of Guam

We have audited the accompanying statements of net assets of the Port Authority of Guam (the Authority), a component unit of the Government of Guam, as of September 30, 2011 and 2010, and the related statements of revenues, expenses and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Authority's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Authority's internal control over financial reporting. Our audits included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management and evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Port Authority of Guam as of September 30, 2011 and 2010, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2012 on our consideration of the Port Authority of Guam's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Management's Discussion and Analysis on pages 3 through 13 is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements of the Authority taken as a whole. The supplementary information contained in Schedules 1 and 2 is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Ernst + Young LLP

January 26, 2012

Port Authority of Guam
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis

The following Management's Discussion and Analysis ("MD&A") of the Port Authority of Guam ("PAG", "Port", "Authority") provides an overview of the activities and financial performance for the fiscal years ended September 30, 2011 and 2010. The information contained in this MD&A has been prepared by management and should be considered in conjunction with the financial statements and the accompanying notes which follow this section and are integral to the data contained in the financial statements. All amounts, unless otherwise indicated, are expressed in thousands of dollars.

ABOUT THE AUTHORITY

The Port Authority of Guam was established as a public corporation and an autonomous agency of the government by Public Law 13-87 in October 1975. The Port operates the only commercial seaport in the Territory and, as the primary seaport in Micronesia, serves as a transshipment point for the entire Western Pacific region. It operates the largest U.S. deepwater port in the region and currently handles about 2 million tons of cargo a year. The Port owns 5 cargo-handling piers along with two fuel piers and three marinas. The cost for operations and capital improvements are funded largely from the Authority's own revenues.

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

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

The Port facilities were designed in the 1960s and put into service in 1969. The facilities have remained unchanged since its construction in 1969 with the exception of the repair of F-5 in 1999. This is in contrast to the situation at most modern mainland ports which have undergone two or more cycles of technology and maintenance improvements during this same period of time. This situation exists primarily due to a long history of limited funding to support maintenance, repair, and capital projects at the Port. As a result, most of the Port's assets are in a critical state of disrepair and are out of compliance with current codes and standards.

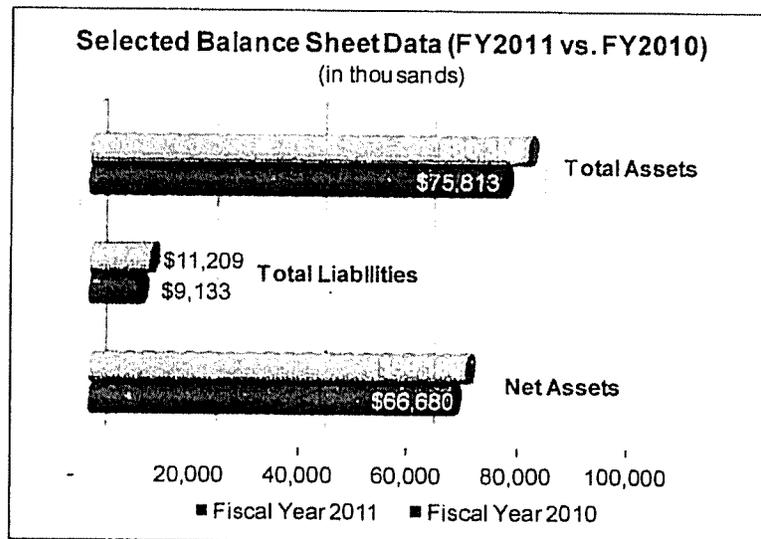
The Authority is dedicated to providing full services to ocean vessels in support of loading and unloading cargo for Guam and Micronesia. The Port Authority of Guam is the main lifeline of consumer goods into the island, and as such, recognizes its responsibility to deliver these goods in a timely and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

Port Authority of Guam
(A Component Unit of the Government of Guam)

Management’s Discussion and Analysis, continued

FINANCIAL HIGHLIGHTS

- The net assets of the Authority at September 30, 2011 were \$69.2 million. Of this amount \$64.4 million is invested in capital assets and \$4.8 million is considered unrestricted.
- The Port’s net assets increased by \$2.5 million for the fiscal year ended September 30, 2011.
- The Port’s total assets increased by \$4.6 million during the fiscal year ended September 30, 2011. The major components of this change were an increase in current assets by \$1.6 million and increase in capital assets by \$3.0 million.
- The total liabilities increased by \$2.1 million during fiscal year ended September 30, 2011. The major component of this change was due to the long-term debt of \$3.3 million which commenced in the beginning of FY 2011.
- Since Fiscal Year 2003, the Port’s finances have consistently showed an increase in net assets for 9 straight years.



Overview of Financial Statements

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

The statements of net assets present information on all of the Authority's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Authority is improving or deteriorating.

Port Authority of Guam
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis, continued

The statements of revenues, expenses, and changes in net assets present information showing how the Authority's net assets changed during the fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Financial Analysis

The largest portion of the Authority's net assets (88%) reflects its investment in capital assets (e.g., land, buildings, machinery and equipment), less any related debt used to acquire those assets, and excluding any outstanding debt proceeds. The Authority uses these assets to provide services to its customers; consequently these assets are not available for future spending. Although the Authority's investment in capital assets is reported net of related debt, it should be noted that the resources to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional portion of the Authority's net assets represents resources that are unrestricted net assets which may be used to meet the Authority's ongoing obligations to employees and creditors.

A summarized comparison of the Port's assets, liabilities, and net assets at September 30 is as follows:

Condensed Statements of Net Assets
(In thousands)

<u>ASSETS</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
Current and other assets	\$ 15,859	\$ 14,300	\$ 15,726
Capital assets	<u>64,530</u>	<u>61,513</u>	<u>52,795</u>
Total assets	<u>\$ 80,389</u>	<u>\$ 75,813</u>	<u>\$ 68,521</u>
 <u>LIABILITIES AND NET ASSETS</u>			
Current liabilities	\$ 6,445	\$ 7,884	\$ 7,904
Other non-current liabilities	<u>4,764</u>	<u>1,248</u>	<u>998</u>
Total liabilities	<u>11,209</u>	<u>9,132</u>	<u>8,902</u>
Net assets:			
Invested in capital assets	64,406	61,375	52,652
Unrestricted	<u>4,774</u>	<u>5,306</u>	<u>6,967</u>
Total net assets	<u>69,180</u>	<u>66,681</u>	<u>59,619</u>
Total liabilities and net assets	<u>\$ 80,389</u>	<u>\$ 75,813</u>	<u>\$ 68,521</u>

The Authority's total assets increased by \$4.6 million during the fiscal year ended September 30, 2011, and from \$75.8 million in FY 2010 to \$80.4 million in FY 2011.

Port Authority of Guam
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis, continued

The increases were primarily due to the increase in the Port's current assets by \$1.6 million or 11% and Property, plant and equipment by \$3 million or 5%. The total liabilities increased by \$2.1 million or 23% from \$9.1 million in FY 2010 to \$11.2 million in FY 2011. This was primarily due to the increase in Port's current and non-current liabilities, which will be explained in the Capital and Debt service portion of this report. The net assets increased by \$2.5 million during the fiscal year ended September 30, 2011. Net assets invested in capital assets net of related debt increased by \$3.0 million and unrestricted net assets decreased by \$0.5 million.

Key elements of this increase are identified in the following schedule of changes in net assets and related explanations.

Port Authority of Guam
Changes in Net Assets
(In thousands)

	<u>2011</u>	<u>2010</u>	<u>2009</u>
Operating revenues:			
Cargo throughput charges	\$23,605	\$24,281	\$20,966
Wharfage charges	3,939	4,131	3,781
Equipment and space rental	7,453	7,365	5,269
Special services	368	382	419
Other operating revenue	<u>485</u>	<u>397</u>	<u>86</u>
Total operating revenues	<u>35,850</u>	<u>36,556</u>	<u>30,521</u>
Operating expenses:			
Operations	9,191	8,014	6,618
Equipment maintenance	5,609	5,753	4,697
Facility maintenance	1,468	1,343	1,299
Management and administration	8,236	7,936	6,546
General expenses	<u>7,416</u>	<u>8,472</u>	<u>6,651</u>
Total operating expenses before depreciation	<u>31,920</u>	<u>31,518</u>	<u>25,811</u>
Operating income before depreciation	3,930	5,038	4,710
Depreciation	<u>3,351</u>	<u>2,808</u>	<u>2,743</u>
Operating income	579	2,230	1,967
Nonoperating expenses, net	2,491	1,245	328
(Loss) earnings before capital contributions	(1,912)	985	1,639
Capital contributions – US Government Grants	<u>4,413</u>	<u>6,077</u>	<u>379</u>
Increase in net assets	2,501	7,062	2,018
Net assets at beginning of year	<u>66,680</u>	<u>59,618</u>	<u>57,600</u>
Net assets at end of year	<u>\$69,181</u>	<u>\$66,680</u>	<u>\$59,618</u>

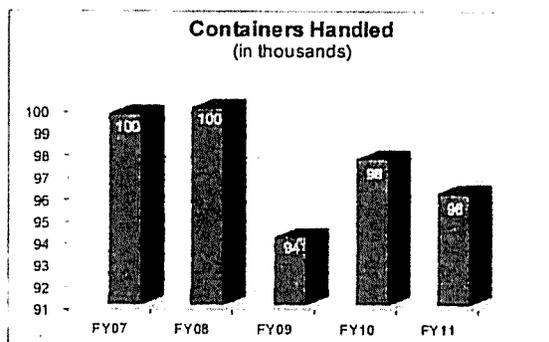
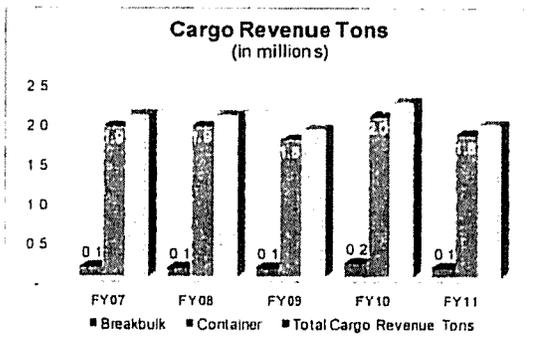
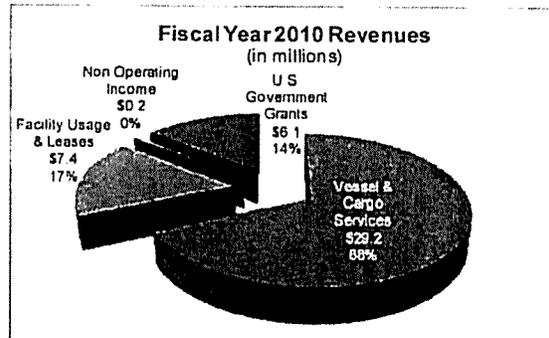
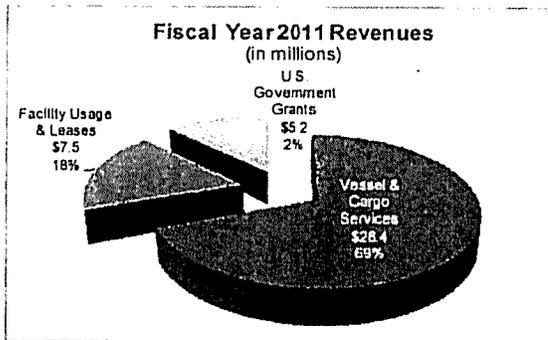
Port Authority of Guam
(A Component Unit of the Government of Guam)

Management’s Discussion and Analysis, continued

Revenues

Vessel and cargo services revenues in FY 2011 decreased by 3% or \$.08 million, from \$29.2 million in 2010 to \$28.4 million in the current fiscal year. The major components of the change are decreases in non-containerized or break bulk cargos by almost 40% or \$660 thousand, a \$200 thousand decrease in container throughput revenues and another \$200 thousand decrease in Wharfage revenues. There were no tariff increases in FY 2011. The total number of containers decreased by 2 thousand or 2%, from 98 thousand containers in FY 2010 to 96 thousand containers in FY 2011. Facility usage and leases increased by 1% or \$90 thousand, from \$7.36 million in FY 2010 to \$7.45 million in FY 2011. This is primarily due to the increase in the leases of Mobil which was retroactive since March of 2010. The amount from the prior year assessment was \$157 thousand. The federal contributions in FY 2011 decreased by \$0.9 million, from \$6.1 million in FY 2010 to \$5.2 million in FY2011.

Vessel and cargo services revenues in FY 2010 increased by 16% or \$3.9 million compared to FY 2009 primarily due to increase in container volumes by 4 percent and 3.4 percent increase in tariff rates in January of 2010. Facility usage and leases increased by 40%, from \$5.3 million in Fiscal Year 2009 to \$7.4 million in Fiscal Year 2010. The cause of the increases were due to the full year implementation of new space lease rates approved through Public Law 30-19 and PUC approved rate changes on fuel throughput fees and other facility charges.



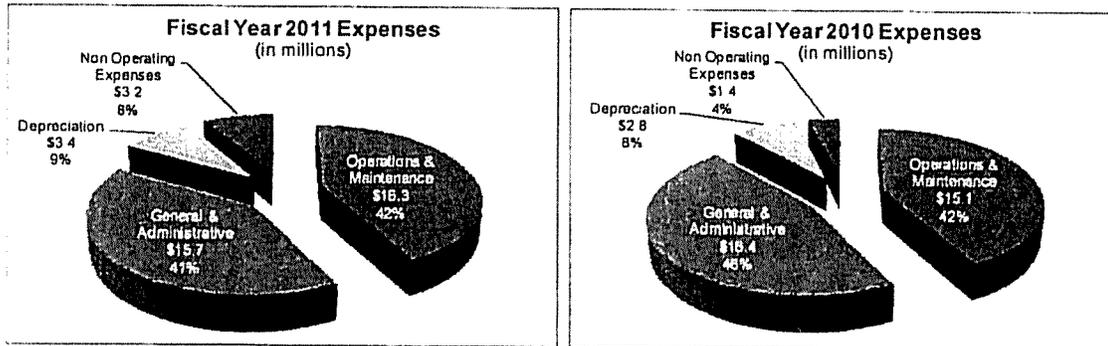
Port Authority of Guam
(A Component Unit of the Government of Guam)

Management’s Discussion and Analysis, continued

Expenses

In FY 2011, the Operations and Maintenance expenses of the Port increased by \$1.2 million or 7% due to increases in the Salaries and Benefits caused by annual employee increments, increase in Fuel expenses by \$125 thousand and new employees hired in Operations and Facility Maintenance divisions. General and administrative expenses in FY 2011 decreased by 5% or \$755 thousand primarily due to decreases in Insurance and Utility cost totaling to \$750 thousand. Management and Administration expenses increased by 4% or \$300 thousand due to salary and benefits annual increases and new employees hired in FY 2011. Depreciation expenses increased by 19% or \$543 thousand due to the reclassification of completed Construction in progress projects on the Port’s cargo handling equipments and purchase of new assets in FY 2011. The operating expenses in FY 2011 increased by 3% or \$946 thousand, from \$34.3 million in FY 2010 to \$35.3 million in FY 2011.

In 2010, the Port’s operating expenses increased by \$5.7 million or 20% compared to FY 2009, from \$28.6 million in 2009 to \$34.3 million in 2010. The major components of the change were increases in employees salary and benefits due to the implementation of the Port Classification and Compensation Study authorized through Public Law 30-43, increase in professional Services by \$800 thousand for services related to legal counsel, PUC consultant fees, Master Plan implementation, tariff study, appraisal studies and labor relations, operational supplies plus repairs and maintenance expenses have increased by \$1.5 million compared to Fiscal Year 2010 due to the high cost required in maintaining the aging cargo handling equipment of the Port.



Port Authority of Guam
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Management's Discussion and Analysis, continued

PORT MODERNIZATION PROGRAM UPDATE

In September of 2010, the Port received a \$50 million grant from the Department of Defense in support of the Phase I-A of the Port Modernization Program. The United States Department of Agriculture (USDA) subsequently announced in October that they have awarded the Port Authority of Guam \$54.5 million in loans to complete the funding for Phase I-A of the Port Modernization Program.

After months of discussion with Maritime Administration (MARAD) of the Department of Transportation on the proposed implementation plan, the Port received MARAD's proposed Implementation Plan (IP) adjustment in May 2011 which considers reprioritizing the Phase I-A Base Package on a combination of cargo enhancements (productivity) and sustainability components, with a key premise that additional funding for all of Phase I-A may not be forthcoming near-term. Subsequent to PAG receipt of the MARAD IP Addendum, key US Congressional Leaders (Senators Webb, Levin, and McCain) called for a reassessment of Guam's Military Buildup Program in the face of the pressing budget problems in Japan and the U.S. The PAG interpreted the Senators' statements as a call for a DOD program reset and a strong indication that projected cargo forecasts were no longer reliable. The combination of a perceived program reset, less than projected cargo demands, and the absence of additional, immediate, and substantive Federal funding for the Modernization Program, has forced the PAG to re-think their approach and priorities. It was agreed, at these meetings, that MARAD will develop a Phase I-A Base Execution Package utilizing the \$50M DOD funding in the Enterprise Fund. Included in the Base Program would be maintenance and repair of damaged concrete structures at Berth F-5. It was also agreed that this Base Package will be supplemented, in the future, with just-in-time borrowing against the \$50M (\$25M Direct and \$25M Guaranteed) USDA Loan Funds as real cargo flow and/or tariff adjustments create the revenue needed to sustain the USDA Loan payback requirements.

After months of meetings that included Port officials, MARAD, the Port Users Group Guam (PUGG) and other stakeholders, all parties agreed upon a Scope of Work (SOW) that focused on the uplands work of the Port Authority Modernization Program. However, MARAD officials recently notified the Port that they would like for the wharves to be a focus of this program and that the Port's Modernization Program would be adjusted to reflect the changes. That announcement was met with concern from Port Oversight Chairman Senator Tom Ada who encouraged MARAD to take a further look at the report conducted on the wharves by the Port's consultant, Parsons Brinckerhoff, which indicated that limited waterfront stabilization would be sufficient. Meanwhile, the PUGG wrote to Port Board Chairman Tydingco supporting the Port's desire to move forward with the uplands work as preferred by the Port Authority of Guam.

Port Authority of Guam
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Management's Discussion and Analysis, continued

PORT MODERNIZATION PROGRAM UPDATE, continued

The Port Board of Directors and management has expressed to MARAD that they support the recommendation of the Port's Owner's Agent and Engineer of a balanced approach which is to move forward with the predominantly Phase I-A program, while simultaneously pursuing limited stabilization measures at berth F3, F4 and F6. This will accomplish affordable cargo handling capacity improvement, set the stage for modernization, and achieve limited sustainability improvements for both the uplands and waterfront structures. The Governor, Congresswoman Bordallo and the Legislature of Guam have also submitted letters and legislative resolution in support of this recommendation. MARAD is currently putting a quantifiable risk analysis, based on the seismic threat, on the various berth options. They are expected to complete this analysis by the end of the first quarter 2012 and use this data to make final construction recommendation that correspond to the present funding and Port's anticipated throughput requirements.

Congresswoman Madeleine Bordallo is requesting formal meetings with MARAD, USDA, JGPO and SDDC be held with PAG, Governor Eddie Calvo, Senator Tom Ada and herself the last week of February 2012 to discuss the balanced approach issue on the Port Modernization Program.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets

The Authority's investment in capital assets as of September 30, 2011, totaled \$64.4 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, office and cargo handling equipments, inventory and construction-in-progress. The total net increase in the Authority's investment in capital assets for the current fiscal year was \$3.0 million or 5%.

Major capital asset activity during 2011 included the following:

- Building and wharf improvements increased by \$189 thousand due primarily to shore power installation in F-5 and F-6 wharf, Warehouse 1 repair and upgrade, installation of parking lights in Agat Marina and concrete spalling repair in the Administration building.
- Office and cargo handling equipments increased by \$7.0 million in 2011. The additions primarily consisted of upgrades and refurbishment repairs of Gantry 3, Gantry 2 and other cargo handling equipments costing \$6.7 million. PAG also purchased desktop, laptop computers, printers, 40 ton air condition unit and other office equipments costing \$329 thousand.
- Other fixed assets procured in FY 2011 were three panelized modular offices.

Port Authority of Guam
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Management's Discussion and Analysis, continued

Debt

At the end of 2011, the Authority had a total debt outstanding of \$3.4 million. A \$3.5 million loan from ANZ bank was approved in October 2010 for the purchase of 4 brand new Hyster Top Lifters and 10 brand new Ottawa terminal yard tractors.

The financial covenant of the loan requires the following ratios:

- a) Interest Coverage Ratio: PAG shall maintain an Interest Coverage Ratio of 1.5 to 1, calculated as follows:

$$\frac{\text{Net Profit (Loss) Before Depreciation, Interest, Taxes and Amortization}}{\text{Total Interest Expense}}$$

- b) Debt Service Coverage Ratio. PAG shall maintain a Debt Service Coverage ratio of 1.30 to 1, calculated as follows:

$$\frac{\text{Net Profit (Loss) Before Depreciation, Interest, Taxes and Amortization}}{\text{Total Interest Expense + Principal Debt Reductions}}$$

The interest coverage ratio is 29.84 to 1 and the debt service coverage ratio is 17.41 to 1

FISCAL YEAR 2012 OUTLOOK

The following are the courses of action that the Port aims to accomplish or complete in FY 2012:

Purchase of Gantry Cranes

The Port has been unsuccessful for several years in its attempt to purchase its own gantry cranes. Public Law 30-100 required the Port to acquire gantry cranes by December 2012. The law allowed the Port to acquire the crane through lease-to-own refurbished or purchase used cranes or new cranes.

The Governor of Guam recently signed Public Law 31-145, which authorizes PAG to enter into negotiations for the acquisition of the POLA gantry cranes owned by Matson/Horizon or its successor. Upon enactment of the law, the PAG Board of Directors formed a negotiating team, comprised of private individuals, Port management and Board members, and ensured that there were no conflicts in their participation as members of the negotiation team. The Port Board of Directors are required to review the acquisition terms recommended by the negotiation team and through a majority vote, ratify or not ratify the terms. If the majority vote of the Board is to ratify, the terms of the acquisition is to be transmitted to the PUC for review and disposition. The Port expects to finalize the negotiation within 90 days.

Port Authority of Guam
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis, continued

Port Security Grant Program (PSGP)

In August 2011, the Authority has been awarded \$2.3 million in federal security grants to help secure our island's only commercial sea port.

The Port will use \$867,151 to purchase a 1500 KW Emergency Backup Generator for the Port's Load Center. Currently the Port's backup generator is only 500KW. This new generator will enhance the Port's capability during prolonged periods of time when island power is disrupted. The remaining \$1,525,790 will be used to acquire a Mobile Containerized X-Ray Screening System. The x-ray system will then be turned over to the Guam Customs and Quarantine Agency for utilization by customs officers.

Other PSGP projects that are currently on-going and projected completion in 2012 are the Maritime and Port Security Operations Center, Container Yard Lighting and C2 Integration

Performance Management Contract

The Port issued a Request for Proposal (RFP) for a Performance Management Contract (PMC) in March 2010 and expected to complete the procurement process by November 2010. The RFP for the PMC was placed on stay procurement status as a result of an appeal of one of the offerors and is currently under litigation. The newly installed Board of Directors and management will be reassessing the PMC's scope of work once the RFP is allowed to commence.

The PMC was to provide management expertise, training to PAG staff and potential investments in elevating the Port operations and equipment maintenance to world class standards. They were also to participate in the modernization construction projects that the Port will undertake. The PMC was to assist the Port in improving efficiencies and continue to maximize operations while the Port Modernization program construction was on-going.

Implementation of New Port Tariff Rules, Regulations and Rates

The Port was mandated by Public Law 30-52 to submit to the Guam Public Utilities Commission the results of a study of existing rates, charges and cost of services provided by the Port no later than December 31, 2010. On December 30, 2010, PAG filed a Final Report on the Comprehensive Tariff Study, which was prepared by the Cornell Group, Inc., consultants for PAG and contained a proposed terminal tariff. PAG published the proposed rate increases of the proposed terminal tariff on January 28, 2011. Slater and Nakamura, consultants of PUC, has reviewed the tariff and submitted their final report to PUC's administrative law judge (ALJ). On October 27 to 28, 2011, the ALJ held duly-noticed public hearings in the villages of Hagatna, Asan and Dededo. The petition for tariff rate relief by the Port was approved by the PUC commissioners during a special meeting held on January 11, 2012.

The PUC order also requires the Port to come back within 6 months and file a five year rate plan, which shall detail any tariff rate increases for the next five years.

Port Authority of Guam
(A Component Unit of the Government of Guam)

Management's Discussion and Analysis, continued

Marina Renovations

The Port Authority of Guam, in April of 2010, was awarded \$1.8 million in federal grants by the U.S. Department of Interior for the renovations and site improvements of the Gregorio D. Perez Hagatna Marina. The renovations will include the repair of 1,660 linear feet of the deteriorated steel sheet pile bulkhead to prevent further deterioration of the existing bulkhead and erosion of the fill behind the bulkhead. Other improvements at the Marina includes the placement of a concrete slab on the north side of the entrance channel, removal and replacement of steel ladders along the face of the piers, removal and replacement of steel pipe railings on the piers and stabilizing the surrounding areas. This will be the second time major renovations have occurred at the marina.

CONTACTING THE PORT'S FINANCIAL MANAGEMENT

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

For additional information about this report, please contact Mr. Jose Guevara, Financial Affairs Controller, Port Authority of Guam, 1026 Cabras Highway Suite 201, Piti, Guam 96915 or visit the website at www.portguam.com.

Port Authority of Guam
(A Component Unit of the Government of Guam)

Statements of Net Assets

	September 30,	
	<u>2011</u>	<u>2010</u>
Assets		
Current assets:		
Cash and cash equivalents	\$10,710,367	\$ 7,574,987
Accounts receivable, net of allowance for doubtful accounts of \$1,141,114 in 2011 and \$1,863,477 in 2010	5,009,950	6,724,712
Prepaid expenses	<u>139,109</u>	<u>---</u>
Total current assets	15,859,426	14,299,699
Replacement parts inventories, net of allowance for obsolescence of \$113,243 in 2011 and \$126,636 in 2010	123,872	138,467
Property, plant and equipment, net	<u>64,406,381</u>	<u>61,374,710</u>
	<u>\$80,389,679</u>	<u>\$75,812,876</u>
Liabilities and Net Assets		
Current liabilities:		
Accounts payable, trade and others	\$ 4,637,654	\$ 5,790,316
Security deposits and other payables	251,150	444,917
Accrued payroll and withholdings	344,201	508,722
Current portion of accrued annual leave	856,942	870,427
Deferred revenue	210,463	269,401
Current portion of long-term bank debt	<u>144,144</u>	<u>---</u>
Total current liabilities	6,444,554	7,883,783
Accrued annual leave, net of current portion	524,620	359,274
Accrued sick leave	1,028,941	889,417
Long-term bank debt, net of current portion	<u>3,210,951</u>	<u>---</u>
Total liabilities	<u>11,209,066</u>	<u>9,132,474</u>
Net assets:		
Invested in capital assets, net of related debt	64,406,381	61,374,710
Unrestricted	<u>4,774,232</u>	<u>5,305,692</u>
Total net assets	<u>69,180,613</u>	<u>66,680,402</u>
	<u>\$80,389,679</u>	<u>\$75,812,876</u>

See accompanying notes to financial statements.

Port Authority of Guam
(A Component Unit of the Government of Guam)

Statements of Revenues, Expenses and Changes in Net Assets

	Year ended September 30,	
	<u>2011</u>	<u>2010</u>
Operating revenues:		
Cargo throughput charges	\$23,604,599	\$24,281,472
Equipment and space rental	7,453,245	7,364,885
Wharfage charges	3,939,244	4,130,568
Special services	368,421	382,023
Other operating income	<u>485,307</u>	<u>397,278</u>
	35,850,816	36,556,226
Less bad debts	<u>(126,301)</u>	<u>(741,617)</u>
	<u>35,724,515</u>	<u>35,814,609</u>
Operating expenses:		
Management and administration	8,236,302	7,936,177
Equipment maintenance	5,609,224	5,753,311
Transportation services	4,371,798	3,732,562
Depreciation	3,350,881	2,808,292
Stevedoring services	2,974,329	2,722,734
Utilities	2,215,178	2,424,599
Insurance	1,840,210	2,380,452
Terminal services	1,844,832	1,557,797
Facility maintenance	1,468,589	1,343,406
General expenses	<u>3,234,644</u>	<u>2,924,943</u>
Total operating expenses	<u>35,145,987</u>	<u>33,584,273</u>
Earnings from operations	<u>578,528</u>	<u>2,230,336</u>
Nonoperating (expenses) revenues:		
U.S. Government operating grants	738,354	12,892
Loss from disposal of property, plant and equipment and other expenses	<u>(245,599)</u>	<u>(22,862)</u>
Contribution to Autonomous Agency Infrastructure Collection Fund	<u>(700,000)</u>	---
Interest (expense) income, net	<u>(62,588)</u>	170,307
Insurance settlement	---	1,647,269
COLA/supplemental annuities	<u>(2,221,807)</u>	<u>(3,052,573)</u>
Total nonoperating expenses, net	<u>(2,491,640)</u>	<u>(1,244,967)</u>
(Loss) earnings before capital contributions	<u>(1,913,112)</u>	985,369
U.S. Government grants	<u>4,413,323</u>	<u>6,076,737</u>
Increase in net assets	2,500,211	7,062,106
Net assets at beginning of year	<u>66,680,402</u>	<u>59,618,296</u>
Net assets at end of year	<u>\$69,180,613</u>	<u>\$66,680,402</u>

See accompanying notes to financial statements.

Port Authority of Guam
(A Component Unit of the Government of Guam)

Statements of Cash Flows

	Year ended September 30,	
	<u>2011</u>	<u>2010</u>
Cash flows from operating activities:		
Cash received from customers	\$37,186,572	\$33,998,055
Cash payments to suppliers for goods and services	(12,702,506)	(10,565,005)
Cash payments to employees for services and benefits	(23,164,719)	(21,528,797)
Net cash provided by operating activities	<u>1,319,347</u>	<u>1,904,253</u>
Cash flows from investing activity - interest received	<u>140,322</u>	<u>170,307</u>
Cash flows from capital and related financing activities:		
Capital grants received	5,151,677	6,076,737
Proceeds from long-term bank debt	3,500,000	---
Repayment of long-term bank debt	(144,905)	---
Interest paid	(202,910)	---
Purchase of property, plant and equipment	(6,628,151)	(11,554,100)
Net cash provided by (used in) capital and related financing activities	<u>1,675,711</u>	<u>(5,477,363)</u>
Cash flows from non-capital related financing activities:		
Operating grants received	---	12,892
Insurance settlement received	---	<u>50,561</u>
Cash provided by non-capital and related financing activities	<u>---</u>	<u>63,453</u>
Net increase (decrease) in cash and cash equivalents	3,135,380	(3,339,350)
Cash and cash equivalents at beginning of year	<u>7,574,987</u>	<u>10,914,337</u>
Cash and cash equivalents at end of year	<u>\$10,710,367</u>	<u>\$ 7,574,987</u>

See accompanying notes to financial statements.

Port Authority of Guam
(A Component Unit of the Government of Guam)

Statements of Cash Flows, continued

	Year ended September 30,	
	<u>2011</u>	<u>2010</u>
Reconciliation of earnings from operations to net cash provided by operating activities:		
Earnings from operations	\$ 578,528	\$2,230,336
Adjustments to reconcile earnings from operations to net cash provided by operating activities:		
Depreciation	3,350,881	2,808,292
Payments for COLA/supplemental annuities	(2,221,807)	(3,052,573)
Bad debts	126,301	741,617
Changes in operating assets and liabilities:		
Accounts receivable, net	1,588,461	(2,654,603)
Prepaid expenses	(139,109)	---
Replacement parts inventories, net	14,595	4,680
Accounts payable, trade and others	(1,852,662)	1,496,712
Security deposits and other payables	(193,767)	40,702
Accrued payroll and withholdings	(164,521)	(113,111)
Accrued annual leave	151,861	167,307
Deferred revenue	(58,938)	55,730
Accrued sick leave	<u>139,524</u>	<u>179,164</u>
Net cash provided by operating activities	<u>\$1,319,347</u>	<u>\$1,904,253</u>

See accompanying notes to financial statements.

Port Authority of Guam
(A Component Unit of the Government of Guam)

Notes to Financial Statements

September 30, 2011 and 2010

1. Organization and Summary of Significant Accounting Policies

Organization

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

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

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

Basis of Accounting

The Authority utilizes the flow of economic resources measurement focus. Its financial statements are prepared in accordance with accounting principles generally accepted in the United States as applied to governmental units using the accrual basis of accounting. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting* requires that proprietary activities apply all applicable GASB pronouncements as well as Statements and Interpretations issued by the Financial Accounting Standards Board (FASB), Accounting Principle Board Opinions, and Accounting Research Bulletins of the Committee on Accounting Procedures issued on or before November 30, 1989. The Authority has implemented GASB 20 and elected not to apply FASB Statements and Interpretations issued after November 30, 1989.

Port Authority of Guam
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

Basis of Accounting, continued

The Authority's revenues are derived primarily from providing various services to major shipping line customers under an approved tariff rate schedule and are reported as operating revenues. Capital, grants, financing or investing related transactions are reported as non-operating revenues. Revenue is recognized on the accrual basis and is recorded upon billing when services have been completed. All expenses related to operating the Authority are reported as operating expenses. COLA/supplemental annuities, and earthquake and typhoon damages and related insurance and Federal Emergency Management Agency (FEMA) recoveries are reported as nonoperating expenses and revenues. Capital grants and other contributions from governmental agencies are recorded as net assets when earned. Operating grants are recorded as revenue when earned.

Net Assets

Net assets represent the residual interest in the Authority's assets after liabilities are deducted and consist of the following three sections:

Invested in capital assets, net of related debt:

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

Restricted:

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

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

Unrestricted:

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

The Authority does not have restricted net assets at September 30, 2011 and 2010.

Port Authority of Guam
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

Cash and Cash Equivalents

For purposes of the statements of net assets and of cash flows, cash and cash equivalents is defined as cash on hand and deposits in banks and time certificates of deposit with initial maturities of three months or less.

Accounts Receivable

Substantially all of the Authority's accounts receivables as of September 30, 2011 and 2010 are due from international steamship lines/agents which are located or operating in Guam.

The Authority performs periodic credit evaluations of its customers, and generally does not require collateral. Receivables are considered past due when payment is not received within 90 days from the date of billing. As of September 30, 2011 and 2010, receivables that are more than ninety days past due totaled approximately \$1,230,434 and \$2,084,000, respectively. The Authority accrues finance charges on past due receivables. The allowance for doubtful accounts is stated at an amount which management believes will be adequate to absorb possible losses on accounts receivable that may become uncollectible based on evaluations of the collectibility of these accounts and prior collection experience. The allowance is established through a provision for bad debts charged to expense.

Replacement Parts Inventories

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

Property, Plant and Equipment

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

Port Authority of Guam
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

Compensated Absences

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

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

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

The statutes further amended the maximum accumulation of such vacation credits from 480 to 320 hours. Public Law No. 27-106 amended subsection (c) of 4 Guam Code Annotated § 4109. Employees who have accumulated annual leave in excess of 320 hours as of February 28, 2003, may carry over their excess and shall use the excess amount of leave prior to retirement or termination from service. Any unused leave over the excess shall be lost.

Risk Management

The Authority has commercial insurance coverage for directors' and officers' liability, comprehensive liability, employee dishonesty and forgery, money and securities loss, and automobile injury and property damage. Worker's compensation is managed through the local Department of Labor. The Authority also has commercial property insurance coverage for 100% of the total net book value of property, plant and equipment, subject to deductibles. The Authority incurred no losses in excess of insurance coverage during the years ended September 30, 2011 and 2010.

Estimates

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

Port Authority of Guam
(A Component Unit of the Government of Guam)

Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

New Accounting Standard

In December 2009, GASB issued Statement No. 57, "*Other Postemployment Benefits (OPEB) Measurements by Agent Employers and Agent Multiple-Employer Plans*," effective for periods beginning after June 15, 2011. This statement amends Statement No. 45, "*Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*" and Statement No. 43, "*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*." The statement establishes standards for the measurement and financial reporting of actuarially determined information by agent employers with individual-employer OPEB plans and by the multiple-employer OPEB plans in which they participate. The adoption of this statement did not have a material effect on the Authority's financial statements.

In June 2010, GASB issued Statement No. 59, "*Financial Instruments Omnibus*," effective for periods beginning after June 15, 2010. The statement modifies financial reporting and disclosure requirements of certain financial instruments and external investment pool. The adoption of this statement did not have a material effect on the Authority's financial statements.

In November 2010, the GASB issued Statement No. 60, "*Accounting and Financial Reporting for Service Concession Arrangements*," effective for periods beginning after December 15, 2011. The statement establishes guidance for accounting and financial reporting for service concession arrangements. The Authority is currently evaluating the effects this statement will have on its financial statements.

In November 2010, GASB issued Statement No. 61, "*The Financial Reporting Entity: Omnibus*," effective for periods beginning after June 15, 2012. The statement addresses reporting entity issues that have arisen since the issuance of Statement No. 14 and Statement No. 34. The Authority is currently evaluating the effects this statement will have on its financial statements.

In December 2010, GASB issued Statement No. 62, "*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*," effective for periods beginning after December 15, 2011. The statement incorporates into the GASB's authoritative literature certain accounting and financial guidance issued on or before November 30, 1989. The Authority is currently evaluating the effects this statement will have on its financial statements.

In June 2011, GASB issued Statement No. 63, "*Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*," effective for periods beginning after December 15, 2011. The statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The Authority is currently evaluating the effects this statement will have on its financial statements.

Port Authority of Guam
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Notes to Financial Statements, continued

1. Organization and Summary of Significant Accounting Policies, continued

New Accounting Standard, continued

In June 2011, GASB issued Statement No. 64, "*Derivative Instruments: Application of Hedge Accounting Termination Provisions*," effective for periods beginning after June 15, 2011. The statement clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. The statement also sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied. The Authority is currently evaluating the effects this statement will have on its financial statements.

Subsequent Events

The Authority has evaluated subsequent events through January 26, 2012, which is the date the financial statements were available to be issued.

2. Property, Plant and Equipment

A schedule of the Authority's property, plant and equipment as of September 30, 2011 and 2010 is as follows:

	Beginning Balance <u>October 1, 2010</u>	Transfers and Additions	Transfers and Deletions	Ending Balance <u>September 30, 2011</u>
<u>Depreciable assets:</u>				
Buildings	\$70,502,621	\$ 189,457	\$ ---	\$70,692,078
Equipment	<u>24,824,596</u>	<u>7,481,047</u>	(4,131,151)	<u>28,174,492</u>
	95,327,217	7,670,504	(4,131,151)	98,866,570
Less accumulated depreciation	(52,097,070)	(3,350,881)	<u>3,902,863</u>	(51,545,088)
	<u>43,230,147</u>	<u>4,319,623</u>	(228,288)	<u>47,321,482</u>
<u>Non-depreciable assets:</u>				
Land	3,563,000	---	---	3,563,000
Construction work-in-progress	<u>14,581,563</u>	<u>6,213,756</u>	(7,273,420)	<u>13,521,899</u>
	<u>18,144,563</u>	<u>6,213,756</u>	(7,273,420)	<u>17,084,899</u>
Total	<u>\$61,374,710</u>	<u>\$10,533,379</u>	<u>\$(7,501,708)</u>	<u>\$64,406,381</u>

Port Authority of Guam
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Notes to Financial Statements, continued

2. Property, Plant and Equipment, continued

	<u>Beginning Balance</u> <u>October 1, 2009</u>	<u>Transfers</u> <u>and Additions</u>	<u>Transfers</u> <u>and Deletions</u>	<u>Ending Balance</u> <u>September 30, 2010</u>
<u>Depreciable assets:</u>				
Buildings	\$67,989,596	\$2,646,030	\$(133,005)	\$70,502,621
Equipment	<u>22,080,858</u>	<u>2,966,898</u>	<u>(223,160)</u>	<u>24,824,596</u>
	90,070,454	5,612,928	(356,165)	95,327,217
Less accumulated depreciation	<u>(49,656,294)</u>	<u>(2,808,292)</u>	<u>367,516</u>	<u>(52,097,070)</u>
	<u>40,414,160</u>	<u>2,804,636</u>	<u>11,351</u>	<u>43,230,147</u>
<u>Non-depreciable assets:</u>				
Land	3,563,000	---	---	3,563,000
Construction work-in-progress	<u>8,674,604</u>	<u>9,404,934</u>	<u>(3,497,975)</u>	<u>14,581,563</u>
	<u>12,237,604</u>	<u>9,404,934</u>	<u>(3,497,975)</u>	<u>18,144,563</u>
Total	<u>\$52,651,764</u>	<u>\$12,209,570</u>	<u>\$(3,486,624)</u>	<u>\$61,374,710</u>

3. Deposits and Investments

As of September 30, 2011 and 2010, the carrying amount of the Authority's cash and cash equivalents totaled \$10,710,367 and \$7,574,987, respectively, all of which were maintained in financial institutions insured by the Federal Deposit Insurance Corporation (FDIC). As of September 30, 2011 and 2010, bank deposits in the amount of \$750,000 were FDIC insured. The Authority does not require collateralization of its cash deposits; therefore, deposit levels in excess of FDIC insurance coverage are uncollateralized. Accordingly, these deposits are exposed to custodial credit risk. The Authority has not experienced any losses in such accounts and management believes it is not exposed to any significant credit risk on its deposits.

Port Authority of Guam
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Notes to Financial Statements, continued

4. Earthquake and Typhoon Damages

Accrued typhoon and earthquake damages are recorded net of insurance and FEMA recoveries in the accompanying financial statements. Recorded earthquake and typhoon damages and related recoveries are all estimated amounts. Final damages and insurance and FEMA recoveries may be materially different than estimated.

The Authority recorded \$1,596,708 in estimated remaining costs to repair the Port's facilities arising from an earthquake and typhoon that struck Guam in 2001 and 2002, respectively. During 2010, the remaining balance of the accrued earthquake and typhoon damages totaling \$1,596,708 was reversed and recognized as revenue. This amount is included as a component of insurance settlement in the accompanying 2010 statement of revenues, expenses and changes in net assets.

5. Employees' Retirement Plan

Defined Benefit Plan

Plan Description

The Authority participates in the GovGuam Defined Benefit (DB) Plan administered by the GovGuam Retirement Fund (GGRF) to which all funds and agencies, including component units, as well as employees who are members of the DB Plan, contribute a fixed percentage of qualifying payroll. The DB Plan provides retirement, disability, and survivor benefits to members and beneficiaries who enrolled in the plan prior to October 1, 1995. Cost-of-living adjustments are provided to members and beneficiaries at the discretion of the Guam Legislature.

All new employees whose employment commences on or after October 1, 1995, are required to participate in the new Defined Contribution Retirement System (DCRS). Hence, the DB Plan became a closed group. Membership in the DB Plan was mandatory for all full-time employees, except for those compensated on a fee basis, independent contractors, and persons aged 60 or over upon employment. Most employees may retire with full benefits at age 60 with at least 10 years of service, or after 25 years of service, regardless of age. Vesting of benefits is optional for employees with 3 to 19 years of service, but is mandatory for employees with 20 or more years of service.

Port Authority of Guam
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Notes to Financial Statements, continued

5. Employees' Retirement Plan, continued

Defined Benefit Plan, continued

Plan Description, continued

The DB Plan is a cost-sharing multiple-employer plan. A single actuarial valuation is performed annually covering all plan members and the same contribution rate applies to each employer. GGRF issues a publicly available financial report that includes financial statements and required supplementary information for the DB Plan. That report may be obtained by writing to the GGRF, 424 A Route 8, Maite, Guam 96910, or by visiting its website - www.ggrf.com.

Funding Policy

Plan members of the DB Plan are required to contribute a certain percent of their annual covered salary. The contribution requirements of the plan members and the Authority are established and may be amended by Guam law. For the years ended September 30, 2011, 2010 and 2009, the annual actuarially required contribution rates are 30.09%, 28.06% and 29.31%, respectively. The Authority used the statutory contribution rates of 27.46%, 26.04% and 25.20% for the years ended September 30, 2011, 2010 and 2009, respectively.

The Authority's contribution to the DB Plan for the years ended September 30, 2011, 2010 and 2009 totaled \$4,310,663, \$3,684,834 and \$3,150,044, respectively, which equal to the required contributions for that year.

Defined Contribution Retirement System (DCRS)

Contributions into the DCRS plan by members are based on an automatic deduction of 5% of the member's regular base pay. The contribution is periodically deposited into an individual investment account within the DCRS. Employees are afforded the opportunity to select from different investment accounts available under the DCRS.

Port Authority of Guam
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Notes to Financial Statements, continued

5. Employees' Retirement Plan, continued

Defined Contribution Retirement System (DCRS), continued

Statutory employer contributions into the DCRS plan for the years ended September 30, 2011 and 2010, are determined using the same rates as the DB Plan. Of the amount contributed by the employer, only 5% of the member's regular pay is deposited into the member's individual investment account. The remaining amount is contributed towards the unfunded liability of the defined benefit plan.

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

Public Law 26-86 allows members of the DCRS to receive a lump sum payment of one-half of their accumulated sick leave upon retirement. The Authority has accrued an estimated liability of \$1,028,941, \$889,417 and \$710,253 at September 30, 2011, 2010 and 2009, respectively, for potential future sick leave payments as a result of this law. However, this amount is an estimate and the actual payout may be materially different than estimated.

Other Post-Employment Benefits

GovGuam, through its substantive commitment to provide other post-employment benefits (OPEB), maintains a cost-sharing multiple employer defined benefit plan to provide certain post-retirement healthcare benefits to retirees who are members of the GGRF. Under the Plan, known as the GovGuam Group Health Insurance Program, GovGuam provides medical, dental, and life insurance coverage. The retiree medical and dental plans are fully-insured products provided through insurance companies. GovGuam shares in the cost of these plans, with GovGuam's contribution amount set each year at renewal. Current statutes prohibit active and retired employees from contributing different amounts for the same coverage. As such, GovGuam contributes substantially more to the cost of retiree healthcare than to active healthcare. For the life insurance plan, GovGuam provides retirees with \$10,000 of life insurance coverage through an insurance company. Retirees do not share in the cost of this coverage. Because the Plan consists solely of GovGuam's firm commitment to provide OPEB through the payment of premiums to insurance companies on behalf of its eligible retirees, no stand-alone financial report is either available or generated.

Port Authority of Guam
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Notes to Financial Statements, continued

6. Long-Term Liabilities

Summary

Long-term liabilities of the Authority consist of annual leave and sick leave payable to its employees and long-term bank debt. Changes in long-term liabilities for the years ended September 30, 2011 and 2010 are as follows:

	Outstanding at September 30, <u>2010</u>	<u>Additions</u>	<u>Reductions</u>	Outstanding at September 30, <u>2011</u>	<u>Current</u>	<u>Noncurrent</u>
Accrued annual leave	\$1,229,701	\$ 151,861	\$ ---	\$1,381,562	\$ 856,942	\$ 524,620
Accrued sick leave	889,417	139,524	---	1,028,941	---	1,028,941
Long-term bank debt	---	<u>3,500,000</u>	<u>144,905</u>	<u>3,355,095</u>	<u>144,144</u>	<u>3,210,951</u>
	<u>\$2,119,118</u>	<u>\$3,791,385</u>	<u>\$ 144,905</u>	<u>\$5,765,598</u>	<u>\$1,001,086</u>	<u>\$4,764,512</u>
	Outstanding at September 30, <u>2009</u>	<u>Additions</u>	<u>Reductions</u>	Outstanding at September 30, <u>2010</u>	<u>Current</u>	<u>Noncurrent</u>
Accrued annual leave	\$1,062,394	\$167,307	\$ ---	\$1,229,701	\$870,427	\$ 359,274
Accrued sick leave	<u>710,253</u>	<u>179,164</u>	---	<u>889,417</u>	---	<u>889,417</u>
	<u>\$1,772,647</u>	<u>\$346,471</u>	<u>\$ ---</u>	<u>\$2,119,118</u>	<u>\$870,427</u>	<u>\$1,248,691</u>

Long-term Bank Debt

On October 22, 2010, the Authority obtained \$3,500,000 proceeds of the United States Department of Agriculture (USDA) Guaranteed Term Loan with ANZ Guam, Inc. (ANZ). The total USDA Guaranteed Term Loan amounts to \$4,500,000, of which \$1,000,000 is unused as of September 30, 2011. The proceeds of this term loan was used to reimburse the Authority for the acquisition of four top lifters and ten terminal yard contractors, in which the Authority used its own funds to facilitate the acquisition.

This term loan is secured by the above equipments, bears interest at 3% above the Federal Home Loan Bank of Seattle's 15-Year amortizing fixed advanced rate at the time of funding (6.18% at September 30, 2011), payable in monthly installments of approximately \$30,000 in principal and interest for 15 years.

As of September 30, 2011, the outstanding balance on the term loan amounted to \$3,355,095, of which \$144,144 is current.

Port Authority of Guam
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Notes to Financial Statements, continued

6. Long-Term Liabilities, continued

Future minimum payments of long-term bank debt are as follows:

<u>Year ending September 30,</u>	
2012	\$ 144,144
2013	166,821
2014	177,428
2015	188,709
2016	200,707
Thereafter	<u>2,477,286</u>
	<u>\$3,355,095</u>

7. Major Customers

The Authority has five major shipping line customers that collectively account for 84.24% and 80.63% of total operating revenues for the years ended September 30, 2011 and 2010, respectively. The Authority has a high concentration of credit risk due to the limited number of entities comprising its customer base. In November 2011, one of the Authority's major customers, Horizon Lines, Inc., discontinued its Five Star Express trans-Pacific container shipping service between the U.S. West Coast, Guam and China.

8. Rental Operations

The Authority, in cooperation with the GEDA, leases space to tenants under noncancelable operating leases, with options to renew, providing for future minimum rentals. The minimum future rental receivable on noncancelable operating leases for the five succeeding fiscal years and thereafter, are as follows:

<u>Year ending September 30,</u>	<u>Amount</u>
2012	\$ 401,000
2013	401,000
2014	401,000
2015	401,000
2016	401,000
Thereafter	<u>1,756,000</u>
	<u>\$3,761,000</u>

Port Authority of Guam
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Notes to Financial Statements, continued

9. Rental Operations, continued

The Authority also leases equipment and space to tenants on a month to month basis. Total equipment and lease space revenue from tenants for all rentals totaled \$7,453,245 and \$7,364,885 respectively, for the years ended September 30, 2011 and 2010, respectively.

10. Supplemental/COLA Benefits

As required by Public Law 27-106, the Authority must pay to the Government of Guam Retirement Fund certain supplemental benefits for retired employees. The supplemental benefits derive from an annual appropriation by the Guam Legislature and do not relate to covered plan benefits. Supplemental benefits include the following for the years ended September 30, 2011 and 2010:

	<u>2011</u>	<u>2010</u>
Medical and dental	\$1,439,584	\$1,045,627
Supplemental benefits	727,658	1,952,134
Life insurance	<u>54,565</u>	<u>54,812</u>
	<u>\$2,221,807</u>	<u>\$3,052,573</u>

11. Port Modernization Plan

Overview

The Port Modernization Program, as authorized by the Guam Legislature, spans a 30-year planning horizon and is valued at a little more than \$260 million. Phase I-A and Phase I-B of the program should be accomplished over the next five years with a focus on critical maintenance and repair of waterfront activities and the dredging and uplands expansion needed to handle near-term cargo of the military buildup. Phase II of the program will occur 20 years into the future and focuses on the expansion needed to address the cargo demands of the long-term growth of Guam and its neighboring islands.

The Authority is currently on Phase I-A of its Port Modernization Program. Phase I-A includes reconfiguration and expansion of the cargo terminals and selected buildings, creation of a new gate complex, upgrade of utilities and security features and state-of-the-art terminal and gate operating systems. Phase I-A is estimated to cost approximately \$104.5 million and will be funded by: (a) \$50 million appropriation from the Department of Defense combined with (b) \$54.5 million in loans from the United States Department of Agriculture (USDA).

Port Authority of Guam
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Notes to Financial Statements, continued

11. Port Modernization Plan, continued

\$50 million appropriation from the Department of Defense

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

In July 2010, the United States House of Representatives passed the 2010 Supplemental Appropriations Act which provided \$50 million for the Port Modernization Program. This bill was signed by President Barack Obama in August 2010. The appropriation of \$50 million was transferred from the Department of Defense to the Fund on September 22, 2010. As set out in the MOU, the fund will be administered and disbursed by MARAD, with the approval/authorization of the Authority.

\$54.5 million funding from the USDA

On October 22, 2010, the USDA awarded a \$54.5 million loan appropriation to the Authority to complete the funding of Phase I-A of the Port Modernization Program. This loan consists of the following:

- \$25 million USDA Community Facilities Direct Loan
- \$25 million USDA Community Facilities Guaranteed Loan with ANZ Guam, Inc. (ANZ)
- \$4.5 million USDA Guaranteed Term Loan with ANZ

On the same date, the Authority received the proceeds of the USDA Guaranteed Term Loan with ANZ of \$3,500,000 (see Note 6).

Port Authority of Guam
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Notes to Financial Statements, continued

12. Commitments and Contingencies

Government of Guam General Fund

The Guam Legislature has enacted Public Law 24-14 that requires certain component units, including the Authority, to transfer certain amounts to the Government of Guam general fund on an annual basis. During the year ended September 30, 1994, the Authority transferred \$500,000 to the General Fund pursuant to such legislation. In addition, during the year ended September 30, 1997, the Authority transferred \$3,500,000 to the Government of Guam Autonomous Agency Infrastructure Collection Fund (AAICF). The Government of Guam and the Authority's board of directors, for the years ended September 30, 1987 through 1993, 1995, 1996 and 1998 through 2010, have not determined the Authority's allocated portions of these transfers.

In March 2011, the Authority received an invoice from the Government of Guam's Department of Administration (DOA) for the annual assessment of the proportioned amount of \$875,000 per fiscal year from 1998 through 2011 totaling \$12,250,000. In May 2011, the Authority responded to DOA's assessment, requesting a further review based on the historical financial information presented. The Authority believes that it does not owe DOA the entire \$12,250,000 based on the total funds transferred to the AAICF, government services funded by Port's funds (i.e., Guam Customs and Quarantine Agency, Guam Environment and Protection Agency, Guam Police Department and Guam Fire Department with ongoing operations at the Port) and other projects that the Port currently funds (i.e., share in GEDA and Port's Base Realignment and Closure commission) and will fund (i.e., Tri-Star Pipeline and water line projects) in the future. Also, based on management's analysis of Public Law 24-14, the Authority is only liable to transfer amounts to the AAICF when there is an operating surplus. From 1997, when the public law was passed up to 2002, the Authority reported an operating loss during these fiscal years.

As of September 30, 2011, the Authority accrued \$700,000 payable to DOA, which represents its current liability based on Public Law 31-74, which is shown as a component of accounts payable, trade and others in the accompanying 2011 statement of net assets. The Authority believes that it does not owe DOA anything other than the \$700,000 since the implementation of Public Law 24-14.

Federal Award Programs

The Authority has received federal grants for specific purposes that are subject to review and audit by the grantor agencies. Audits of Federal program funds are also performed by various federal agencies. If the audits result in cost disallowances, the Authority may be liable. However, management does not believe that resolution of this matter will result in a material liability. Therefore, no liability for any amount, which may ultimately arise from these matters, has been recorded in the accompanying financial statements.

Port Authority of Guam
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Notes to Financial Statements, continued

12. Commitments and Contingencies, continued

Debt and Commitment

The Authority's bank loan agreement (see Note 6) contains financial covenants that require the maintenance of certain interest coverage and debt service ratios. Interest coverage ratio is computed as net profit or loss before depreciation, interest, taxes and amortization over total interest expense. The Authority is required to maintain an interest coverage ratio of 1.5 to 1. Debt service coverage ratio is computed as net profit or loss before depreciation, interest, taxes and amortization over total interest expense and principal debt reduction. The Authority is required to maintain a debt service coverage ratio of 1.3 to 1. The agreements also place certain restrictions on the collateral and the coverage for insurance. As of September 30, 2011, the Authority is in compliance with the above debt covenants.

USDA Rural Development Community Facility Loans

Presented below are the USDA Rural Development Community Facility (CF) Loan Commitments as of September 30, 2011, which are intended for the Authority's specific projects (i.e., purchase of a Gantry Crane, Port Modernization Plan and purchase of top lifters and other cargo handling equipment (TLOCHE):

	<i>USDA Loan Commitments:</i>		<i>Intended for the following Projects:</i>		
	<u>Direct</u> *	<u>Guaranteed</u> *	<u>Gantry Cranes</u>	<u>Modernization</u>	<u>TLOCHE</u>
CF Loan 1	\$ 2,000,000	\$ ---	\$2,000,000	\$ ---	\$ ---
CF Loan 2	---	5,000,000	5,000,000	---	---
CF Loan 3	---	7,000,000	7,000,000	---	---
CF Loan 4	---	4,500,000	---	---	4,500,000
CF Loan 5	25,000,000	---	---	25,000,000	---
CF Loan 6	---	25,000,000	---	25,000,000	---
	<u>\$27,000,000</u>	<u>\$41,500,000</u>	<u>\$14,000,000</u>	<u>\$50,000,000</u>	<u>\$4,500,000</u>

*Proceeds of the CF Direct Loans will come from USDA, while the rest are from ANZ which is "Guaranteed" by the USDA; except for the \$1 million unused portion of CF Guaranteed Loan 4, which the Authority will issue a request for proposal by fiscal year 2012.

Of the above, CF Loan 4 (Guaranteed) of \$4,500,000 which is intended for the purchase of cargo handling equipment, was issued by ANZ through a guaranteed term loan agreement (see Note 6). During 2011, the Authority used \$3,500,000 of this loan, with \$1,000,000 unused as of September 30, 2011. The outstanding balance of this term loan as of September 30, 2011 amounts to \$3,355,095 (see Note 6).

Port Authority of Guam
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Notes to Financial Statements, continued

12. Commitments and Contingencies, continued

USDA Rural Development Community Facility Loans, continued

CF Loans 4 (Guaranteed), 5 (Direct) and 6 (Guaranteed) totaling \$54.5 million pertains to the Port Modernization Plan as per Public Law 30-57.

The Authority intends to first use the \$50 million appropriation from the Department of Defense and then the CF Loans 5 (Direct) and 6 (Guaranteed) totaling \$50 million (at \$25 million each) for its Port Modernization Plan. However, due to changes in certain factors relating to the military buildup and cargo forecast, management does not intend to utilize the \$25 million CF Loan 6 (Guaranteed).

On November 30, 2011, USDA communicated with the Authority that the \$25 million CF Loan 5 (Direct) is to be used within a reasonable amount of time after obligation. Given the current budget situation in the U.S. Congress, all loans that have been "obligated" but not yet closed and disbursed are facing increased scrutiny. USDA is encouraging the Authority to finalize their plans to use the proceeds from CF Loan 5 (Direct) by December 31, 2011. On December 20, 2011, the Authority requested the USDA to extend the CF Loan 5 (Direct). As of audit report date, the Authority is waiting for the approval of this request from USDA.

CF Loans 1 (Direct), 2 (Guaranteed) and 3 (Guaranteed) totaling \$14 million is intended for the procurement of gantry cranes pursuant to Public Law 30-100 which mandates the Authority to acquire at least two gantry cranes no later than December 31, 2012. On December 19, 2011, the Authority established a team to negotiate with Matson & Horizon for the acquisition of one or more refurbished cranes. Pursuant to Public Law 31-145 the Authority is to enter into negotiations with Matson and Horizon for the specific purpose of acquiring one or more of the gantry cranes through purchase or lease-to-own. The Authority expects to comply with the provisions of Public Law 31-145 within 60 to 90 days from November 17, 2011, the date when the public law was passed. In relation to this the Authority requested for an extension on the utilization of the \$14 million CF Loans 1 (Direct), 2 (Guaranteed) and 3 (Guaranteed) until March 31, 2012.

Port Authority of Guam
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Notes to Financial Statements, continued

12. Commitments and Contingencies, continued

Lawsuit and Claims

The Authority is a defendant in various lawsuits and proceedings arising in the normal course of business. While the outcome of these lawsuits and proceedings cannot be predicted with certainty and could have a material adverse effect on the Authority's financial statements, it is the opinion of management, after consulting with its legal counsel, that the ultimate disposition of such suits and proceedings will not have a material adverse effect on the Authority's financial statements. As of September 30, 2010, the Authority has accrued \$400,000 in contingencies in the accompanying financial statements.

Based on recent developments and available information regarding certain matters, the Authority's legal counsel believes that the contingency accrual of \$400,000 is no longer required. The Authority reversed the contingency accrual in 2011.



Other Financial Information

Schedule 1

Port Authority of Guam
(A Component Unit of the Government of Guam)

Details of Operating Expenses

	Year ended September 30,	
	<u>2011</u>	<u>2010</u>
Management and administration:		
<i>Management:</i>		
Salaries and wages - regular	\$ 237,072	\$ 228,309
Benefits - Government contribution	71,073	62,539
Miscellaneous	22,768	8,027
Annual leave	12,478	13,932
Fringe benefits	8,499	7,336
Office supplies	2,133	1,642
Furnishings and equipment	1,962	299
Salaries and wages - overtime	---	<u>782</u>
Total management	<u>355,985</u>	<u>322,866</u>
<i>Administration:</i>		
Salaries and wages - regular	4,974,332	4,533,712
Benefits - Government contribution	1,538,060	1,328,278
Annual leave	391,834	400,098
Fringe benefits	319,710	217,538
Miscellaneous	231,125	755,780
Repairs and maintenance	169,143	164,328
Salaries and wages - overtime	112,746	64,214
Salaries and wages - other	55,543	54,656
Office supplies	31,371	25,097
Furnishings and equipment	30,055	39,969
Operational supplies	<u>26,398</u>	<u>29,641</u>
Total administration	<u>7,880,317</u>	<u>7,613,311</u>
Total management and administration	<u>\$8,236,302</u>	<u>\$7,936,177</u>
Employees at end of year	129	124

Schedule 1, continued

Port Authority of Guam
(A Component Unit of the Government of Guam)

Details of Operating Expenses, continued

	Year ended September 30,	
	<u>2011</u>	<u>2010</u>
Equipment Maintenance:		
Salaries and wages - regular	\$1,981,044	\$1,774,552
Repairs and maintenance	1,568,612	1,825,777
Benefits - Government contribution	659,839	561,633
Operational supplies	608,847	893,693
Salaries and wages - other	197,090	193,156
Salaries and wages - overtime	190,304	234,117
Fringe benefits	170,183	96,905
Annual leave	147,120	148,776
Contractual	53,206	19,474
Furnishings and equipment	31,506	3,985
Office supplies	<u>1,473</u>	<u>1,243</u>
Total equipment maintenance	<u>\$5,609,224</u>	<u>\$5,753,311</u>
Employees at end of year	60	42
Transportation Services:		
Salaries and wages - regular	\$2,352,393	\$2,135,770
Benefits - Government contribution	780,862	659,939
Gas, oil and diesel	559,429	414,783
Fringe benefits	203,314	144,296
Annual leave	187,196	187,974
Salaries and wages - overtime	158,404	78,048
Salaries and wages - other	127,702	109,575
Operational supplies	1,324	706
Office supplies	861	749
Furnishings and equipment	313	27
Miscellaneous	<u>---</u>	<u>695</u>
Total transportation services	<u>\$4,371,798</u>	<u>\$3,732,562</u>
Employees at end of year	63	66

Schedule I, continued

Port Authority of Guam
(A Component Unit of the Government of Guam)

Details of Operating Expenses, continued

	Year ended September 30,	
	<u>2011</u>	<u>2010</u>
Stevedoring Services:		
Salaries and wages - regular	\$1,823,300	\$1,714,989
Benefits - Government contribution	596,122	523,167
Salaries and wages - overtime	167,483	139,787
Fringe benefits	133,972	85,275
Annual leave	128,843	136,104
Salaries and wages - other	119,806	101,252
Operational supplies	3,022	21,312
Office supplies	<u>1,781</u>	<u>848</u>
Total stevedoring services	<u>\$2,974,329</u>	<u>\$2,722,734</u>
Employees at end of year	52	54
Facility Maintenance:		
Salaries and wages - regular	\$ 893,115	\$ 800,314
Benefits - Government contribution	286,360	235,949
Operational supplies	100,933	109,910
Annual leave	73,797	75,560
Fringe benefits	64,194	40,143
Salaries and wages - overtime	21,193	14,754
Salaries and wages - other	20,173	17,053
Miscellaneous	7,068	17,798
Furnishings and equipment	1,257	31,202
Office supplies	<u>499</u>	<u>723</u>
Total facility maintenance	<u>\$1,468,589</u>	<u>\$1,343,406</u>
Employees at end of year	24	25

Schedule 1, continued

Port Authority of Guam
(A Component Unit of the Government of Guam)

Details of Operating Expenses, continued

	Year ended September 30,	
	<u>2011</u>	<u>2010</u>
Terminal Services:		
Salaries and wages - regular	\$ 1,197,439	\$1,048,377
Benefits - Government contribution	378,347	313,329
Fringe benefits	104,786	57,180
Annual leave	79,325	78,302
Salaries and wages - other	35,291	24,988
Salaries and wages - overtime	33,630	28,780
Office supplies	12,264	6,841
Furnishings and equipment	3,606	---
Operational supplies	<u>144</u>	<u>---</u>
Total terminal services	<u>\$ 1,844,832</u>	<u>\$1,557,797</u>
Employees at end of year	36	36
General Expenses:		
Professional services	\$ 1,702,934	\$ 797,113
Legal counsel	445,854	731,995
Managers' fee	407,969	537,383
Miscellaneous	213,676	35,104
Waste removal	129,138	117,187
Workmen's compensation injury allowance	106,701	92,815
Maintenance	89,255	72,401
Audit	47,158	40,992
Port incentive award	35,802	38,146
Claims and damages	31,282	405,500
Agency fee	30,087	38,833
Inventory adjustment	(8,973)	13,874
Board of Directors expense	<u>3,761</u>	<u>3,600</u>
Total general expenses	<u>\$ 3,234,644</u>	<u>\$2,924,943</u>

Schedule 2

Port Authority of Guam
(A Component Unit of the Government of Guam)

Summary of Salaries and Wages

	Year ended September 30,	
	<u>2011</u>	<u>2010</u>
Salaries and wages - regular	\$13,458,695	\$12,236,023
Benefits - Government contribution	4,310,663	3,684,834
Fringe benefits	1,004,658	648,673
Salaries and wages - overtime	683,760	560,482
Salaries and wages - other	<u>555,605</u>	<u>500,680</u>
	<u>\$20,013,381</u>	<u>\$17,630,692</u>
Total employees at end of year	364	347

Port Authority of Guam
Income Statement
With Budget Comparison (Unaudited)
06 Months Ending 03/31/12

Current Month	Actual	%	Last Year	Actual	%	Budget	Chng	%	Year to Date	Actual	%	Last Year to Date				
												Actual	%	Actual	%	Chng
OPERATING REVENUES																
CARGO THROUGHPUT REVENUES																
502,575	14.4		448,575	12.9	650,951	-228	CT-CHASSIS	2,517,050	14.9	2,432,444	13.8	3.5	2,969,189	-15.2		
756,395	21.7		899,115	25.8	798,439	-5.3	CT-GROUND	5,099,567	30.2	5,221,193	29.6	-2.3	5,044,554	1.1		
34,465	1.0		157,402	4.5	80,954	-57.4	CT-BREAKBULK	296,254	1.8	384,298	2.2	-22.9	512,601	-42.2		
671	0.0		4,479	0.1	994	-32.5	CT-UNITIZED	14,875	0.1	6,675	0.0	122.8	5,871	153.4		
	0.0			0.0		0.0	CT-TUNA		0.0		0.0	0.0		0.0		
32,308	0.9		15,754	0.5	16,093	100.8	CT-RO/RO	151,439	0.9	85,924	0.5	76.2	94,680	59.9		
3,063	0.1		8,841	0.3	6,187	-50.5	CT-STUFFING/DEVAN	23,537	0.1	35,518	0.2	-33.7	34,467	-31.7		
1,271	0.0		4,332	0.1	2,915	-56.4	CT-HEAVYLIFT	7,150	0.0	11,064	0.1	-35.4	26,892	-73.4		
59	0.0			0.0	497	-88.2	CT-LONGLENGTH	778	0.0	298	0.0	160.7	2,982	0.0		
8,150	0.2			0.0		0.0	OUT-OF-GAUGE CARGO (OOG)	8,150						0.0		
1,338,956	38.5		1,538,498	44.2	1,557,030	-14.0	CARGO THROUGHPUT REVENUES	8,118,798	48.0	8,177,414	46.4	-0.7	8,691,236	-6.6		
OTHER CARGO RELATED REVENUES																
4,032	0.0		12,583	0.4	14,999	-100.0	LIFT ON/LIFT OFF	20,732	0.0	680	0.0	-100.0	438	-100.0		
	0.0			0.0		-73.1	PRESLUNG		0.1	82,851	0.5	-75.0	83,580	-75.2		
	0.0			0.0		0.0	EXPORT SCRAP CONTAINER		0.0		0.0	0.0		0.0		
207,521	6.0		217,328	6.2	246,210	-15.7	TRANSRSHIP CONTAINERS	1,247,434	7.4	1,270,636	7.2	-1.8	1,387,065	-10.1		
5,194	0.1		10,650	0.3	15,311	-66.1	OVERSTOWED CONTAINERS	49,552	0.3	78,481	0.4	-36.9	92,718	-46.6		
385	0.0		103	0.0	269	0.0	SHIFTED CONTAINERS	902	0.0	1,189	0.0	-24.2	1,470	-38.7		
2,596	0.1		2,750	0.1	2,882	-9.9	RIGGED CONTAINERS	15,298	0.1	16,068	0.1	-4.8	16,119	-5.1		
8,055	0.2			0.0		0.0	REEFER CNTR-PLUG/UNPLUG	8,055	0.0		0.0	0.0		0.0		
172,425	5.0		113,985	3.3	147,199	17.1	DIRECT LABOR BILLED	526,147	3.1	649,768	3.7	-19.0	731,223	-28.0		
11,930	0.3		9,420	0.3	12,586	-5.2	EQUIPMENT RENTAL	70,915	0.4	64,165	0.4	10.5	70,809	0.2		
23,500	0.7		37,837	1.1	32,575	-27.9	PORT FEES & DOCKAGE	159,061	0.9	167,080	0.9	-4.8	186,699	-14.8		
328,730	9.4		356,808	10.3	352,387	-6.7	WHARFAGE	1,975,416	11.7	1,946,014	11.0	1.5	2,050,290	-3.7		
47,101	1.4		51,915	1.5	50,484	-6.7	FUEL SURCHARGE	286,388	1.7	291,774	1.7	-1.8	301,308	-5.0		
15,235	0.4		18,131	0.5	14,060	8.4	MARITIME SECURITY FEE	77,064	0.5	76,768	0.4	0.4	81,018	-4.9		
115,540	3.3		124,686	3.6	120,480	0.0	FACILITY MAINTENANCE FEE	686,627	4.1	662,020	3.8	3.7	701,844	0.0		
942,243	27.1		956,194	27.5	1,009,526	-6.7	OTHER CARGO RELATED REVENUES	5,123,593	30.3	5,307,494	30.1	-3.5	5,704,581	-10.2		
2,281,199	65.5		2,494,692	71.7	2,566,556	-11.1	OPERATING REVENUES	13,242,391	78.3	13,484,908	76.6	-1.8	14,395,817	-8.0		

Income Statement with Budget 33112

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Port Authority of Guam
Income Statement
With Budget Comparison (Unaudited)
06 Months Ending 03/31/12

Current Month	Actual	%	Last Year	Actual	%	Budget	Chng	%	Year to Date	Actual	%	Last Year to Date			
												Actual	%	Budget	Chng
NON OPERATING REVENUES															
FACILITIES															
46-4,661	13.3		696,764	20.0		514,164	-9.6		2,874,749	17.0	3,046,259	17.3	-5.6	2,953,566	-2.7
1-8,523	0.5		20,812	0.6		112,245	-83.5		112,291	0.7	127,474	0.7	-11.9	653,433	-82.8
-4,699	0.1		3,868	0.1		4,415	6.4		25,466	0.2	26,838	0.2	-5.0	25,446	0.2
4-2,678	1.2		93,934	2.7			0.0		355,813	2.1	454,403	2.6	-21.7		0.0
OTHER FEES & SERVICES															
530,561	15.2		815,378	23.4		630,824	-15.9		3,368,339	19.9	3,654,974	20.8	-7.8	3,632,445	-7.3
0.0 CLAIMS FEE															
	0.0			0.0						0.0		0.0	0.0		0.0
0.0 BULK SCRAP															
	0.0			0.0						0.0		0.0	0.0		0.0
0.0 MATERIAL USED															
	0.0			0.0		23				0.0		185	0.0	144	0.0
7,133	0.2		15,345	0.4		6,686	0.0		18,993	0.1	21,218	0.1	-10.5	28,560	-33.5
15,560	0.4		4,278	0.1		6,268	148.2		30,481	0.2	22,745	0.1	34.0	30,381	0.3
9,994	0.3		9,326	0.3		28,343	-64.7		49,500	0.3	49,244	0.3	0.5	164,763	-70.0
15,772	0.5		15,495	0.4			0.0		104,867	0.6	101,664	0.6	3.2		0.0
ADMINISTRATIVE FEES & SERVICES															
48,459	1.4		44,444	1.3		41,320	17.3		203,841	1.2	195,066	1.1	4.5	223,848	-8.9
1,186	0.0		1,036	0.0		374			5,789	0.0	7,306	0.0	-20.8	1,122	0.0
REIMBURSEMENTS															
0.0 FEDERAL REIMBURSEMENT															
	0.0		125,215	3.6					86,163	0.5	268,778	1.5	0.0		0.0
0.0 EARTHQUAKE INSURANCE															
	0.0			0.0						0.0					0.0
0.0 TYPHOON INSURANCE															
	0.0			0.0						0.0					0.0
0.0 OTHER REIMBURSEMENT															
	0.0			0.0						0.0					0.0
0.0 REVENUE MINIMUM CHARGE															
	0.0			0.0						0.0					0.0
REIMBURSEMENTS															
	0.0		125,215	3.6		-			86,163	0.5	268,778	1.5	0.0		0.0
580,206	16.7		986,073	28.3		672,518	-13.7		3,664,132	21.7	4,126,114	23.4	-11.2	3,857,415	-5.0
2,861,405	82.2		3,480,765	100.0		3,239,074	-11.7		16,906,523	100.0	17,611,023	100.0	-4.0	18,253,232	-7.4
TOTAL REVENUES															

Port Authority of Guam
Income Statement
With Budget Comparison (Unaudited)
06 Months Ending 03/31/12

	Current Month		Last Year		Budget		Year to Date		Last Year to Date				
	Actual	%	Actual	%	Actual	%	Actual	%	Actual	%			
INDIRECT COSTS													
General & Administrative Expen													
	(1,248,207)	-35.9	(1,314,417)	-37.8	(1,391,156)	-10.3	(7,429,129)	-43.9	(7,198,548)	-40.9	3.2	(8,346,936)	-11.0
	(97,427)	-2.8	(106,560)	-3.1	(98,035)	-0.6	(581,420)	-3.4	(591,378)	-3.4	-1.7	(588,210)	-1.2
	(36,692)	-10.5	(358,204)	-10.3	(365,446)	0.4	(2,190,839)	-13.0	(2,017,079)	-11.5	8.6	(2,188,676)	0.1
	(14,391)	-4.1	(101,460)	-2.9	(1,250)	0.0	(660,534)	-3.9	(559,779)	-3.2	18.0	(7,500)	8.707
	(367)	0.0	(808)	0.0	(13,334)	0.0	(14,502)	-0.1	(79,729)	-0.5	0.0	(80,004)	-81.9
	(14,937)	-0.4	(8,506)	-0.2	(9,925)	0.0	(56,998)	-0.3	(53,988)	-0.3	5.6	(59,550)	-4.3
	0.0	0.0	0.0	0.0	0.0	0.0	(843,036)	-5.0	(1,232,429)	-7.0	-31.6	(715,002)	17.9
	(3,824)	-1.0	(197,900)	-5.7	(119,167)	0.0	(917,264)	-5.4	(905,765)	-5.1	0.0	(996,342)	-7.9
	(152,877)	-4.4	(150,961)	-4.3	(166,057)	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	(24,713)	-0.7	(12,397)	-0.4	(66,754)	-63.0	(148,940)	-0.9	(144,677)	-0.8	0.0	(320,076)	-53.5
	(132,828)	-3.8	(178,341)	-5.1	(35,592)	0.0	(609,998)	-3.6	(707,892)	-4.0	-13.8	(257,151)	137.2
	(307,156)	-8.8	(261,433)	-7.5	(242,150)	0.0	(1,849,372)	-10.9	(1,447,892)	-8.2	27.7	(1,452,900)	27.3
	(500)	0.0	(155)	0.0	(6,250)	0.0	(30,118)	-0.2	(11,007)	-0.1	173.6	(37,500)	-19.7
	(46,865)	-1.3	(98,501)	-2.8	(134,486)	-65.2	(357,014)	-2.1	(472,499)	-2.7	-24.4	(740,259)	-51.8
	(650)	0.0	(1,445)	0.0	(5,786)	0.0	(7,582)	0.0	(7,716)	0.0	-1.7	(28,053)	0.0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	(360)	0.0	-100.0	0.0	0.0
	(30,353)	-0.9	(47,642)	-1.4	(35,930)	0.0	(245,880)	-1.5	(215,697)	-1.2	14.0	(215,580)	14.1
	(66,147)	-1.9	(27,841)	-0.8	(136,068)	-51.4	(578,050)	-3.4	(966,896)	-5.5	-40.2	(704,412)	-17.9
	0.0	0.0	0.0	0.0	(333)	0.0	(3,415)	0.0	0.0	0.0	0.0	(1,500)	0.0
	(4,160)	-0.1	(20,778)	-0.6	(36,638)	-88.6	(23,391)	-0.1	(71,798)	-0.4	-67.4	(160,509)	-85.4
	(2,521)	-0.1	(25,584)	-0.7	(15,917)	0.0	(80,322)	-0.5	(62,502)	-0.4	28.5	(95,502)	0.0
	0.0	0.0	0.0	0.0	(67,084)	0.0	0.0	0.0	0.0	0.0	0.0	(402,504)	0.0
	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
	(2,674,370)	-76.8	(2,912,933)	-83.7	(2,947,358)	-9.3	(16,627,802)	-98.4	(16,747,630)	-95.1	-0.7	(17,398,166)	-4.4

Port Authority of Guam
Income Statement
With Budget Comparison (Unaudited)
06 Months Ending 03/31/12

Current Month	Actual	%	Last Year	Actual	%	Budget	Chng	%	Year to Date	Actual	%	Last Year to Date			
												Actual	%	Budget	Chng
187,035	5.4	567,832	16.3	291,716	-35.9	OPERATING INCOME (LOSS)	278,722	1.6	863,392	4.9	-67.7	855,066	-67.4		
						OTHER INCOME (EXPENSE)									
						0.0 Other Income & Expense		0.0			0.0				
						0.0 Other Income		13.0			0.0				
						0.0 Interest Income		0.0			0.0				
						0.0 Interest Income		0.2	29,249	0.2	0.0				
						0.8 Interest Income		0.4	68,974	0.4	0.0				
						0.8 Interest Expense-USDA		-0.6	(104,912)	-0.6	-80.7	68,724	0.4		
						0.0 Other Expense		0.0	(0)	0.0	0.0	(103,194)			
						0.0 Retirement Govt Contribution		-6.3	(1,067,345)	-6.3	-4.1	(233,334)			
						0.0 Federal Reimbursement		12.8	2,168,158	12.8	-14.7	(1,174,998)			
						0.0 Federal Expenses		-0.2	(27,057)	-0.2	-27.4	4,597,146			
						0.0 Gain <Loss> on Asset Disposals		0.0	(86)	0.0	0.0				
323,915	9.3	180,510	5.2	486,835	-33.5	Other Income & Expense	1,067,001	6.3	1,672,204	9.5	-36.2	3,154,344	-66.2		
323,915	9.3	180,510	5.2	486,835	-33.5	OTHER INCOME (EXPENSE)	1,067,001	6.3	1,672,204	9.5	-36.2	3,154,344	-66.2		
510,951	14.7	748,341	21.5	778,551	-34.4	NET INCOME (LOSS)	1,345,722	8.0	2,535,596	14.4	-46.9	4,009,410	-66.4		

	00050 - Port Authority of Guam		Port Authority of Guam		Amounts		Change		This Year	
	Current	Last Month End	Last Month End	Last Year End	This Month	This Year	This Month	This Year	This Year	This Year
			As of 03/31/12	As of 03/31/11						
Accounts Receivable-Harbor of Mariana Receivables	12,780.21	10,829.68	11,954.59	48,832.23	1,950.53	825.62	1,950.53	825.62	825.62	825.62
Interest Receivables	44,186.59	43,095.56	48,832.23		1,091.03	4,645.64	1,091.03	4,645.64	4,645.64	4,645.64
Bank of Guam										
Bank of Hawaii										
Bank of China										
Bank of Indonesia										
Bank of Japan										
Bank of Korea										
Bank of Malaysia										
Bank of Mexico										
Bank of New Zealand										
Bank of Singapore										
Bank of Thailand										
Bank of Vietnam										
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Port Authority of Guam
Balance Sheet
UNAUDITED
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Property, Plant & Equipment	Amounts		Last Month End	Last Year End	This Month Change	This Year
	Current	Last Month End				
Land-Cabras	3,563,000.00	3,563,000.00	3,563,000.00	3,563,000.00		
Land	3,563,000.00	3,563,000.00	3,563,000.00	3,563,000.00		
Buildings-Original	17,094,797.53	17,094,797.53	17,094,797.53	17,094,797.53		
Buildings-Substation Shelters	53,597,279.85	53,597,279.85	53,597,279.85	53,597,279.85		
Buildings-Wharf Improvements	70,692,077.38	70,692,077.38	70,692,077.38	70,692,077.38		
Buildings	16,395,307.06	16,392,812.11	16,379,471.51	2,494.95	15,835.55	
Accumulated Depreciation-Build	22,110,277.91	22,000,391.43	21,450,959.03	109,886.48	659,318.88	
AccDeprec-Buildings-Original	38,505,584.97	38,393,203.54	37,830,430.54	112,381.43	675,154.43	
AccDeprec-Buildings-Wharf Impr						
Accumulated Depreciation-Build						
Furnishings & Equipment	488,574.71	488,574.71	488,574.71	488,574.71		
Communications Equip	17,168,425.23	17,144,290.36	17,136,506.39	27,636.82	27,636.00	
Computer Equip	1,472,514.00	1,472,514.00	1,472,514.00			
Furnishings & Office Equip	3,159,937.31	3,159,937.31	3,159,937.31			
Forklift Equip	10,788.72	10,788.72	10,788.72			
Generator Relocation Cost	1,058,862.63	1,058,862.63	1,058,862.63			
Hand Tools	12,974.46	12,974.46	12,974.46			
Load & Unload Equip	1,995.00	1,995.00	1,995.00			
Operating Equip	258,893.67	258,893.67	258,893.67			
Power Tool	2,051,725.97	2,051,725.97	2,051,725.97			
Safety Equip	550,714.00	550,714.00	550,714.00			
Shop Equip	28,263,954.86	28,236,318.04	28,237,497.17	27,636.82	26,457.69	
Tractors						
Vehicles & Motor Equip						
Furnishings & Equipment						
Accumulated Depreciation-Furni	109,924.59	104,108.18	75,026.13	5,816.41	34,898.46	
AccDeprec-Air Tools	211,720.72	211,720.72	211,720.72			
AccDeprec-Communications Eqt.	7,240,971.52	7,112,800.53	6,459,958.08	130,558.49	783,410.94	
AccDeprec-Computer Equip	468,406.17	468,406.17	468,406.17			
AccDeprec-Crane Equip	3,112,854.16	3,107,437.26	3,107,437.26			
AccDeprec-Furnishings & Office	10,293.30	10,293.30	10,293.30			
AccDeprec-Forklift Equip						
AccDeprec-Generator Relocation C						
AccDeprec-Generator Sets						
AccDeprec-Hand Tools						
AccDeprec-Load & Unload Equip						
AccDeprec-Mowing Equip						

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Port Authority of Guam
Balance Sheet
UNAUDITED
As of 03/31/12

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	Current	Last Month End	Last Year End	This Month Change	This Year
AccDeprec-Other Equip	542,533.74	531,600.81	476,936.16	10,932.93	65,597.58
AccDeprec-Power Tools	9,058.96	8,967.89	8,512.54	91.07	5,516.42
AccDeprec-Gravel Equip	178,152.98	177,225.36	172,464.83	928.63	5,689.16
AccDeprec-Transport Equip	1,427,423.12	1,421,364.86	1,264,510.51	13,490.83	80,944.98
AccDeprec-Vehicles & Motor Equ	14,875,506.24	14,680,732.03	13,717,938.71	194,774.21	27,407.64
Accumulated Depreciation-Furni					1,157,567.53
Capital Leases					
Capital Leases					
Capital Leases					
Accumulated Amortization-Capit					
Accumulated Amortization-Capit					
Property, Plant & Equipment	49,137,941.03	49,417,459.85	50,944,205.30	279,518.82	1,806,264.27
Total Assets	80,022,802.12	80,557,876.92	79,852,523.77	535,074.80	170,278.35
Total Liabilities & Capital					
Current Liabilities					
Accounts Payable	1,856,297.91	1,723,435.96	2,755,221.79	132,864.95	888,923.38
Accounts Payable - Custom	1,377,395.26	1,971,401.06	1,637,151.79	603,008.81	265,756.49
Accounts Payable - GSN	6,933.68	1,913.06		5,020.62	6,933.68
Accounts Payable - Others					
Accounts Payable - Trade					
Accounts Payable - Vouchered					
Accounts Payable	3,234,626.87	3,699,750.11	4,392,373.06	465,123.24	1,157,746.19
Current Loan Payable					
Current Loan Payable	78,819.97	91,420.79	.11	12,600.82	78,819.86
Current Loan Payable	78,819.97	91,420.79	.11	12,600.82	78,819.86
Due to Public Utilities					
Due to GPA					
Due to GTA					
Due to GMA					
Due to Public Utilities					
Accrued Interest Payable					
Accrued Interest Payable					
Accrued Interest Payable					
Deferred Revenues	61,769.01	61,769.01	58,723.74		120,492.75
Deferred Revenues - GEDA	61,769.01	61,769.01	58,723.74		120,492.75

	Current	Last Month	Last Year	This Month	This Year
00050 - Port Authority of Guam					
Port Authority of Guam Balance Sheet UNAUDITED As of 03/31/12					
Deferred Revenues -Leases	100,000.00	100,000.00	143,420.74	163,716.84	43,420.74
Deferred Revenues -Marinas			8,272.30	119,871.28	2,772.30
Deferred Revenues	38,230.99	38,230.99	210,462.82	172,231.83	46.04
Accrued Expenses					
Accrued Payroll	302,268.69	766,675.53	226,610.88	163,716.84	5,347.81
Accrued Vacation Pay-Current	1,082,781.22	862,909.94	856,941.81	119,871.28	225,819.81
Accrued Vacation Pay-Long Term					
Accrued Payroll/Quasi-Retirement Cost					
Accrued Payroll/Supplemental					
Accrued Typhoid Post	15,339.54	15,339.54	1,100.70	99.15	15,339.54
Accrued Medicare Post	3,367.38	3,268.23	1,100.70	99.15	2,266.68
Employee Insurance Payables	15,589.85	335,282.65	117,807.97	209,692.80	7,781.88
Employee Deductions Payable	15,322.17	15,322.17	117,807.97	209,692.80	15,322.17
Withholding Tax Payable					
Credit Union					
Accrued Miscellaneous Deductio					
Accrued Death & Disability Ins					
Retirement Contributions					
Deferred Compensation Plan Pay					
Accrued Expenses	1,514,714.51	2,068,153.72	1,272,461.16	553,439.21	242,253.35
Security Deposits					
Security Deposits -Space Leas	95,806.60	110,336.65	109,779.29	15,130.05	13,972.69
Security Deposits -Marinas	24,095.90	23,875.90	22,461.90	220.00	1,634.00
Security Deposits	119,902.50	134,812.55	132,241.19	14,910.05	12,338.69
Capital Lease Obligations- Cur					
Capital Lease Obligations-Curren					
Capital Lease Obligations- Cur					
Other Current Liabilities					
Reserve Shortage/Property Dama					
Lease Payable - GEDA					
Other Current Liabilities					
Current Liabilities	4,986,294.84	6,032,368.16	6,007,538.34	1,046,073.32	1,021,243.50
Non Current Liabilities					
Long Term Accrued Expenses					
Unfunded Retirement Contributi	524,619.64	524,619.64	524,619.64	47.94	47.94
Accrued Vacation Pay-Long Term	993,749.65	993,749.65	993,749.65		
Accrued Sick Iye (DC)-Long Term					
Long Term Accrued Expenses	1,518,369.29	1,518,321.35	1,518,369.29	47.94	
Capital Lease Obligations					
Capital Lease Obligations					

	Port Authority of Guam		Port Authority of Guam		Amounts		As of 03/31/12	
	Current	Last Month End	Last Year End	This Month	Change	This Year		
00050 - Port Authority of Guam								
Capital Lease Obligations								
Long Term Loan Payables	3,200,893.93	3,200,893.93	3,355,094.53			154,200.60		
LT-ANZ (USDA) Loan Payable 3.5			3,355,094.53			154,200.60		
Long Term Loan Payables	3,200,893.93	3,200,893.93	3,355,094.53			154,200.60		
Non Current Liabilities	4,719,263.22	4,719,215.28	4,873,463.82	47.94		154,200.60		
Capital Contributions & Equity								
Contributions-Federal Government	3,563,000.00	3,563,000.00	3,563,000.00					
Contributions-Local Government	13,413,676.45	13,413,676.45	13,413,676.45					
Contributions-Property & Equip	100,000.00	100,000.00	100,000.00					
Contributions-General Fund	7,000.00	7,000.00	7,000.00					
Contributions-G.E.P.A.								
Contributions-PAG (Portion of								
Contributions-Local Government	17,567,358.64	17,567,358.64	17,567,358.64					
Contributions-Federal Government	10,321,126.26	10,321,126.26	10,321,126.26					
Contributions-Local Govt Reim	1,492,676.57	1,492,676.57	1,492,676.57					
Contributions-Federal Reim	6,508,875.60	6,508,875.60	6,508,875.60					
Contributions-U.S. Department	53,763.30	53,763.30	53,763.30					
Contributions-U.S. Govt-Fema								
Contributions-Federal Government	18,376,441.73	18,376,441.73	18,376,441.73					
Accumulated Earnings	22,951,880.99	22,951,880.99	22,951,880.99					
Accumulated Earnings (Deficit)	10,075,835.25	10,075,835.25	10,075,835.25					
Accumulated Earnings	33,027,716.24	33,027,716.24	33,027,716.24					
Net Earnings (Loss)	1,345,727.45	834,776.87	5.00	510,950.58		1,345,722.45		
Capital Contributions & Equity	70,317,244.06	69,806,293.48	68,971,521.61	510,950.58		1,345,722.45		
Total Liabilities & Capital	80,022,802.12	80,557,876.92	79,852,523.77	535,074.80		170,278.35		