GUAM ECONOMIC DEVELOPMENT AUTHORITY
REQUEST FOR PROPOSAL NUMBER 13-008
FROM ANY BANK, BANKS, OR COMMERCIAL LENDING INSTITUTIONS FOR THE PROPOSED FINANCING FOR THE GUAM MEMORIAL HOSPITAL AUTHORITY PER PUBLIC LAW 32-043 AND 30-200 FOR AN AMOUNT NOT TO EXCEED TWENTY-FIVE MILLION DOLLARS ($25,000,000.00)

RFP Issue Date: Monday, September 16, 2013	**Number of pages:** Fifty-Six (56)

RFP Due Date and Time:
Friday, October 4, 2013
4:00 p.m. Chamorro Standard Time

ISSUING AGENCY INFORMATION

Guam Economic Development Authority
Henry J. Taitano, Administrator
ITC Building, Suite 511
590 South Marine Corps Drive
Tamuning, Guam 96913

Single Point of Contact
Mana Silva Taijeron, Deputy Administrator
Guam Economic Development Authority
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590 South Marine Corps Drive
Tamuning, Guam 96913
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INSTRUCTIONS TO OFFERORS

Return Proposal to: Mana Silva Taijeron, Deputy Administrator Guam Economic Development Authority ITC Building, Suite 511 590 South Marine Corps Drive Tamuning, Guam 96913	**Mark Face of Envelope / Package:** **RFP Number:** RFP 13-008 **RFP Title:** Request for Proposal from any Bank, Banks, or Commercial Lending Institutions for the Proposed Financing for the Guam Memorial Hospital Authority Per Public Law 32-043 and 30-200 for An Amount Not to Exceed Twenty-Five Million Dollars ($25,000,000.00) **Proposal Due Date:** Friday, October 4, 2013 4:00 p.m. Chamorro Standard Time

OFFERORS MUST COMPLETE THE FOLLOWING

Offeror Name/Point of Contact/Address:	**Authorized Offeror Signatory:** **(Please print name and sign in ink)**
Offeror Phone Number:	**Offeror FAX Number:**
Offeror Federal I.D. Number:	**Offeror E-mail Address:**

OFFERORS MUST RETURN THIS COVER SHEET WITH RFP RESPONSE

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OFFEROR'S RFP CHECKLIST

This checklist is provided for assistance only and should not be submitted with offeror's proposal.

1. _____ **Read the *entire* document.** Note critical items such as: mandatory requirements; supplies/services required; submittal dates; number of copies required for submittal; contract requirements (i.e., contract performance security, insurance requirements, performance and/or reporting requirements, etc.).

2. _____ **Note the procurement officer's name, address, phone numbers and e-mail address.** This is the only person you are allowed to communicate with regarding the RFP and is an excellent source of information for any questions you may have.

3. _____ **Attend the pre-proposal conference** if one is offered. These conferences provide an opportunity to ask clarifying questions, obtain a better understanding of the project, or to notify the GEDA of any ambiguities, inconsistencies, or errors in the RFP.

4. _____ **Take advantage of the "question and answer" period.** Submit your questions to the procurement officer by the due date listed in the Schedule of Events and view the answers given. Should an addenda be required GEDA will issue a formal "addenda" for RFP. All addenda issued for an RFP are posted on GEDA's website.

5. _____ **Follow the format required in the RFP** when preparing your response. Provide point-by-point responses to all sections in a clear and concise manner.

6. _____ **Provide complete answers/descriptions.** Read and answer **all** questions and requirements. Don't assume GEDA or evaluation committee will know what your company capabilities are or what items/services you can provide, even if you have previously contracted with GEDA. The proposals are evaluated based solely on the information and materials provided in your response.

7. _____ **Use the forms provided**, i.e., cover page, Non-collusion Affidavit form, etc.

8. _____ **Check GEDA's website for RFP addenda.** Before submitting your response, check GEDA's website at http://www.investguam.com to see whether any addenda were issued for the RFP. If so, you must submit a signed copy of the addendum for each addendum issued along with your RFP response.

9. _____ **Review and read the RFP document again** to make sure that you have addressed all requirements. Your original response and the requested copies must be identical and be complete. The copies are provided to the evaluation committee members and will be used to score your response.

10. _____ **Submit your response on time.** Note all the dates and times listed in the Schedule of Events and within the document, and be sure to submit all required items on time. Late proposal responses are ***never*** accepted.

SECTION 1: SCHEDULE OF EVENTS

EVENT	DATE
RFP Issue Date	**Monday, September 16, 2013**
Deadline for Receipt of Written Questions	**Monday, September 23, 2013 at 4:00 p.m. (Chamorro Standard Time)**
Issuance of Answers to Written Questions	**Friday, September 27, 2013 at 5:00 p.m. (Chamorro Standard Time)**
Pre-proposal Conference	None scheduled at this time.
Proposal Due Date	**Friday, October 4, 2013 at 4:00 p.m. (Chamorro Standard Time)**

SECTION 2: PROJECT OVERVIEW AND INSTRUCTIONS

2.0 PROJECT OVERVIEW

Per Guam Code Annotated Title 12, Section 50103(k), the Guam Economic Development Authority ("GEDA") serves as the central financial manager and consultant for the Government of Guam ("Government") and those agencies or instrumentalities of the Government requiring financial guidance and assistance. Such technical assistance by GEDA includes, but is not limited to, obtaining funds through bonds or other obligations, structuring such bond issuances, preparation and dissemination of financial and investment information, including bond prospectuses, development of interest among investment bankers and bond brokers, maintenance of relationships with bond rating agencies and brokerage houses and, generally, acting as the centralized and exclusive financial planner and investment banker for all the agencies and instrumentality's of the Government. The Government and agencies and instrumentalities must issue bonds and other obligations only by means of and through of GEDA, and each such agency or instrumentality is required to furnish GEDA with long-term estimates of its financial needs so that GEDA can coordinate a long-term plan for obtaining necessary funds for all such agencies and instrumentalities on a rational, noncompetitive and efficient basis.

Pursuant to 12 G.C.A. §§ 50103(k) and 50103.1(b), GEDA, on behalf of the Guam Memorial Hospital Authority ("GMHA"), is soliciting proposals for financing services for the purpose of funding the Guam Memorial Hospital Authority's outstanding vendor payables and operations.

2.1 DESCRIPTION OF REQUESTED FINANCING

GEDA, on behalf of the Guam Memorial Hospital Authority is issuing this Request for Proposal from any Bank, Banks, or Commercial Lending Institutions for the Proposed Financing for the Guam Memorial Hospital Authority per Public Laws 30-200 and 32-043 for Twenty Five Million Dollars ($25,000,000). This funding will be used to re-finance approximately Ten Million Eight Hundred Thousand Dollars ($10,800,000) from financing completed in 2010 plus additional borrowing in the amount of approximately Fourteen Million Two Hundred Thousand Dollars ($14,200,000). These funds will be used to pay GMHA vendor liabilities.

Public Law 30-200, as amended by Public Law 30-043, authorized GMHA to enter into a line of credit, revolving fund, or direct loan not to exceed Twenty-Five Million Dollars ($25,000,000). However, only Twelve Million Dollars ($12,000,000) has been borrowed to date. GMHA now wishes to refinance the existing debt balance in the amount of approximately Ten Million Eight Hundred Thousand ($10,800,000) presently placed with the Bank of Guam and borrow new monies in the amount of approximately Fourteen Million Two Hundred Thousand Dollars ($14,200,000) the balance of a total aggregate amount not to exceed Twenty Five Million Dollars ($25,000,000) to fund vendor payables.

2.2 PRELIMINARY FINANCING STRUCTURE

The preliminary financing structure, which is subject to change, is as follows:

1. Terms and Conditions

    a. Subject to the conditions and upon the terms provided, the bank or commercial lending institution will make available to the Borrower an amount not to exceed an aggregate total amount of Twenty-Five Million Dollars ($25,000,000) borrowing authority, pursuant to Public Law 30-200:

i. Approximately Ten Million Eight Hundred Thousand Dollars ($10,800,000) for the refinancing of the Bank of Guam Loan for a not to exceed an amortization period of ten (10) years.
ii. Approximately Fourteen Million Two Hundred Thousand Dollars ($14,200,000) new monies to finance GMHA's outstanding vendor payables for a not to exceed an amortization period of ten (10) years.
iii. 10 GCA § 80109(e)(8) provides that: "Any money borrowed shall be repaid in accordance with the terms established in the negotiated agreement, but not to exceed an amortization period of more than ten (10) years. Public Law 30-200 defined a maximum amortization period of twenty-five (25) years. GEDA and GMHA desire to have a fully-amortized loan that fully pays the Twenty Five Million Dollars ($25,000,000) in ten (10) years. In no case shall any amount borrowed be refinanced permitting repayment more than twenty-five (25) years after the loan is made."
iv. Per PL 30-200 "Section 2 (4) interest earned by the lender shall be exempt from taxation by the government of Guam."

b. The financing shall be at such fixed or variable rate or rates as may be negotiated between GMHA or selected designee, with the assistance of GEDA, and the bank, banks or commercial lending institution(s).

c. Prepaid charges shall not be levied by the bank or entity for opening a loan.

2. Security

a. As explained below, GMHA will receive Three Million Dollars ($3,000,000) from Government of Guam appropriations from the General Fund and the Governor of Guam's guarantee of funding from Compact Impact funding.
b. Approximately Ten Million Eight Hundred Thousand Dollars ($10,800,000) for the refinancing of the Bank of Guam Loan will be secured by:

i. Annual payments of One Million Dollars ($1,000,000) as appropriated from the Healthy Futures Fund.
ii. The full faith and credit of the Government of Guam.
iii. The Governor of Guam is authorized to pledge fund from the State Attorney General Tobacco Litigation once received and deposited into the Health and Human Services Funds.

c. Approximately Fourteen Million Two Hundred Thousand Dollars ($14,200,000) new monies to fund vendor payments requirements related to the GMHA as authorized by Public Law 32-043. The Governor of Guam has pledged Two Million Dollars ($2,000,000) annually from Compact Impact Funds to Guam Memorial Authority specifically to use as a repayment source for this purpose. The Department of Interior has endorsed the Governor's designation of Compact Impact Funds.

3. For a copy of the latest Guam Memorial Hospital Authority audit please refer to the Office of Public Accountability – Guam website at www.guamopa.com.

The Government is seeking financing services Per 12 G.C.A. § 50103(k). GEDA is precluded from issuing any financing without the prior approval of the Guam Legislature of the terms and conditions of the financings.

A more detailed description of the services solicited under this RFP is provided in Section 4, Scope of Services.

2.3 SINGLE POINT OF CONTACT

From the date this RFP is issued until an offeror is selected and the selection is announced by GEDA, **offerors are not allowed to communicate with any GEDA Board Members or GEDA and / or Guam Memorial Hospital Authority staff or officials regarding this procurement,** except at the direction of Mana Silva Taijeron, GEDA's Deputy Administrator in charge of the solicitation. Any unauthorized contact may disqualify the offeror from further consideration. Contact information for the single point of contact is as follows:

Mana Silva Taijeron, Deputy Administrator
GUAM ECONOMIC DEVELOPMENT AUTHORITY
ITC BUILDING, SUITE 511
590 SOUTH MARINE CORPS DRIVE
TAMUNING, GUAM 96913
Telephone Number: (671) 647-4332
Fax Number: (671) 649-4146
Email: mstaijeron@investguam.com

2.4 REQUEST FOR PROPOSAL

2.4.1. Availability. Beginning from the RFP Issue Date, this Request for Proposal shall be available for public inspection at GEDA's Office located at the ITC Building, Suite 511, 590 South Marine Corps Drive, Tamuning, Guam, Monday through Friday, excluding holidays, between 8:00 a.m. and 5:00 p.m. Upon obtaining a Request for Proposal, prospective offerors must complete the Acknowledgement of Receipt Form set forth in **Attachment C** and return the form to GEDA. Failure by prospective offerors to submit the Acknowledgement of Receipt Form to GEDA may result in the prospective offeror not receiving notices from GEDA regarding this RFP, including addenda, point deductions during the proposal evaluation process, or proposals may be deemed non-responsive.

2.4.2. Amendments. GEDA reserves all rights to revise or amend this RFP prior to the date set for opening proposals. Such amendments or addenda, if any, will be announced by an amendment or addendum to this RFP and shall be identified as such. The amendment shall refer to the portions of the RFP it amends. Amendments and addenda shall be sent to all prospective offerors who have submitted the Acknowledgement of Receipt Form to GEDA and shall also be made available on GEDA's website. All prospective offerors who have submitted the Acknowledgement of Receipt Form to GEDA (**Attachment C**) must acknowledge receipt of all amendments or addenda issued.

2.5 PRE-PROPOSAL QUESTIONS AND CONFERENCE

2.5.1. Form of Questions. Offerors with questions or requiring clarification or interpretation of any section within this RFP must address these questions in writing or via e-mail to the procurement officer referenced above on or before the due date set forth in Section 1: Schedule of Events. Each question must provide clear reference to the section, page, and item in question. Questions received after the deadline may not be considered.

2.5.2. GEDA's Answers. GEDA will provide an official written answer by the date set forth in Section 1: Schedule of Events to all questions received by the stated due date. GEDA's response will be by written addendum. Any other form of interpretation, correction, or change to this RFP will not be binding upon the GEDA. Any written addendum will be forwarded to all prospective offerors who have picked-up an RFP and submitted an

Acknowledgement of Receipt Form (**Attachment C**) by the close of business on the date of issuance of GEDA's answers. Offerors must sign and return all addenda with their proposals.

2.5.3. Pre-Proposal Conferences. Pre-proposal conferences will be permitted any time prior to the deadline for submission of proposals. The conferences will be conducted only to explain the procurement requirements for this Request for Proposal. Notice of any pre-proposal conference will be provided to all prospective offerors who have picked-up an RFP and submitted an Acknowledgement of Receipt Form (**Attachment C**). GEDA will notify all offerors in writing via an addendum to this RFP of any substantive clarification provided in response to any inquiry raised during the pre-proposal conference.

2.6 PROPOSALS

2.6.1. General. Proposals must be in writing, signed in ink, and prepared as described in **Section 5**. Offerors must clearly mark one proposal as "ORIGINAL" and provide five (5) copies and one (1) electronic copy in .pdf format on a compact disc or USB flash drive. The original and copies must be placed in a sealed envelope clearly labeled with the RFP Number, RFP Title, and Proposal Due Date. The original and each hard copy must be separately bound. Erasures or other changes in a proposal must be explained or noted over the signature of the offeror. Proposals containing any conditions, omissions, unexplained erasures or alterations or items not called for in the RFP, or irregularities of any kind may be rejected by GEDA as being non-compliant.

2.6.2. Multiple Proposals. Offerors may, at their option, submit multiple proposals, in which case each proposal shall be evaluated separately.

2.6.3. Modification of Proposals. No modifications to the proposals submitted shall be allowed after opening, except as provided in 12 G.C.A. § 50103.1(b).

2.6.4. No Late Proposals. Proposals must be received at the receptionist's desk of GEDA by the Proposal Due Date set forth in Section 1: Schedule of Events. Email or facsimile proposals will not be accepted. Regardless of cause, late proposals will not be accepted and will automatically be disqualified from further consideration. It shall be the offeror's sole risk to assure delivery to GEDA's receptionist's desk at the designated office by the designated time. Late proposals will not be opened and may be returned to the offeror at the expense of the offeror or destroyed if requested.

2.6.5. GEDA Not Responsible for Preparation Costs. The costs for developing and delivering proposals in response to this RFP and any subsequent presentations of the proposal as requested by GEDA shall be at the sole cost and expense of the offeror. GEDA is not liable for any expense incurred by the offeror in the preparation, delivery, and/or presentation of its proposal or any other costs incurred by the offeror.

2.6.6. All Timely Submitted Materials Become GEDA Property. All materials submitted in response to this RFP become the property of GEDA and shall be appended to any formal documentation, which would further define or expand any contractual relationship between GEDA and offeror resulting from this RFP process.

2.6.7. Rejection of Proposals. Any proposal submitted in response to this RFP may be rejected in whole or in part when it is in the best interests of GEDA or the government of Guam in accordance with Guam Procurement Regulations § 3115(e).

2.6.8. Submission of Fees. Offerors shall include proposed fees to perform the required service with their proposals. The submission of fees shall be submitted on the specified deadline of this RFP. Offerors should provide a statement that fees are at fair and reasonable rates reflecting current market conditions and the amount of work expended.

2.7 EVALUATION COMMITTEE

An evaluation committee may be convened by the GEDA Administrator to review the proposals, review final presentations, if any, and to provide a written recommendation for award to the GEDA Board. The GEDA Board will select the bank or commercial lending institution upon review of the recommendation of the designated evaluation committee.

2.8 FINAL PRESENTATIONS

If GEDA narrows the selection to two (2) offerors, final presentations by the narrowed group of offerors shall be presented to the GEDA Board at a time and place to be determined by the Board, and minor modifications and clarifications of the proposals will be permitted. Offerors are advised that they may be required to present their final presentations to the GEDA Board on Guam. All costs associated with such presentations shall be at the sole expense of the offerors. If the final presentations are held outside of Guam, it shall either be videotaped or voice recorded for presentation to the GEDA Board.

2.9 CONTRACT AND FEES

The selected financial institution shall commence the services solicited upon final selection by the GEDA Board and approval of the terms and conditions of the loan agreement by GMHA's Board of Trustees as recommended by GMHA's executives. The contract between the Government and the financing institution(s) shall be a loan agreement.

2.10 REQUIRED AFFIDAVITS AND ASSURANCES

Each offeror is required to submit the affidavits and assurances attached as **Attachments A-1 through A-6.** Failure to include said affidavits and assurances shall render a proposal non-responsive.

- Disclosure of major shareholders per 5 G.C.A. § 5233 (Attachment A-1). As a condition of bidding, any partnership, sole proprietorship or corporation doing business with the government of Guam shall submit an affidavit executed under oath that lists the name and address of any person who has held more than ten percent (10%) of the outstanding interest or shares in said partnership, sole proprietorship or corporation at any time during the twelve (12) month period immediately preceding submission of a bid. The affidavit shall contain the number of shares or the percentage of all assets of such partnership, sole proprietorship or corporation which have held by each such person during the twelve (12) month period. In addition, the affidavit shall contain the name and address of any person who has received or is entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the bid for the bidder and shall also contain the amounts of any such commission, gratuity or other compensation. The affidavit shall be open and available to the public for inspection and copying.

- Certification of Independent Price Determination per 2 GAR § 3126 (Attachment A-2). By submitting an offer, the offeror certifies that the price submitted was independently arrived at without collusion.

- Representation Regarding Gratuities and Kickbacks per 5 G.C.A. § 5630 (Attachment A-3). **Gratuities**. It shall be a breach of ethical standards for any person to offer, give or agree to give any employee or former employee, or for any employee or former employee to solicit, demand, accept or agree to accept from another person, a gratuity or an offer of employment in connection with any decision, approval, disapproval, recommendation, preparation of any part of a program requirement or a purchase request, influencing the content of any specification or procurement standard, rendering of advice, investigation, auditing, or in any other advisory capacity in any proceeding or application, request for ruling, determination, claim or controversy, or other particular matter, pertaining to any program requirement or a contract or subcontract; or to any solicitation or proposal therefor. **Kickbacks**. It shall be a breach of ethical standards for any payment, gratuity or offer of employment to be made by or on behalf of a subcontractor under a contract to the prime contractor or higher tier subcontractor or any person associated therewith, as an inducement for the award of a subcontract or order.

- Prohibition against Contingent Fees per 2 GAR § 11108 (Attachment A-4). It shall be a breach of ethical standards for a person to be retained, or to retain a person, to solicit or secure a territorial 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.

- Representation regarding Ethical Standards per 2 GAR § 11103 (Attachment A-5). The bidder, offeror, 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 set forth in 5 GCA Chapter 5 Article 11 (Ethics in Public Contracting) of the Guam Procurement Act and in Chapter 11 of the Guam Procurement Regulations.

- Wage Determination per 5 G.C.A. § 5801 (Attachment A-6). 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.

- Benefits Determination per 5 G.C.A. § 5802 (Attachment A-6). 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.

2.11 PROHIBITION AGAINST EMPLOYMENT OF SEX OFFENDERS

Pursuant to 5 G.C.A. § 5253, (a) No person convicted of a sex offense under the provisions of Chapter 25 of Title 9 Guam Code Annotated, or an offense as defined in Article 2 of Chapter 28, Title 9 GCA in Guam, or an offense in any jurisdiction which includes, at a minimum, all of the elements of said offenses, or who is listed on the Sex Offender Registry, and who is employed by a business contracted to perform services for an agency or instrumentality of the government of Guam, shall work for his employer on the property of the government of Guam other than a public highway. (b) All contracts for services to agencies listed herein shall include the following provisions: (1) warranties that

no person providing services on behalf of the contractor has been convicted of a sex offense under the provisions of Chapter 25 of Title 9 GCA or an offense as defined in Article 2 of Chapter 28, Title 9 GCA, or an offense in another jurisdiction with, at a minimum, the same elements as such offenses, or who is listed on the Sex Offender Registry; and (2) that if any person providing services on behalf of the contractor is convicted of a sex offense under the provisions of Chapter 25 of Title 9 GCA or an offense as defined in Article 2 of Chapter 28, Title 9 GCA or an offense in another jurisdiction with, at a minimum, the same elements as such offenses, or who is listed on the Sex Offender Registry, that such person will be immediately removed from working at said agency and that the administrator of said agency be informed of such within twenty-four (24) hours of such conviction.

SECTION 3: GENERAL INFORMATION

3.0 AUTHORITY

This RFP is issued under the authority of the Guam Procurement Act, the Guam Procurement Regulations, and 12 G.C.A. §§ 50103(k) and 50103.1(b).

3.1 SUBCONTRACTORS

All subcontractors, if any, must be listed in the proposal. GEDA reserves the right to approve all subcontractors. The firms and/or individuals selected by GEDA to provide the services solicited under this RFP shall be responsible to GEDA for the acts and omissions of all subcontractors or agents and of persons directly or indirectly employed by such subcontractors, and for the acts and omissions of persons employed directly by the Contractor. Further, nothing contained within this document or any contract documents created as a result of any contract awards derived from this RFP shall create any contractual relationships between any subcontractor and GEDA.

3.2 TAXES

Offerors are cautioned that they may be subject to Guam tax laws. Specific information regarding taxes may be obtained from the Director of Revenue and Taxation.

3.3 LICENSING

Per Public Law 30-200, Section 2 (s) offerors are cautioned that they must be "licensed to do business on Guam" and are subject to Guam licensing laws. Specific information on licenses may be obtained from the Director of Revenue and Taxation.

3.4 RECEIPT/OPENING OF PROPOSALS

All proposals received shall be maintained in the custody of the procurement officer and shall remain unopened until the date set for opening. Proposals shall be opened in the presence of a procurement officer.

3.5 CLASSIFICATION OF PROPOSALS AS RESPONSIVE OR NON-RESPONSIVE

All proposals will initially be classified as either "responsive" or "non-responsive". Proposals may be found non-responsive any time during the evaluation process or contract negotiation if any of the required information is not provided; the submitted price is found to be excessive or inadequate as measured by criteria stated in the RFP; or the proposal is not within the plans and specifications described and required in the RFP. If a proposal is found to be non-responsive, it will not be considered further.

3.6 DETERMINATION OF RESPONSIBILITY

The procurement officer will determine whether an offeror has met the standards of responsibility. Such a determination may be made at any time during the evaluation process and through contract negotiation if information surfaces that would result in a determination of non-responsibility. If an offeror is found non-responsible, the determination must be in writing, made a part of the procurement file and mailed to the affected offeror.

3.7 COMPLETENESS OF PROPOSALS

Selection and award will be based on the information contained in the offeror's proposal. Proposals may not include references to information located elsewhere, such as Internet websites or libraries, unless specifically requested by GEDA. Information or materials presented by offerors outside the formal response or subsequent discussion/negotiation or "best and final offer," if requested, will not be considered, will have no bearing on any award, and may result in the offeror being disqualified from further consideration.

3.8 FAILURE TO COMPLY WITH INSTRUCTIONS

Offerors failing to comply with the instructions set forth in this RFP may be subject to point deductions. GEDA may also choose to not evaluate, may deem non-responsive, and/or may disqualify from further consideration any proposals that do not follow this RFP format, are difficult to understand, are difficult to read, or are missing any requested information.

3.9 GEDA'S RIGHTS RESERVED

While GEDA has every intention to award a contract as a result of this RFP, issuance of the RFP in no way constitutes a commitment by GEDA to award and execute a contract. Upon a determination such actions would be in its best interest, GEDA, in its sole discretion, reserves the right to:

- Cancel or terminate this RFP;
- Reject any or all proposals received in response to this RFP;
- Waive any undesirable, inconsequential, or inconsistent provisions of this RFP which would not have significant impact on any proposal;
- Waive any minor informalities in proposals received, or have them corrected by the offeror in accordance with applicable regulations;
- Not award if it is in the best interest of GEDA not to proceed with contract execution; or
- If awarded, terminate any contract if GEDA determines adequate funds are not available.

3.10 NONDISCLOSURE OF DATA

In accordance with Guam Procurement Regulations § 3114(h)(2), offerors may identify trade secrets and other proprietary data contained in their proposals. If the offeror selected for award has requested in writing the nondisclosure of trade secrets and other proprietary data so identified, GEDA shall examine the request to determine its validity prior to entering into negotiations. If the parties do not agree as to the disclosure of data, GEDA shall inform the offeror in writing what portion of the proposal will be disclosed and that, unless the offeror withdraws the proposal or protests under 5 G.C.A. Chapter 5 Article 9 the proposal will be so disclosed.

3.11 DEBARMENT

The offeror certifies, by submitting its proposal, that neither it nor its principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction (contract) by any governmental department or agency. If an offeror cannot certify this statement, attach a written explanation for review by the GEDA.

SECTION 4: SCOPE OF SERVICES

The Guam Economic Development Authority, ("GEDA") on behalf of the Guam Memorial Hospital Authority ("GMHA") is seeking financial assistance from any bank, banks, or commercial lending institutions, per Public Law 32-043 and 30-200, to provide financing in a not to exceed amount of Twenty-Five Million Dollars ($25,000,000.00) for refinancing and payment of vender payables. The following must accompany the proposal:

1. A brief overview of the bank, banks or commercial lending institution, including a description of capital, credit ratings and experience.

2. The bank, banks or commercial lending institution's proposed structure in detail, as well as provision for extension of maturity or rollover, or any other hypothetical scenario.

3. An estimated time line for the issuance of this note and a description of the banks, banks or commercial lending institution's ability to conduct transactions in a timely manner. Please feel free to outline certain variables such as credit committees, and their effects, if any, on the terms and conditions of the financing.

4. The bank's or commercial lending institution's latest audited financials.

5. A description of any other terms and conditions required by the bank, banks or commercial lending institution, in regard to this financing.

The loan and loan terms being solicited include short and long term which will include, but are not limited to:

1. The interest rate and terms of the loan shall be subject to competitive negotiations between the GMHA or their designee, with the assistance of GEDA, and the bank, banks or commercial lending institution(s). GMHA believes that the loan should be fully amortized over ten (10) years with a zero ($0) balance at the completion of the term.

2. All terms of the financing not specifically defined in the foregoing shall be negotiated by the GMHA or their designee, with the assistance of GEDA, whose discretion shall be exercised, in the best interest of the People of Guam.

3. Revenues pledged to cover the debt service of the loan shall be paid in accordance to Section 2.2 Preliminary Financing Structure of this RFP. The offeror should present financing options that include monthly payments of principal and interest or one annual payment of principal and interest with the annual payment made in the second (2nd) calendar quarter of each calendar year.

4. The duration for the repayment of the loan shall be negotiated by the GMHA or their designee, with the assistance of GEDA, but shall not exceed 25 years. GMHA believes that the loan should be fully amortized over ten (10) years with a zero ($0) balance at the completion of the term. The offeror should not submit a proposal that includes a balloon payment at the end of the term.

5. Prepaid charges shall not be levied by the bank, banks or commercial lending institution.

6. Assistance to GEDA, GMHA and the Department of Administration when necessary in any calculations or actions necessary to comply with any calculations or reporting requirements.

7. GMHA will not offer additional security such as accounts receivable, fixed assets, etc. for this loan. The commitment of Healthy Futures and Compact Impact Funds should provide sufficient security.

SECTION 5: PROPOSAL CONTENTS AND STRUCTURE

Offerors must organize their proposals into the sections delineated below, with tabs separating each section. Each item must be thoroughly addressed; however, proposals should be kept manageable in length and concise. Proposals should be prepared simply and economically, providing a straightforward, succinct description of the offeror's approach and ability to meet the requirements of the RFP. Emphasis should be placed on completeness and clarity of content. Proposals should not include extraneous promotional material including general corporate brochures and related materials. Exhibits and materials other than those requested in this RFP may not be considered in the selection process. Offerors taking exception to any requirements listed in this section may be found non-responsive or be subject to point deductions.

1. Introduction

   a. Cover letter (must be on offeror's letterhead)
      i. Point of Contact. The individual executing the letter shall be identified by name and position and shall be authorized to bind the offeror contractually.
      ii. Contact Information. Include the offeror's name, address, telephone and facsimile numbers, and e-mail address. Also include the offeror's principal place of business.

   b. Confirmation Statement. A point-by-point response to all numbered sections, subsections, and attachments to the RFP is required. If no explanation or clarification is required in the offeror's response to a specific subsection, the offeror shall so indicate in the point-by-point response or utilize a blanket response for the entire section with the following statement:

"(Offeror's Name)" understands and will comply.

2. Company Overview

   a. Type of firm. State whether offeror is a corporation, partnership, sole proprietorship, joint venture, etc. Provide the organizational documents for offeror and a certificate of good standing from the state or territory of formation.

   b. Year firm established. Indicate the number of years offeror has been in business under its present business name and the number of full-time personnel employed by offeror in the last twelve (12) months.

   c. Other firm names. Indicate all other names by which offeror has been known and the length of time known by each name.

   d. Participating branch offices. If applicable, state the branch offices that participated in the development of the proposal, will participate in the evaluation phase, and will participate in the conduct of any services provided (office name and address).

   e. Notice of Litigation. Provide information regarding any filed, pending, or threatened litigation during the last five years against your firm involving any federal, state, territorial, or local government unit or instrumentality thereof. Provide information as to whether offeror is currently under investigation or has ever been censured or warned within the last five (5) years concerning possible violations of Security and Exchange Commission rules or regulations and specify the nature of the alleged violations and corrective measures undertaken and penalties assessed, if any.

f. Potential Conflicts of Interest. Please indicate any current or historical engagement or relationships with any public or private party that could potentially create a conflict of interest with the Guam Memorial Hospital Authority and/or the Guam Economic Development Authority.

3. Experience of Offeror.

   a. Primary point of contact. Identify the individual who will serve as the primary point of contact and liaison between the GEDA and the GMHA and the offeror.

      i. Provide his/her resume and describe his/her qualifications
      ii. Provide his/her contact information, including telephone number, mailing address, and e-mail address.

   b. Key personnel. Provide the name(s), education, qualifications, experience, and the role of each key personnel assigned to perform the services under this RFP. Present an organizational chart identifying the relationships and duties of all key personnel assigned to assist with the services solicited under this RFP. At a minimum, the proposal should include a resume of all key personnel who will be working on any aspect of the project.

   c. Experience of offeror. Include a detailed description and history of the offeror relative to experience with government entities similar to the Government of Guam.

   d. References. Offeror shall provide a minimum of five references to which offeror has provided services similar to those solicited in this RFP over the past five (5) years. At a minimum, the offeror shall provide the reference name, the location where the services were provided, contact person(s), telephone number, a complete description of the services provided, and dates the services were provided. At a minimum, two references shall be for work performed for a government entity in the United States or its territories. GEDA reserves the right to use any information or additional references deemed necessary to establish the ability of the offeror to perform the services solicited. Negative references may be grounds for proposal disqualification.

4. Conditions. Provide a detailed description of your proposed terms, conditions or restrictions for the financing which would be included in your commitment to provide the loan. State fixed interest rates proposed assuming a level debt service (principle plus interest).

5. Insurance. The Government of Guam requires firms to carry Errors and Omissions/Professional Liability Insurance coverage. Please provide proof of such insurance and the limits of such coverage carried.

6. Required documentation:

   a. Major Shareholders Disclosure Affidavit (Attachment A-1)
   b. Non-Collusion Affidavit (Attachment A-2)
   c. Non-Gratuity Affidavit (Attachment A-3)
   d. Affidavit Re Contingent Fees (Attachment A-4)
   e. Ethical Standards Affidavit (Attachment A-5)
   f. Declaration Re Wage Determination (Attachment A-6)

SECTION 6: EVALUATION

6.0 EVALUATION

After receipt and opening of proposals, an evaluation committee may be convened to review and evaluate the proposals and recommend award to the GEDA Board. The evaluation committee may select two or more of the best proposals and conduct further review, which may include final presentations by the selected offerors. This is commonly known as "short listing."

6.1 EVALUATION CRITERIA

The proposals will be reviewed and evaluated according to the following criteria based on a maximum possible value of 100 points. In the evaluation, rating and selection of proposals, the factors and their relative importance are as follows:

1) Proposal Content and Conformance with RFP Requirements. Completeness of the proposal in responding to the items listed and information requested in this RFP. Proposals that do not provide all of the information required by this RFP could have points deducted under this criterion or the proposals could be deemed non-responsive depending upon the importance of the information, at GEDA's/the Government's discretion.	**5 points**
2) Expertise and Experience. Expertise, experience, qualifications and ability to perform services as reflected by education, training, general and specific experience of key personnel, including the primary point of contact, to be assigned to perform the services. The experience of the offeror in providing the required services to government entities similar to the Government of Guam and the offeror's overall experience in providing loans will also be assessed.	**15 points**
3) Proposed financing conditions, terms or restrictions (maturities, interest rates, and debt service schedule)	**80 points**
Total Maximum Points	**100 points**

GEDA shall have the right to reject all proposals or offers which have been submitted in response to this RFP, at any time, if GEDA determines such to be in the best interest of the Government of Guam for any reason allowed by law and/or regulation or for any reason whatsoever.

ATTACHMENT A-1: MAJOR SHAREHOLDERS DISCLOSURE AFFIDAVIT

GUAM/State of_____)
)ss:
Municipality/City of _____)

I, _____ [name], the undersigned, being first duly sworn, deposes and says:

1. I am the _____ [title] of _____ [name of offeror] ("offeror").

2. [ ] Offeror is an individual or sole proprietor and I own the entire (100%) interest in the offeror; **or**

3. [ ] Offeror is a _____ [type of entity] and the persons and/or entities that have held more than ten percent (10%) of the shares or interest in offeror during the twelve months immediately preceding submission of offeror's proposal are as follows:

Name	Address	Percentage of Interest

4. Persons who have received or are entitled to receive a commission, gratuity or other compensation for procuring or assisting in obtaining business related to the proposal for which this Affidavit is submitted are as follows (if none, please so state):

Name	Address	Compensation

Further, affiant sayeth naught.

Date: _____ _____

Title: _____

Subscribed and sworn to before me this _____day of _____, 2013.

_____
Notary Public in and for Guam
My commission expires: _____

Special Notes:
- This affidavit must be notarized and dated on the same month as the proposal due date;
- The date of the signature of the person authorized to sign the affidavit and the notary date must be the same.

ATTACHMENT A-2: NON-COLLUSION AFFIDAVIT

GUAM/State of_____)
)ss:
Municipality/City of _____)

I, the undersigned, _____ [name] being first duly sworn, deposes and says:

1. I am the _____ [title] of _____ [name of offeror] ("offeror").

2. The proposal submitted by offeror is genuine and not collusive or a sham. Offeror has not colluded, conspired, connived or agreed, directly or indirectly, with any other offeror or person, to put in a sham offer or to refrain from submitting an offer. Offeror has not in any manner, directly or indirectly, sought by agreement or collusion, or communication or conference, with any person to fix the proposal price of offeror, or to secure any advantage against the Guam Economic Development Authority or any person interested in the proposed contract.

3. All statements in this affidavit and in the proposal are true to the best of the knowledge of the undersigned.

4. This statement is made pursuant to 2 GAR Division 4 § 3126.

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

Further, affiant sayeth naught.

Date: _____ _____

Title: _____

Subscribed and sworn to before me this _____day of _____, 2013.

_____
Notary Public in and for Guam
My commission expires: _____

ATTACHMENT A-3: NON-GRATUITY AFFIDAVIT

GUAM/State of_____)
)ss:
Municipality/City of _____)

I, the undersigned, _____ [name] being first duly sworn, deposes and says:

1. I am the _____ [title] of _____ [name of offeror] ("offeror").

2. To the best of my knowledge, neither I, nor any of offeror's officers, representatives, agents, subcontractors or employees have violated or are violating the prohibition against gratuities and kickbacks set forth in 2 GAR Division 4 § 11107. Further, I promise, on behalf of offeror, not to violate the prohibition against gratuities and kickbacks as set forth in 2 GAR Division 4 § 11107.

3. To the best of my knowledge, neither I, nor any of offeror's officers, representatives, agents, subcontractors or employees have offered, given or agreed to give, any government of Guam employee, employee of GEDA, or former Government employee or former employee of GEDA any payment, gift, kickback, gratuity or offer of employment in connection with offeror's proposal.

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

Further, affiant sayeth naught.

Date: _____ _____

Title: _____

Subscribed and sworn to before me this _____day of _____, 2013.

_____
Notary Public in and for Guam
My commission expires: _____

ATTACHMENT A-4: AFFIDAVIT RE CONTINGENT FEES

GUAM/State of_____)
)ss:
Municipality/City of _____)

I, the undersigned, _____ [name] being first duly sworn, deposes and says:

1. I am the _____ [title] of _____ [name of offeror] ("offeror").

2. As part of offeror's bid or proposal, to the best of my knowledge, the offeror has not retained any person or agency on a percentage, commission, or other contingent arrangement to secure this contract.

3. As part of offeror's bid or proposal, to the best of my knowledge, the offeror 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.

4. All statements in this affidavit and in the proposal are true to the best of the knowledge of the undersigned.

5. These statements are made pursuant to 2 GAR Division 4 § 11108(h).

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

Further, affiant sayeth naught.

Date: _____ _____

Title: _____

Subscribed and sworn to before me this _____day of _____, 2013.

_____
Notary Public in and for Guam
My commission expires: _____

ATTACHMENT A-5: ETHICAL STANDARDS AFFIDAVIT

GUAM/State of_____)
)ss:
Municipality/City of _____)

I, the undersigned, _____ [name] being first duly sworn, deposes and says:

1. I am the _____ [title] of _____ [name of offeror] ("offeror").

2. To the best of my knowledge, neither I nor any officers, representatives, agents, subcontractors or employees of offeror have knowingly influenced any government of Guam employee to breach any of the ethical standards set forth in 5 GCA Chapter 5, Article 11. Further, I promise that neither I, nor any officer, representative, agent, subcontractor, or employee of offeror will knowingly influence any government of Guam employee to breach any ethical standards set forth in 5 GCA Chapter 5, Article 11.

3. All statements in this affidavit and in the proposal are true to the best of the knowledge of the undersigned. This statement is made pursuant to 2 GAR Division 4 § 3126.

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

Further, affiant sayeth naught.

Date: _____ _____

Title: _____

Subscribed and sworn to before me this ____day of _____, 2013.

_____
Notary Public In and for Guam
My commission expires: _____

ATTACHMENT A-6: DECLARATION RE COMPLIANCE WITH U.S. DOL WAGE and BENEFITS DETERMINATION

I, the undersigned, _____ [name] hereby certify under penalty of perjury:

1. I am the _____ [title] of _____ [name of offeror] ("offeror"), 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 § 5801 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.

Date: _____ _____

ATTACHMENT B-1: PUBLIC LAW 32-043

EDDIE BAZA CALVO
Governor

RAY TENORIO
Lieutenant Governor

Office of the Governor of Guam

JUL 0 5 2013

Honorable Judith T. Won Pat, Ed.D.
Speaker
I Mina'trentai Dos Na Liheslaturan Guåhan
155 Hesler Street
Hagåtña, Guam 96910

32-13-563
Office of the Speaker
Judith T. Won Pat, Ed. D.
Date: 7/8/13
Time: 4:32
Received by: [illegible]

Dear Madame Speaker:

Transmitted herewith is Bill No.132-32 (LS) **"AN ACT TO *ADD* A NEW SUBSECTION 10 AND A NEW SUBSECTION 11 TO §80109(S) OF DIVISION 4, CHAPTER 80 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO EXPANDING THE BORROWING ABILITY OF THE GUAM MEMORIAL HOSPITAL AUTHORITY BY PLEDGING COMPACT IMPACT FUNDS AS A REPAYMENT SOURCE FOR THE ADDITIONAL AVAILABLE BALANCE; AND TO PROHIBIT NET PAY BY THE GUAM MEMORIAL HOSPITAL AUTHORITY"** which I signed into law on July 1, 2013 as **Public Law 32-043.**

Senseramente,

EDDIE BAZA CALVO
I Maga'lahen Guåhan
Governor of Guam

2013 JUL -8 PM 5:00

Attachment: copy of Bill

Ricardo J. Bordallo Governor's Complex • Adelup, Guam 96910
Tel: (671) 472-8931 • Fax: (671) 477-4826 • www.governor.guam.gov • calendar.guam.gov
Eddie Baza Calvo

I MINA'TRENTAI DOS NA LIHESLATURAN GUÅHAN
2013 (FIRST) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÅHAN*

This is to certify that **Substitute Bill No. 132-32 (LS), "AN ACT TO *ADD* A NEW SUBSECTION 10 AND A NEW SUBSECTION 11 TO §80109(S) OF DIVISION 4, CHAPTER 80 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO EXPANDING THE BORROWING ABILITY OF THE GUAM MEMORIAL HOSPITAL AUTHORITY BY PLEDGING COMPACT IMPACT FUNDS AS A REPAYMENT SOURCE FOR THE ADDITIONAL AVAILABLE BALANCE; AND TO PROHIBIT NET PAY BY THE GUAM MEMORIAL HOSPITAL AUTHORITY"**, was on the 24th day of June, 2013, duly and regularly passed.

Benjamin J.F. Cruz
Acting Speaker

Attested:

Thomas C. Ada
Acting Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 26th day of June, 2013, at 3:00 o'clock P.M.

Assistant Staff Officer
Maga'lahi's Office

APPROVED:

EDWARD J.B. CALVO
I Maga'lahen Guåhan

Date: JUL 0 1 2013

Public Law No. 32-043

I MINA'TRENTAI DOS NA LIHESLATURAN GUAHAN
2013 (FIRST) Regular Session

Bill No 132-32 (LS)
As substituted by the Committee on Health & Human Services, Health Insurance Reform, Economic Development, and Senior Citizens; and amended on the Floor.

Introduced by:

Dennis G. Rodriguez, Jr.
Aline A. Yamashita, Ph.D.
V. Anthony Ada
R. J. Respicio
T. C. Ada
Frank B. Aguon, Jr.
B. J.F. Cruz
Chris M. Dueñas
Michael T. Limtiaco
Brant T. McCreadie
Tommy Morrison
T. R. Muña Barnes
Vicente (ben) C. Pangelinan
Judith T. Won Pat, Ed.D.

AN ACT TO *ADD* A NEW SUBSECTION 10 AND A NEW SUBSECTION 11 TO §80109(s) OF DIVISION 4, CHAPTER 80 OF TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO EXPANDING THE BORROWING ABILITY OF THE GUAM MEMORIAL HOSPITAL AUTHORITY BY PLEDGING COMPACT IMPACT FUNDS AS A REPAYMENT SOURCE FOR THE ADDITIONAL AVAILABLE BALANCE; AND TO PROHIBIT NET PAY BY THE GUAM MEMORIAL HOSPITAL AUTHORITY.

1

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** ***I Liheslaturan Guåhan*** finds
3 that the Guam Memorial Hospital Authority is seriously underfunded, resulting in
4 consistent, chronic shortages in all operational areas that jeopardize the ability of
5 the Guam Memorial Hospital to adequately fulfill its mission.

6 The full scope and negative impact of the Guam Memorial Hospital
7 Authority's outstanding debts, in excess of Twenty-three Million Dollars
8 ($23,000,000), came to light during the Joint Status Hearing conducted by the
9 Committee on Health & Human Services and the Committee on Appropriations,
10 Public Debt, Legal Affairs, Retirement, Public Parks, Recreation, Historic
11 Preservation and Land on April 18, 2012. ***I Liheslaturan Guåhan*** further finds that
12 in 2012, the federally approved discount provider for medical supplies intercepted
13 approximately Five Hundred Thousand Dollars ($500,000) (taken from Medicare
14 reimbursements through the U.S. Treasury), for non-payment of GMHA's debt. In
15 March 2013, GMHA, through the efforts of Governor Edward Calvo, paid Five
16 Million Dollars ($5,000,000) of its outstanding obligations using Compact-Impact
17 funds, thus reducing its obligation to approximately Eighteen Million Dollars
18 ($18,000,000) as of March 31, 2013. The retirement of GMHA's debt is essential
19 to its ability to focus on patient care and its preventive programs. The provision of
20 medical care should be the core of the Hospital's mission, not the burden placed on
21 operations by its debt. For the past seven months in Fiscal Year 2013, GMHA has
22 accumulated approximately over half a million dollars in interest charges from
23 vendors. This added burden further exacerbates GMHA's financial condition.

24 ***I Liheslaturan Guåhan*** further finds that Public Law 30-200, as amended by
25 Public Law 30-235, authorized the GMHA to enter into a line of credit, revolving
26 fund, or direct loan not to exceed Twenty-five Million Dollars ($25,000,000).
27 However, only Twelve Million Dollars ($12,000,000) has been borrowed to date. *I*

1 *Liheslaturan Guåhan* further finds that Governor Edward Calvo has committed to
2 pledge Two Million Dollars ($2,000,000) annually from Compact Impact funds to
3 the Guam Memorial Authority specifically to use as a repayment source for this
4 purpose.

5 It is the intent of *I Liheslaturan Guåhan* to allow the financing of GMHA's
6 debt using *I Maga'lahen Guåhan's* pledge of Compact Impact funds as the
7 repayment source for the additional Thirteen Million Dollars ($13,000,000)
8 balance or any available balance of the Twenty-five Million Dollars ($25,000,000)
9 borrowing authority, pursuant to Public Law 30-200, whichever is greater.

10 **Section 2.** A new Subsection (10), in conformance with Public Law 30-
11 235, and a Subsection (11) are hereby *added* to § 80109(s) of Chapter 80, Division
12 4 of Title 10, Guam Code Annotated, to read as follows:

13 "(10) This Guarantee is a general obligation of the government of
14 Guam, subject to the full faith and credit of the government of Guam. The
15 Guarantor consents to any and all extension of time and waiver or
16 modification of obligations guaranteed hereunder.

17 (11) *I Maga'lahen Guåhan,* the Governor of Guam, at his discretion
18 and with his consent, may pledge Compact Impact Funds received from the
19 Department of Interior as a source of funding to secure the balance of the
20 Twenty-five Million Dollar line of credit, revolving loan fund, and/or a
21 direct loan authorized in this Act to be used for the reduction of the Guam
22 Memorial Hospital Authority's vendor payables."

23 **Section 3. Net Pay Not Permitted.** Notwithstanding any other provisions
24 of law, rule, or regulation, no certifying officer, administrator, or employee of the
25 Guam Memorial Hospital Authority shall authorize the issuance of net pay at the
26 authority. For the purpose of this Section, "net pay" *shall* mean the remaining
27 amount after deductions from the gross salary, where net means ultimate and an

1 amount is issued to an employee without the full payment of all payroll deductions
2 due to each employee at the Authority. The issuance of net pay by any certifying
3 officer, administrator, or employee of the Guam Memorial Hospital Authority *shall*
4 be grounds for termination.

Office of the Governor of Guahan

P.O. Box 2950 Hagåtña, GU 96932
Tel: (671) 472-8931 • Fax: (671) 477-4826 • Email: governor@guam.gov

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

DEC 3 0 2010

The Honorable Judith T. Won Pat, Ed.D.
Speaker
Mina' Trenta Na Liheslaturan Guahan
155 Hessler Street
Hagåtña, Guam 96910

Dear Speaker Won Pat:

Transmitted herewith is Bill No. 503-30 (LS) "**AN ACT TO ADD A NEW SECTION 9 TO PUBLIC LAW 30-200, RELATIVE TO EXPANDING THE BORROWING ABILITY OF THE GUAM MEMORIAL HOSPITAL AUTHORITY BY INCLUDING THE AUTHORIZATION TO ALSO ENTER INTO REVOLVING LOAD FUNDS, AND DIRECT LOANS**", which I signed into law on December 30, 2010 as **Public Law 30-235**.

Sinseru yan Magåhet,

FELIX P. CAMACHO
I Maga'låhen Guahan
Governor of Guahan

Attachment: copy of Bill

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÅHAN*

This is to certify that **Bill No. 503-30 (LS), "AN ACT TO *ADD* A NEW SECTION 9 TO PUBLIC LAW 30-200, RELATIVE TO EXPANDING THE BORROWING ABILITY OF THE GUAM MEMORIAL HOSPITAL AUTHORITY BY INCLUDING THE AUTHORIZATION TO ALSO ENTER INTO REVOLVING LOAN FUNDS, AND DIRECT LOANS,"** was on the 22nd day of December, 2010, duly and regularly passed.

Judith T. Won Pat, Ed. D.
Speaker

Attested:

Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this _____ day of _____, 2010, at _____ o'clock _____.M.

Assistant Staff Officer
Maga'lahi's Office

APPROVED:

FELIX P. CAMACHO
I Maga'lahen Guåhan

Date: 12/30/2010

Public Law No. 30-235

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

Bill No. 503-30 (LS)
As amended.

Introduced by:

R. J. Respicio
T. C. Ada
V. Anthony Ada
F. B. Aguon, Jr.
F. F. Blas, Jr.
E. J.B. Calvo
B. J.F. Cruz
J. V. Espaldon
Judith P. Guthertz, DPA
T. R. Muña Barnes
Adolpho B. Palacios, Sr.
v. c. pangelinan
Telo Taitague
Ray Tenorio
Judith T. Won Pat, Ed.D.

AN ACT TO *ADD* A NEW SECTION 9 TO PUBLIC LAW 30-200, RELATIVE TO EXPANDING THE BORROWING ABILITY OF THE GUAM MEMORIAL HOSPITAL AUTHORITY BY INCLUDING THE AUTHORIZATION TO ALSO ENTER INTO REVOLVING LOAN FUNDS, AND DIRECT LOANS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. A new Section 9 is hereby *added* to Public Law 30-200 to read as follows:

"**(9)** This Guarantee is a general obligation of the government of Guam, subject to the full faith and credit of the government of Guam. The

1 Guarantor consents to any and all extension of time and waiver or
2 modification of obligations guaranteed hereunder."
3 **Section 2. Enumeration.** The original Section 9 of Public Law 30-200 is
4 hereby renumbered as Section 10.

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO *I MAGA'LAHEN GUÅHAN*

This is to certify that **Substitute Bill No. 479-30 (COR), "AN ACT TO *AMEND* SUBSECTION (s) OF §80109, CHAPTER 80, DIVISION 4, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO EXPANDING THE BORROWING ABILITY OF THE GUAM MEMORIAL HOSPITAL AUTHORITY BY INCLUDING THE AUTHORIZATION TO ALSO ENTER INTO REVOLVING LOAN FUNDS, AND DIRECT LOANS"**, was on the 30th day of November 2010, duly and regularly passed.

Judith T. Won Pat, Ed. D.
Speaker

Attested:

Tina Rose Muña Barnes
Legislative Secretary

This Act was received by *I Maga'lahen Guåhan* this 1st day of Dec, 2010, at 1100 o'clock A.M.

Assistant Staff Officer
Maga'lahi's Office

APPROVED:

FELIX P. CAMACHO
I Maga'lahen Guåhan

Date: 9 Dec. 2010

Public Law No. P.L. 30-200

I MINA'TRENTA NA LIHESLATURAN GUÅHAN
2010 (SECOND) Regular Session

Bill No. 479-30 (COR)
As substituted by Committee on Economic Development, Health & Human Services and Judiciary, and amended on the Floor.

Introduced by:

F. B. Aguon, Jr.
v. c. pangelinan
F. F. Blas, Jr.
Judith T. Guthertz, DPA
T. R. Muña Barnes
T. C. Ada
V. Anthony Ada
E. J.B. Calvo
B. J.F. Cruz
J. V. Espaldon
Adolpho B. Palacios, Sr.
R. J. Respicio
Telo Taitague
Ray Tenorio
Judith T. Won Pat, Ed.D.

AN ACT TO *AMEND* SUBSECTION (s) OF §80109, CHAPTER 80, DIVISION 4, TITLE 10, GUAM CODE ANNOTATED, RELATIVE TO EXPANDING THE BORROWING ABILITY OF THE GUAM MEMORIAL HOSPITAL AUTHORITY BY INCLUDING THE AUTHORIZATION TO ALSO ENTER INTO REVOLVING LOAN FUNDS, AND DIRECT LOANS.

BE IT ENACTED BY THE PEOPLE OF GUAM:

Section 1. Legislative Findings. *I Liheslaturan Guåhan* finds that the authorization for the Guam Memorial Hospital Authority (GMHA) to only enter

1 into a line of credit, as provided pursuant to Subsection (s) of §80109, Chapter 80,
2 Division 4, Title 10, Guam Code Annotated, is *too* restrictive. And, so as to
3 further broaden the scope of borrowing options available, *I Liheslaturan Guåhan*
4 finds it appropriate to additionally authorize GMHA the borrowing alternatives of
5 entering into the establishment of a revolving loan fund, and/or a direct loan.
6 Further, *I Liheslaturan Guåhan* finds it appropriate to provide for a waiver
7 wherein the government of Guam waives immunity from any suit or action in
8 contract upon the loan and guaranty. This provision is necessary to encourage the
9 participation of lending institutions by ensuring they can pursue the recovery of
10 funds loaned.
11 **Section 2.** Subsection (s) of §80109, Chapter 80, Division 4, Title 10,
12 Guam Code Annotated, is hereby *amended* to read:
13 "(s) Arrange a line of credit, a revolving loan fund, and/or a direct
14 loan, the total cumulative amount *not to exceed* Twenty-five Million Dollars
15 ($25,000,000), with banks or other lending institutions licensed to do
16 business on Guam. All terms of the line of credit, a revolving loan fund,
17 and/or a direct loan agreement *shall* be negotiated by the Authority and *I*
18 *Maga'lahen Guåhan* [Governor] in the best interests of the people of Guam.
19 The terms of the line of credit, a revolving loan fund, and/or a direct loan
20 *shall* include the following:
21 (1) the line of credit, a revolving loan fund, and/or a direct
22 loan *shall* be used by the Authority when a cash shortage threatens the
23 operation of the Hospital, and provided that the loan *shall not* be used
24 for the hiring of non-health care professionals *not* involved with
25 providing direct patient care or patient care support;
26 (2) *no* charge *shall* be levied by a lender for making the loan;

(3) the interest rate *shall* be subjected to negotiation between the Authority or designee as authorized by the Board of Trustees, *I Maga'lahen Guåhan* and the lender; such interest rate *shall* be computed on a monthly average and based on the actual amount extended to the Authority; and

(4) interest earned by the lender *shall* be exempt from taxation by the government of Guam.

(5) *I Maga'lahen Guåhan* is authorized to pledge funds which Guam *shall* receive from the State Attorneys General Tobacco Litigation, as provided by Public Law 24-174, or the General Fund, or both funds in any combination, as a security for repayment of the loan, in addition to any revenues which may be pledged by the Authority. *I Maga'lahen Guåhan* and the Authority are hereby authorized to execute the loan agreement, a revolving loan fund, and/or a direct loan agreement and other necessary documentation.

(6) The line of credit authorized in this Act *shall not* be used in the calculation for rate relief in any rate methodology for any rate case before the Public Utilities Commission.

(7) The primary source of repayment for the line of credit, revolving loan fund, and/or a direct loan *shall* be as authorized in Public Law 30-196, Chapter III, Part I, Section 6(b) (the FY 2011 Budget Act). *If* required, the Authority may pledge, in addition, *only* its revenues as a security for repayment as determined by the negotiated agreement.

(8) Any money borrowed *shall* be repaid in accordance with the terms established in the negotiated agreement, but *not to exceed* an amortization period of *more than* twenty-five (25) years. In *no* case

1 *shall* any amount borrowed be refinanced permitting repayment *more*
2 *than* twenty-five (25) years after the loan is made.
3 (9) Notwithstanding the provisions of Chapter 6 of Title 5 of
4 the Guam Code Annotated, the government of Guam hereby waives
5 immunity from any suit or action in contract upon the loan and
6 guaranty but *does not* waive sovereign immunity as to the personal
7 liability of elected or appointed officials and employees of the
8 government Guam."
9 **Section 3. Severability.** *If* any provision of this Act or the application
10 thereof to any person or circumstances is held invalid, such invalidity *shall not*
11 affect any other provision or application of this Act which can be given effect
12 without the invalid provision or application, and to this end the provisions of this
13 Act are severable.
14 **Section 4. Effective Date.** This Act *shall* become effective upon
15 enactment.

Office of the Governor of Guahan

P.O. Box 2950 Hagåtña, GU 96932
Tel: (671) 472-8931 • Fax: (671) 477-4826 • Email: governor@guam.gov

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Office of the Speaker
Judith T. Won Pat, Ed.D.
Date Sept 3, 2010
Time 4:17 PM
Received by ED POLARGUE
30-10-0769

SEP 02 2010

The Honorable Judith Won Pat
Speaker
I Mina' Trenta Na Liheslaturan Guahan
Thirtieth Guahan Legislature
155 Hessler Street
Hagåtña, GU 96910

2010 SEP -3 PM 4:

Dear Speaker Won Pat:

Transmitted herewith is Substitute Bill No. 439-30 (COR), **"AN ACT MAKING APPROPRIATIONS FOR THE OPERATIONS OF THE EXECUTIVE, LEGISLATIVE AND JUDICIAL BRANCHES OF THE GOVERNMENT OF GUAM FOR FISCAL YEAR ENDING SEPTEMBER 30, 2011, MAKING OTHER APPROPRIATIONS, AND ESTABLISHING MISCELLANEOUS AND ADMINISTRATIVE PROVISIONS,"** which I signed into law on September 1, 2010 as **Public Law 30-196.**

First, I want to take this opportunity to commend *I Liheslaturan Guahan* and the Committee on Appropriations for passing a balanced budget ahead of the statutory deadline of August 31, 2010. The product is testament of months of collaborative constructive engagement between branches.

The formulation of a revised revenue projection, largely influenced by the global recession, the continued delays in the Guahan military buildup timelines, and the impact of the American Recovery and Reinvestment Act (ARRA) "Make Work Pay Credit" (MWPC) provisions, was achieved with the full participation of the Special Economic Service (SES) and Special Accounting (SAS) groups whose members comprise of the Directors and technical staff of the Bureau of Budget Management and Research (BBMR), Department of Administration (DOA), Guahan Economic Development Authority (GEDA), Department of Revenue and Taxation (DRT), Guahan Visitors Bureau (GVB), Bureau of Statistics and Plans (BSP), Office of Public Accountability (OPA), and the government's Chief Economist

The budget bill is sound, responsible legislation in the allocation of government resources for operations in FY 2011. It provides for a conservative and realistic revenue projection, a spending plan that mirrors current levels, and it prioritizes the government's financial

2264

and human resources towards addressing its longstanding structural imbalance and deficit situation.

The General Fund began to turn the wide corner towards fiscal recovery when it recorded two consecutive years of surplus in Fiscal Years 2007 and 2008, followed by a $150 million reduction in its accumulated deficit in Fiscal Year 2009. Numerous provisions in this budget bill support this deliberate path to recovery and it comes at a time when the U.S. Department of Defense will soon begin the implementation of the Guahan International Agreement as entered into between the United States and Japan in 2006. This action will have a direct impact on General Fund revenues going forward and this bill ensures that fiscal discipline runs parallel with this unprecedented growth.

Public Law 30-196 mandates that the Department of Revenue and Taxation develop a strategic plan to reduce one of the largest component of the Government of Guahan's deficit (tax refund liability). Policy exacted in the budget act now provides that past tax refund liabilities be systematically addressed with a goal to reduce and/or avoid interests accruing towards this liability. The FY 2009 audit indicates $259 million is still owed in tax refunds to the people despite the FY 2009 deficit elimination bond paying down over $112 million of this liability. This trend needs to be reversed and I am encouraged that this budget bill is taking the steps necessary to make this happen.

The budget bill provides for the tightening and strengthening of the processes affecting the payment of tax refunds that will result in reducing accrued tax refund interest and mandates the timely compilation and reconciliation of information for advances and/or reimbursements that Guahan is entitled through various ARRA-mandated tax incentives. It ensures timely payment of tax refunds owed and a swift recognition of revenues anticipated, both of which will enhance the government's ability in addressing its long-standing structural imbalance and chronic deficit status. It mandates that 75% of all future "Make Work Pay Credit" (MWPC) advance payments be deposited directly into the Income Tax Refund Efficient Payment Trust Fund and that any interest earned be used to pay for personnel needed for the processing of these returns. It further provides deadlines for certifying total MWPC of prior periods ensuring appropriate and timely recognition of such federal advances.

The Camacho-Cruz Administration is pleased with many other provisions contained in the bill geared towards deficit reduction to include the elimination of recurring "unbudgeted" credit card charges, the dedication of excess revenue collections towards specific deficit items, the de-appropriation of inactive carry-over appropriations and the reporting of such balances periodically, the mandate for a feasibility study to enhance the recognition of tax receivables and refunds owed, the penalties for non-compliance with all deficit elimination mandates, the statutory amendments affecting "interest only" payments to the Government of Guahan Retirement Fund, and the inclusion of reporting requirements crucial to the implementation of timely measures to staunch deficit growth.

I am also very pleased to see intact funding for the long-awaited implementation of the 2009-2010 Hay Classification, Compensation and Benefit Study for our hard working

government of Guahan employees. After making the decision nearly two years ago to proceed with this government-wide study, my Administration has been diligently working with appropriate expert consultants to make this possible for our government employees. Months of research and evaluation have finally been completed and it's placement as a funding priority is without a doubt long overdue. The patience of government of Guahan employees as they continued to deliver public service way below commensurate pay will finally be rewarded through the permanent adjustment of what they are truly worth.

Most, if not all, of the deficit elimination provisions in the budget bill were discussed at the SES and SAS group meetings over the past few months. They were emphasized as critical to deficit reduction and some were placed as priority agenda items on the heels of the FY 2009 audit which revealed a sizeable deficiency attributed primarily to systemic flaws which the budget bill now seeks to correct. The efficient, productive, and professional conduct of the SES and SAS group meetings are to the credit of the Office of Finance and Budget, an arm of the Committee on Appropriations, whose effective translation of those discussions are evident in the pages of this bill.

Again, I wish to commend *I Liheslaturan Guahan* for the bold, substantive, and far-reaching implications of fiscal policy contained in this measure. The Camacho-Cruz Administration looks forward to continued productive efforts towards fiscal recovery and other issues affecting the people of our great Territory.

Sinseru yan Magåhet,

FELIX P. CAMACHO
I Maga' Låhen Guahan
Governor of Guahan

Attachment: copy of Bill

1 **CHAPTER III**

2 **HEALTH**

3 **PART I - GUAM MEMORIAL HOSPITAL AUTHORITY**

4 **Section 1. Legislative Intent.** It is the intent of *I Liheslaturan Guåhan* to provide a
5 lump sum appropriation to the Guam Memorial Hospital Authority (GMHA). The funds *shall* be
6 expended in accordance to the budget request submitted and the priorities stipulated by the
7 GMHA Board of Trustees (Board) and the GMHA's management.

8 *I Liheslaturan Guåhan* is resolved to continue to support and establish policies which are
9 in the best interest of the GMHA and its mission. The Board's request to reduce the credits
10 applied against the appropriations to the Guam Memorial Hospital Authority Pharmaceuticals
11 Fund towards the payment of bills for services incurred by qualified Medically Indigent Program
12 (MIP) recipients will help increase GMHA revenues. The removal of credit towards the MIP
13 patient billing may result in over Seven Million Dollars ($7,000,000) of additional cash
14 payments to the GMHA above the previous year.

15 Furthermore, *I Liheslaturan Guåhan* has increased its support to the GMHA from the
16 Healthy Futures Funds with additional direct support for operations of Two Million Four
17 Hundred Thirty-five Thousand Seven Hundred Seven Dollars ($2,435,707), and One Million
18 Dollars ($1,000,000) per year, allowing GMHA the immediate ability to draw upon its
19 authorized Twelve Million Dollars ($12,000,000) line of credit to meet cash requirements for
20 critical resources for patient care.

21 **Section 2.** §26208 of Chapter 26 of Title 11, Guam Code Annotated, is hereby
22 *amended* to read:

23 "**§26208.** Creation of the Guam Memorial Hospital Authority
24 Pharmaceuticals Fund. There is hereby created, separate and apart from other funds of
25 the government of Guam, a fund known as the "Guam Memorial Hospital Authority
26 Pharmaceuticals Fund." This Fund *shall not* be commingled with the General Fund and
27 *shall* be kept in a separate bank account of which GMHA will be authorized to withdraw
28 from the funds. Four percent (4%) of all Business Privilege Taxes collected in Guam
29 *shall* be deposited in the Guam Memorial Hospital Authority Pharmaceuticals Fund and
30 *shall* be appropriated by *I Liheslaturan Guåhan* to fund all pharmaceutical, drug, medical

supplies, medical equipment, blood and blood products, and medicine requirements for Guam Memorial Hospital. The Department of Administration *shall* deposit, on the last day of each month, a sum equal to four percent (4%) of all Business Privilege Taxes collected for that month in the Guam Memorial Hospital Authority Pharmaceuticals Fund. The Department of Administration *shall* be required to first and foremost fund the Guam Memorial Hospital Authority Pharmaceuticals Fund *prior to* distribution to any other source in accordance with the provisions of this requirement. The Guam Memorial Hospital Authority Pharmaceutical Fund will *not* be subject to *I Maga'lahen Guåhan's* transfer authority or any method of withholding of appropriations that may be imposed by the Bureau of Budget and Management Research (BBMR)."

Section 3. §26208.2 of Chapter 26 of Title 11, Guam Code Annotated, is hereby *amended* to read:

"**§26208.2.** Application of Guam Memorial Hospital Authority Pharmaceuticals Fund. For the purpose of recognizing appropriated Pharmaceutical funds as operating revenue by the Guam Memorial Hospital Authority, retroactively and prospectively, the Hospital *shall* apply Seventy Five (75%) of the funds received towards the payment of bills for services incurred by qualified Medicaid recipients involved in the program at the Hospital and to billings for services provided to patients classified as "charity care" pursuant to criteria adopted by resolution by the Board of Trustees. The Hospital will be responsible to fully demonstrate the manner in which the payments were applied via the Hospital's annual audited financial report. Such distinction *shall* in no way result in the recognition of additional revenue by the Hospital other than what was appropriated by *I Liheslaturan Guåhan*."

Section 4. Guam Memorial Hospital Authority Pharmaceuticals Fund credit toward Medicaid payments *shall not exceed* the sum of Six Million Seventy-one Thousand Two Hundred Seventy-nine Dollars ($6,071,279.00) in Fiscal Year 2011. Billings in excess of the Seventy Five (75%) credit *shall* be paid by other appropriated funds. The Department of Public Health and Social Services *shall* remit all adjudicated claims for processing for MIP payments.

1 **Section 5. Guam Memorial Hospital Authority Pharmaceuticals Fund**
2 **Appropriation.** Pursuant to §§26208 and 26208.1 of Chapter 26, Division 2 of Title 11, Guam
3 Code Annotated, the sum of Eight Million Ninety-five Thousand Thirty-eight Dollars
4 ($8,095,038) is appropriated from the Guam Memorial Hospital Authority Pharmaceuticals Fund
5 to the GMHA for Fiscal Year 2011.
6 **Section 6. Guam Memorial Hospital Authority Healthy Futures Fund**
7 **Appropriations.**
8 (a) Pursuant to §§26208 and 26208.1 of Chapter 26, Division 2 of Title 11,
9 Guam Code Annotated, the sum of Two Million Four Hundred Thirty-five Thousand
10 Seven Hundred Seven Dollars ($2,435,707) is appropriated from the Healthy Futures
11 Fund to the GMHA for Fiscal Year 2011 Operational Expenses.
12 (b) Pursuant to §26603(d) of Article 6, Chapter 26, Title 11, Guam Code
13 Annotated, the sum of One Million Dollars ($1,000,000) is appropriated from the Healthy
14 Futures Fund to the GMHA for Fiscal Year 2011, for the line of credit pursuant to
15 §80104 (t), Chapter 80 Division 4, Title 10, Guam Code Annotated.

ATTACHMENT B-5: PUBLIC LAW 24-174

CARL T.C. GUTIERREZ
GOVERNOR OF GUAM

APR 17 1998

Refer to
Legislative Secretary

OFFICE OF THE LEGISLATIVE SECRETARY
ACKNOWLEDGMENT RECEIPT
Received By
Time 4:45pm
Date 4-17-98

The Honorable Antonio R. Unpingco
Speaker
Twenty-Fourth Guam Legislature
Guam Legislature Temporary Building
155 Hesler Street
Agana, Guam 96910

Dear Speaker Unpingco:

Enclosed please find a copy of Substitute Bill No. 508 (COR), "AN ACT ADDING A NEW ARTICLE 10 TO CHAPTER 22 OF TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A "HEALTH AND HUMAN SERVICES FUND," AND TO DEPOSIT ALL PROPOSED SETTLEMENT MONIES ENTITLED TO GUAM FROM THE STATE ATTORNEYS GENERAL VERSUS THE TOBACCO INDUSTRY LITIGATION INTO THE HEALTH AND HUMAN SERVICE FUND", which I have signed into law today as Public Law No. 24-174.

This legislation sets up a "Health and Human Services Fund" to receive any potential proceeds that the government of Guam may receive pursuant to the on-going settlement negotiations between tobacco companies, various states of the United States, and the U. S. Congress.

The money received into the "Health and Human Services Fund" will be used exclusively for health programs: to finance various health care programs and projects, to finance educational programs for tobacco prevention, and to finance the purchase of technological equipment for persons with disabilities.

The "tobacco settlement" that is much publicized in the news is not a "done deal", and it is unknown when and how much money may be realized from this settlement.

Office of the Speaker
ANTONIO R. UNPINGCO
Date: 4-17-98
Time: 1485
Rec'd by:
Print Name:

Ricardo J. Bordallo Governor's Complex • Post Office Box 2950, Agana, Guam 96932 • (671) 472-8931 • Fax (671) 472-GUAM

I commend the sponsors of this legislation for taking the initiative in setting up the proper mechanism for receiving funds, when the time comes.

Very truly yours,

Carl T. C. Gutierrez
Governor of Guam

Attachment

cc: The Honorable Joanne M. S. Brown
Legislative Secretary

TWENTY-FOURTH GUAM LEGISLATURE
1998 (SECOND) Regular Session

CERTIFICATION OF PASSAGE OF AN ACT TO THE GOVERNOR

This is to certify that Substitute Bill No. 508 (COR), "AN ACT ADDING A NEW ARTICLE 10 TO CHAPTER 22 OF TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A "HEALTH AND HUMAN SERVICES FUND," AND TO DEPOSIT ALL PROPOSED SETTLEMENT MONIES ENTITLED TO GUAM FROM THE STATE ATTORNEYS GENERAL VERSUS THE TOBACCO INDUSTRY LITIGATION INTO THE HEALTH AND HUMAN SERVICE FUND," was on the 27th day of March, 1998, duly and regularly passed.

ANTONIO R. UNPINGCO
Speaker

Attested:

MARK FORBES
Senator and Acting Legislative Secretary

This Act was received by the Governor this 6th day of April, 1998, at 3:30 o'clock P.M.

Assistant Staff Officer
Governor's Office

APPROVED:

CARL T. C. GUTIERREZ
Governor of Guam

Date: 4-17-98

Public Law No. 24-174

TWENTY FOURTH GUAM LEGISLATURE
1998 (SECOND) Regular Session

Bill No. 508 (COR)
As amended by the Author and as substituted on the Floor and amended.

Introduced by:

A. C. Blaz
A. R. Unpingco
E. J. Cruz
J. C. Salas
M. C. Charfauros
J. M.S. Brown
T. C. Ada
F. B. Aguon, Jr.
Felix P. Camacho
Francisco P. Camacho
W. B.S.M. Flores
Mark Forbes
L. F. Kasperbauer
A. C. Lamorena, V
C. A. Leon Guerrero
L. Leon Guerrero
V. C. Pangelinan
A. L.G. Santos
F. E. Santos
J. Won Pat-Borja

AN ACT ADDING A NEW ARTICLE 10 TO CHAPTER 22 OF TITLE 5 OF THE GUAM CODE ANNOTATED, RELATIVE TO ESTABLISHING A *"HEALTH AND HUMAN SERVICES FUND,"* AND TO DEPOSIT ALL PROPOSED SETTLEMENT MONIES ENTITLED TO GUAM FROM THE STATE ATTORNEYS GENERAL VERSUS THE

TOBACCO INDUSTRY LITIGATION INTO THE HEALTH AND HUMAN SERVICE FUND.

1 **BE IT ENACTED BY THE PEOPLE OF GUAM:**

2 **Section 1. Legislative Findings and Intent.** The Guam
3 Legislature finds that during the last several years, various State Attorneys
4 General have engaged in actual litigation against the tobacco industries to
5 recover state costs associated with the treatment and care of persons afflicted
6 with illnesses related to smoking tobacco. More importantly, the Guam
7 Legislature also notes that more than twenty-eight (28) states have filed
8 lawsuits against the tobacco industry.

9 Throughout the case the states maintained that the tobacco companies
10 have been advertising to entice children to smoke, and that more than ten
11 million (10,000,000) Americans died as a result of smoking cigarettes. During
12 the landmark case it was revealed that almost one (1) in every five (5) deaths
13 is due to a smoking-related illness, causing cardiovascular disease, lung and
14 throat cancers; pulmonary diseases; stillbirths; and neonatal deaths. The
15 Guam Legislature also finds that one (1) of the leading causes of preventable
16 death on Guam today, including the United States, is cigarette smoking.

17 On June 7, 1997, the Guam Legislature reaffirmed its commitment to a
18 healthier community for the people of Guam, by adopting Resolution
19 Number 125. The resolution requests the Governor of Guam to direct the
20 Attorney General of Guam to file suit in the U.S. District Court of Guam
21 against the American Tobacco Company c/o Brown & Williamson, R.J.
22 Reynolds Tobacco Company; Brown & Williamson Tobacco Corporation,

1 individually and as successor by merger to the American Tobacco Company,
2 Philip Morris Incorporated, Philip Morris Companies, Inc., Lorillard Tobacco
3 Company; United States Tobacco Company; UST; and the Tobacco Institute,
4 Inc., the Council for Tobacco Research-U.S.A.-Inc.

5 More recently the court is now proceeding to award Three Hundred
6 Thirty-four Million dollars ($334,000,000) for the creation of a medical
7 research foundation in the case before Judge Robert Kaye, Miami, Florida,
8 with a settlement case litigated by the flight attendants (ie, Norma Brion, a
9 non-smoker attendant with a carcinoma of the lung) for "Second-hand
10 smoker," according to the Pacific Daily News on February 9, 1998.

11 The Guam Legislature is adamant that any amount received shall be
12 appropriated toward health and human services related programs. The State
13 Attorneys General tobacco litigation settlement of more than Three Hundred
14 Sixty Billion Dollars ($360,000,000,000) is before the U.S. Congress and Guam
15 is a recipient of certain portions of the settlement and that any agreement
16 amount should be appropriated toward Health and Human Services-related
17 programs.

18 **Section 2.** A new Article 10 is hereby added to Chapter 22 of Title 5 of
19 the Guam Code Annotated to read as follows:

20 **"ARTICLE 10.**

21 **HEALTH AND HUMAN SERVICES FUND.**

22 **Section 221001. Creation.** There is hereby created, separate
23 and apart from the other funds of the government of Guam, a fund
24 known as the '*Health And Human Services Fund*' ('HAHS Fund').

1 **Section 221002. Separate Fund and Bank Account.** The
2 HAHS Fund shall not be commingled with the General Fund and shall
3 be kept in a separate bank account. The Governor, pursuant to any of
4 his transfer authority, shall transfer no monies from the HAHS Fund.
5 **Section 221003. Purpose and Expenditures.** The HAHS
6 Fund shall be expended by Legislative appropriation as follows: (1)
7 seventy-five percent (75%) to finance various health care programs and
8 projects, and other educational programs for tobacco prevention; and (2)
9 Twenty-five percent (25%) to finance advance technological equipment
10 to persons with disabilities, and other health programs specifically
11 authorized by the Guam Legislature.
12 **Section 221004. Administration.** The Director of
13 Administration shall account for, and administer, the HAHS Fund. The
14 Director shall keep all books, records, files and account of the HAHS
15 Fund. The Director shall prepare semi-annual reports relative to the
16 HAHS Fund reflecting the transactions and financial condition of the
17 HAHS Fund which semi-annual reports shall be transmitted to the
18 Governor and the Speaker of the Guam Legislature.
19 **Section 221005. Designation of Single Agency; Promulgation**
20 **of Rules and Regulations. (a) Designation.** The Department of
21 Public Health and Social Services ('DPHSS') is hereby designated as the
22 'single agency' for Guam resulting from the Federal settlement. The
23 DPHSS shall be charged with the following responsibilities:

1 (1) maintaining a licensing procedure, such that any
2 business which sells tobacco products directly to consumers
3 would have to apply for a special license;
4 (2) conduct random, unannounced inspections at least
5 monthly to ensure compliance with no sales to minors;
6 (3) meet targets of a minimum of seventy-five percent
7 (75%), the percentage expressed as a percentage of all random
8 inspections in which the retailer refused sale of tobacco to minors;
9 and
10 (4) submit an annual report to the Food and Drug
11 Administration, to the Speaker of the Guam Legislature and to the
12 Governor of Guam concerning:
13 (i) detailed description of enforcement activities
14 undertaken;
15 (ii) detailed description of Guam's progress in
16 reducing availability of tobacco products;
17 (iii) detailed description of methods used in
18 compliance checks and in identifying outlets which were
19 tested;
20 (iv) detailed description of strategies Guam intends
21 to use in succeeding years to make further progress; and
22 (v) identify a single agency responsible for fulfilling
23 the Act's requirements.

1 **(b) Promulgation of Rules and Regulations.** The Director
2 of DPHSS is hereby directed to promulgate rules and regulations
3 regarding the implementation of the provisions of this Act, including
4 revising and creating forms and other documents, as are necessary in
5 accordance with the procedures prescribed by the Administrative
6 Adjudication Law.

7 **Section 221006. Staffing, Funding, Initial Set Up.**

8 (a) The Director of DPHSS is hereby authorized to employ the
9 services of two (2) new investigative/administrative staff positions to
10 make the required inspections, reports and for the purpose of
11 implementing the Department's responsibilities as prescribed in
12 §221005 of this Article and the requirements of the Federal tobacco
13 settlement.

14 (b) The Director is hereby authorized to expend the necessary
15 sums not to exceed One Hundred Thousand Dollars ($100,000.00) from
16 the Fund for the purpose of funding the initial set up, such as office
17 supplies, equipment, public education, etc., and a copy of the report
18 shall be filed with the Speaker of the Guam Legislature and the
19 Governor of Guam within thirty (30) days.

20 **Section 221007. Appropriation and Exemption.** The HAHS
21 Fund shall not be used for any purpose other than those enumerated or
22 reasonably inferred herein or for purposes other than those relating to
23 health care. Specifically, the HAHS Fund shall not be used as a pledge
24 of security or as collateral for government loans without prior

1 authorization by the Guam Legislature. The total expenditures
2 appropriated from the HAHS Fund shall not exceed eighty percent
3 (80%) of the available balance. The remaining twenty percent (20%)
4 balance in the HAHS Fund shall be administered by the Guam
5 Economic Development Authority for investment purposes into a
6 portfolio that mirrors the Retirement Fund's investment portfolio. The
7 proceeds from the investments shall remain within the HAHS Fund and
8 shall be maintained separate and apart from other GEDA funds.
9 **Section 221008. Deposit.** All proceeds entitled to Guam
10 from the tobacco lawsuit settlement shall be deposited into HAHS Fund
11 established by this Act. All monies deposited into the HAHS Fund shall
12 be expended exclusively for the purposes enumerated in §221003 and
13 the general intent of this Act.
14 **Section 221009. Interest.** Notwithstanding the provisions of
15 §§21103, 21107 and 21110, all of Title 5 of the Guam Code Annotated, or
16 any other provisions of Guam law to the contrary, all interest earned by
17 the HAHS Fund shall remain within the HAHS Fund."
18 **Section 3. Tobacco Litigation Settlement.** Any and all funds
19 which Guam shall receive from the State Attorneys General Tobacco
20 Litigation Settlement shall be deposited into the Health and Human Service
21 Fund.

ATTACHMENT B-5: LETTER FROM DEPARTMENT OF THE INTERIOR

United States Department of the Interior

OFFICE OF THE SECRETARY
Washington, DC 20240

AUG 20 2013

The Honorable Eddie B. Calvo
Governor of Guam
Ricardo J. Bordallo Governor's Complex
Adelup, Guam 96910

Dear Governor Calvo:

Thank you for your July 17, 2013 letter requesting approval of the Government of Guam's commitment to use Compact Impact Assistance (IA) grants in order for the Guam Memorial Hospital Authority (GMHA) to secure funding to reduce its outstanding payables.

The Office of Insular Affairs has fully supported your efforts the past two years to address the serious financial challenges that GMHA faces through the use of IA funding for operations offsets.

The Census Bureau is currently performing the required 5-year enumeration of Compact immigrants. This enumeration will establish the level of Compact impact funding for the next five fiscal years. The Government of Guam will be free to use these funds at its discretion to reduce the payables at GMHA as that is an allowable expense. However, the Office is reluctant to enter into any long term binding commitment with a third party to guarantee a loan arrangement with Guam. As noted above, the Office will continue to approve your annual IA grant requests for funding to offset GMHA's outstanding payables.

The Office of Insular Affairs looks forward to continue working with you to develop collaborative solutions for Compact Impact issues.

Sincerely,

Eileen Sobeck
Acting Assistant Secretary
for Insular Affairs

ATTACHMENT C: ACKNOWLEDGEMENT OF RECEIPT FORM

GUAM ECONOMIC DEVELOPMENT AUTHORITY

Please acknowledge receipt of

RFP13-008
REQUEST FOR PROPOSAL NUMBER 13-008
FROM ANY BANK, BANKS, OR COMMERCIAL LENDING INSTITUTIONS FOR THE PROPOSED FINANCING FOR THE GUAM MEMORIAL HOSPITAL AUTHORITY PER PUBLIC LAW 32-043 AND 30-200 FOR AN AMOUNT NOT TO EXCEED TWENTY-FIVE MILLION DOLLARS ($25,000,000.00)

Name of Prospective Offeror _____

Name of person receiving RFP _____

Signature _____

Date _____

Time _____

Contact Person regarding RFP _____

Company/Firm _____

Title _____

E-mail Address _____

Contact Number _____

Fax Number _____

Address _____

_____

_____