



South Pacific Petroleum Corporation



ORIGINAL

## PROPOSED CONTRACT

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## **FUEL OIL SUPPLY CONTRACT**

**IFB-GPA-001-26**

**GPA FLEET FUELS SUPPLY CONTRACT**

**AUTOMOTIVE ULTRA-LOW SULFUR DIESEL FUEL OIL NO. 2  
(ULSD)**

**AND**

**REGULAR UNLEADED AUTOMOTIVE GASOLINE**

## **PART B**

### **BID SUBMITTAL DOCUMENTS**

### **IFB-GPA-001-26**

#### **SECTION 2.1: NOTICE**

Please find the Formal Contract. This document as well as others must be filled out and returned to GPA as part of your response. Please be also advised of the requirement of furnishing the bid bond in the designated amount and the information pertaining to responsibility and other requirements specified in the Solicitation that must be submitted together with the aforementioned documents. Bidders are not required to submit Part A-the Solicitation Instructions.

#### **SECTION 2.2: BID OFFER FORMAT**

See format on the following page.

OFFER of South Pacific Petroleum Corporation DATED 11/25/2025  
(company)

TO: **GUAM POWER AUTHORITY**  
GPA Procurement Office, Route 16  
Harmon, Guam

William A. Ada, the undersigned do hereby declare that I have carefully examined Invitation for Bid IFB GPA-001-26 and do hereby agree to furnish the supply of fleet fuel (fuel) quality as referred to Part B, Section 2 of the Contract) GPA official vehicles for a THREE (3) year term, with renewal options, in accordance with the attached Fuel Oil Supply Contract (the "Contract") terms, conditions and specifications. The Contract price per gallon delivered to Guam Power Authority inclusive of all costs and liabilities incurred prior to delivery for the duration of the Contract is offered as follows:

BID OFFER:

**A. Automotive Ultra-Low Sulfur Diesel Fuel Oil No. 2 (ULSD):**

OFFER: (in words) Two DOLLARS AND FORTY SIX CENTS  
(in figures) \$ 2.462 /gal (in three decimal places)

**B. Automotive Regular Unleaded Gasoline:**

OFFER: (in words) TWO DOLLARS AND TWENTY SIX CENTS  
(in figures) \$ 2.262 /gal (in three decimal places)

Respectfully submitted,

  
William A. Ada

(PRINT Name & Signature)  
BIDDER/ OFFEROR, Duly Authorized  
REPRESENTATIVE OF COMPANY

11/25/25  
DATE

ADDRESS:  
816 North Marine Corps Drive, FL 2  
Tamuning, Guam 96913

**SECTION 2.3: PREAMBLE**

**P R E A M B L E**

This **CONTRACT** shall be executed on the date of the award, by and between Guam Power Authority, a public corporation, hereinafter referred to as "Authority or "GPA", and South Pacific Petroleum Corporation hereafter referred to as "CONTRACTOR".

**W I T N E S S E T H:**

**R E C I T A L S**

WHEREAS the Authority has issued an Invitation for Bid **IFB GPA-001-26**, for a THREE (3) year Contract, Invitation for Bid, for the supply of the AUTHORITY's Automotive Ultra-Low Sulfur Diesel Fuel Oil No. 2 (ULSD) and Automotive Regular Unleaded Gasoline, hereinafter referred to as "Fleet Fuels", for the Authority's Transportation Fleet, and

WHEREAS, the Authority will award the Contract to the lowest responsible bidder whose bid conforms to the material aspects of the Invitation; and

WHEREAS, if CONTRACTOR specified herein has been awarded the CONTRACT, Authority and CONTRACTOR have agreed upon the terms and conditions of the Contract,

NOW, THEREFORE, for and in consideration of the mutual covenants contained herein, the parties hereto do hereby agree as follows:

#### **SECTION 2.4: FIRM TO FIRM**

This is a firm fixed price contract.

#### **SECTION 2.5: FUELS TO BE SUPPLIED:**

Contractor agrees to furnish and deliver all the required Fleet Fuels and GPA agrees to accept and pay for all Fleet Fuels delivered to GPA, meeting the specifications requirements for the term of the Contract. The estimated requirement for the Authority's Transportation Fleet shall be:

**Automotive Ultra-Low Sulfur Diesel Fuel Oil No.2 (ULSD): about 45,000 gallons per year**

**Automotive Gasoline, Regular Unleaded: about 55,000 gallons per year)**

The fuel supply shall be based from the "designated service stations" as agreed upon by both the Contractor and GPA Procurement/ Supply Management Administrator. Notwithstanding any estimated quantity set forth herein, the CONTRACTOR shall be responsible in supplying all the Fleet Fuels, reasonably required by GPA, even if such quantities exceed the estimates provided above.

#### **FLEET FUEL CARDS:**

Contractor shall provide gas station fleet cards at no cost to GPA. Only employees carrying valid fleet cards shall be allowed to refuel at the gas stations. The Authority shall provide a list of employees and may add or delete names of employees authorized to use the gas station fleet card. Fleet cards shall be limited and restricted only for use in refueling of GPA official vehicles.

#### **SECTION 2.6: TERM**

The Contract Term shall be for three (3) years to commence on \* January 01, 2026 or sooner and shall continue until midnight of the three (3) year contract term and with GPA's option to extend the contract for two (2) additional one (1) year term of twelve (12) months per renewal term upon mutual agreement of both parties, unless earlier terminated in accordance with the provisions hereof or canceled due to unavailability of funds.

The contractual obligation of GPA and CONTRACTOR is subject to the availability of funds. In the event funds are not available for any succeeding months, the remainder of such contract shall be canceled and the CONTRACTOR shall be notified within sixty (60) days if funds are unavailable.

**SECTION 2.7: CONTRACT PRICE**

The total contract BID PRICE per gallon at the gas station pump is (in U.S. Dollars, inclusive of all costs and liabilities, please provide three (3) decimal places)

**A. BID PRICE OFFER:**

1. **Automotive Ultra-Low Sulfur Diesel Fuel Oil No. 2 (ULSD):**  
\$ 2.462 per gallon
2. **Automotive Regular Unleaded Gasoline:**  
\$ 2.262 per gallon

THE BID PRICE is the sum of the FIXED SERVICE FEE (per gallon) and the BID REFERENCE PRICE as of April 16, 2025 as posted in the Platt's Asia-Pacific/Arab Gulf (APAG) Marketscan Oil Prices.

**BID REFERENCE PRICE:**

- A. **Automotive Ultra-Low Sulfur Diesel Fuel Oil No. 2 (ULSD)**  
Reference Product Code: Gasoil 10ppm

FOB Singapore Posting: \$/bbl	Low	High	Average
	80.91	80.95	80.930

Bid Reference Price = \$1.927 per gallon

- B. **Regular Unleaded Automotive Gasoline**  
Reference Product Code: Gasoline 92 unleaded

FOB Singapore Posting: \$/bbl	Low	High	Average
	73.77	73.81	73.790

Bid Reference Price = \$1.757 per gallon

**INVOICE PRICE DETERMINATION:**

The invoice price for the fuel delivered in any month shall be the average of the effective prices reported for Gasoil 10 ppm (for Automotive Ultra-Low Sulfur Diesel Fuel Oil No. 2 or "ULSD") and Gasoline 92 unleaded (for Regular Unleaded Automotive Gasoline), for all Thursdays of the previous month in the Platt's Asia-Pacific/Arab Gulf (APAG) Marketscan for FOB Singapore cargoes, plus the Service Fee as calculated.

In the event that Thursday is a legal holiday and no price is posted for that day, the posted price immediately preceding the Thursday holiday (i.e.) Wednesday shall be used.

**INVOICE PRICE CALCULATION FORMULA:**

**INVOICE PRICE** = **Invoice Reference Price + Fixed Service Fee**

**INVOICE PRICE** = **Invoice Reference Price + Fixed Service Fee**

**INVOICE REFERENCE PRICE** = **Average of Previous Month's Thursdays  
MOPS**

**Sample data:**

Sample Product: Automotive Ultra-Low Sulfur Diesel Fuel Oil No.2 ULSD)

Sample Bid Offer: \$1.221 per gallon

Fixed Service Fee = Bid Offer – Bid Reference Price  
= \$1.221 - \$1.121

Fixed Service Fee = **\$0.100 per gallon**

Delivery Month: April 2025 (Invoiced month)

Previous Month: March 2025 (preceding delivery month)

A **Sample Calculation of Platt's Marketscan Thursdays postings for March 2025:**

Sample Calculation of Platt's Asia-Pacific/Arab Gulf (APAG) Marketscan Thursday postings for March 2025.

Sample Product: Automotive Ultra-Low Sulfur Diesel Fuel Oil No. 2 (ULSD)

MOPS Gasoil 10 ppm	Low	High	Average
March 06, 2025	\$86.04	\$86.08	\$86.060
March 13, 2025	\$85.79	\$85.83	\$85.810
March 20, 2025	\$86.16	\$86.20	\$86.180
March 27, 2025	\$87.81	\$87.85	\$87.830

Average Price: \$86.470 per barrel

Invoice Reference Price.

\$86.470 per barrel  
\$ 2.059 per gallon (rounded to three decimal places)

Fixed Service Fee (sample price) = \$0.00 per gallon

B. Invoice Price:

Invoice Price = Invoice Reference Price + Fixed Service Fee

Diesel Invoice Price = \$2 159 per gallon

These is the invoice price (in three decimal places) for Diesel Fuel Oil No 2 purchases by GPA for the sample month of April 2025.

The invoice price for the fuels (a) and (b), shall be the actual gallons received into GPA's fleet multiplied by the invoice price as calculated and determined on a monthly basis in reference to Platt's Asia-Pacific/Arab Gulf (APAG Marketscan Oil Price. All invoices submitted must be accompanied by the product delivery receipts signed by the duly authorized personnel and the service station representative.

**SECTION 2.8: FLEET FUELS TO BE PURCHASED- DESIGNATED SERVICE STATIONS**

All Fleet's fuel purchases shall be at the designated self-service GAS SERVICE STATIONS AS AGREED UPON BY AND BETWEEN GPA Supply Administrator and the Contractor's authorized representative. Fuel refilling shall be limited and restricted to GPA official vehicles only. The purchase is effected upon the fleets' fuel refilling at the said "GAS SERVICE STATIONS" AND PROPER DOCUMENTATION IS EXECUTED BY THE GAS SERVICE STATION REPRESENTATIVE AND THE GPA AUTHORIZED PERSONNEL.

**SECTION 2.9: TERMS OF PAYMENT**

Invoices for Fleet Fuels purchased pursuant to quantity (receipts) and quality prescribed under the terms of this Contract, shall be submitted on a monthly basis, based on the amount of gallons of fuels purchased by GPA. The payment term is thirty days (net) and the Authority shall promptly make payments within a reasonable time not to exceed a period of THIRTY (30) calendar days from the receipt of the invoice. All payments shall be based upon the received (invoiced) quantity.

### **SECTION 2.10: WARRANTY AND CLAIMS**

**CONTRACTOR** shall provide both express and implied warranties of merchantability and warrants that the Fleet Fuels shall meet the specifications prescribed herein under Section 2 of Article I and other pertinent sections. Claims against the **CONTRACTOR** on account of quality and contaminations (defects), loss or damage to product shall be given in writing by **GPA** within thirty days (30) from date of purchase (delivery) of fuels as specified in Section 1.04. If the fuel oil fails to meet the specifications herein, **CONTRACTOR** shall be liable for any direct damages including, but not limited to, compensation and such damages shall not affect other remedies provided for in the Contract.

### **SECTION 2.11: PRODUCT AND QUALITY**

The typical characteristics of the fuels to be supplied under this contract shall be as follows:

#### **A. AUTOMOTIVE ULTRA-LOW SULFUR DIESEL FUEL Oil No.2 (ULSD) <sup>A</sup>**

Typical Characteristics:

Property	ASTM Test Method <sup>B</sup>	Alternate Method ASTM	Unit of Measure	Limits
Flash Point	D93		°C	52 Min
Water & Sediment	D2709		% vol	0.05 Max
Distillation Temp, °C 90%, recovered	D86		% vol	282 Min 360 Max
Kinematic Viscosity	D-445		mm <sup>2</sup> at 40°C	1.9 Min 4.1 Max
Ash	D482		% mass	0.01 Max
Sulfur	D5453		ppm (µg/g)	15 Max
Copper Strip Corrosion Rating (3hrs min at 50°C)	D130			No.1 Max
Cetane Index	D 613	D976-80 D 4737		46 Min
Aromaticity	D1319		% vol	35 Max
Carbon Residue on 10% distillation residue	D524	D4530 D6371	% mass	0.20 Max
Lubricity, HFRR @ 60°C	D6079		Micron	460 Max
Conductivity	D2624	D4308	pS/m	25 Min
Density @ 15°C	D1298	D4052	Kg/m <sup>3</sup>	820 Min 850 Max
Gravity, API @ 60°F	D1295	D4052		35 Min 41 Max
Color	D1500		ASTM	2.0 Max
Strong Acid No.	D974		mg KOH/g	NIL
Total Acid No.	D974		mg KOH/g	0.5 Max
Stability (Oxidation), 16Hrs	D2274		mg/L	25 Max

Appearance @ ambient temp	Visual		Report
Guaranteed Heating Value (HHV)	D240	MMBTU/bbl	5.70 Min

<sup>a</sup> Follows the minimum requirements for Ultra-Low Diesel Fuel Oils (ULSD) listed under ASTM 975-10

## B. AUTOMOTIVE REGULAR UNLEADED GASOLINE

### Typical characteristics.

Property	ASTM Test Method	Alternate Method	Unit of Measure	Limits
Appearance @ Ambient Temp.			VISUAL	Clear & Bright
Color			ASTM	Report
Gravity, API @ 60 deg. F.	D - 1298			Report
DISTILLATION IBP, °C		D-86		
10% Evaporation				Report
20% Evaporation				70 Max
50% Evaporation				Report
90% Evaporation				115 Max
FBP				180 Max
Residue				215 Max
Reid Vapor Pressure @100°F,	D-5191	D-6378	psi	2 Max
SULFUR Content	D-2622	D-5453	Wt. ppm	300 Max.
Existent Gum	D-381		mg/100 ml	4 Max
Doctor Test	D-4952	IP30		Negative
Induction Period @100°C	D-525		minutes	480 Min
Research Octane No. (RON)	D-2885	D-2699MOD		91 Min
Motor Octane No. (MON)	D-2700MOD			Report
Anti-Knock Index (RON +MON)/2			Calculated	87 Min
Copper Corrosion @3 hrs @ 50°C	D-130			1 Max
Lead Content	D-3237	IP-224	g Pb/ USG	NIL
Phosphorus	D-3231		g/USG	0.005 Max
Benzene	UOP 744MOD	JM63	Wt%	Report
Ethylbenzene	UOP 744 MOD	JM63	Wt%	Report
Toluene	UOP 744 MOD	JM63	Wt%	Report
Total Aromatics	UOP 744 MOD	JM63	Wt%	Report
Xylene	UOP 744 MOD	JM63	Wt%	Report

*Note: The Authority may require the CONTRACTOR to conduct additional test as may be necessary.*

#### **SECTION 2.12: QUANTITY AND QUALITY ASSURANCE**

The CONTRACTOR shall ensure that the "designated GAS SERVICE STATIONS" metered quantity at the pump, the metering device to be calibrated or had been calibrated at a frequency of six (6) months minimum and to be effected with the presentation of calibration certificate as performed by the third party certifying company. GPA will require submittals by the successful Awardee.

**A. FLEET FUELS ON-STOCK INVENTORY**

The CONTRACTOR is required to maintain at its own storage facility, a minimum inventory of 20-days supply requirement, approximately 20,000 gallons for each fuel grade.

**B. FLEET'S FUELS QUALITY TESTING.**

GPA may require the CONTRACTOR to provide quality certification of the Fleet Fuels at no cost to the Authority.

#### **SECTION 2.13: DEFINITIONS**

- A. "\$" refers to United States Dollars.
- B. "Barrel" shall mean 42 gallons.
- C. "Day" and "month" mean a calendar day and month respectively.
- D. "Fleet Fuels" means Automotive Ultra-Low Sulfur Diesel Fuel Oil No.2 (ULSD) or Automotive Regular Unleaded Gasoline, consistent with the specifications set forth in Section 2.01.
- E. "Gallon". As used in the Contract, "gallon" shall mean a U.S. standard gallon of 231 cubic inches at sixty degrees Fahrenheit.
- F. "GPA" or "Authority" shall mean the Guam Power Authority.
- G. "Receiving facility" means the GPA transportation fleet.
- H. "Ton" means a metric ton of 2204.62 English pounds.

#### **SECTION 2.14: SECURITY**

For security of supply, CONTRACTOR reserves the right to supply the Fleet Fuels meeting GPA specifications from any lawful source. In the event that supplies are taken from such other places, then the price as invoiced to GPA will remain the same as established in Section 1.3.

#### **SECTION 2.15: TAXES and OTHER GOVERNMENT CHARGES**

All forms of taxes, fees, charges, duty, or other form of amount equivalent thereto, now or hereafter imposed, levied, or assessed by the United States Government, the Government of Guam, or any instrumentality or agency thereof, in connection with and as a result of the sale of such goods herein provided for, if collectible or payable, shall be the responsibility of the CONTRACTOR.

#### **SECTION 2.16: SPECIFICATIONS**

Should GPA wish to alter any of the specifications set out under Section 2, Section 2.1, terms of delivery, for good cause, it shall give written notice to CONTRACTOR within thirty (30) days.

If such changes cause an increase or decrease in CONTRACTOR's cost of performance of Contract, an equitable adjustment shall be made and the Contract modified in writing accordingly. Any claim by CONTRACTOR for adjustment under this section must be asserted in writing within thirty (30) days from the date of receipt by CONTRACTOR of the notification of changed specifications.

CONTRACTOR and GPA shall, in good faith, negotiate an equitable adjustment pursuant to the change in specifications. If CONTRACTOR and GPA fail to agree on the adjustment to be made within thirty (30) days after CONTRACTOR receives notice of altered specifications, or if CONTRACTOR is unwilling to meet the altered specifications, the parties shall be subject to "Disputes" clause. However, nothing in this clause shall excuse the CONTRACTOR from proceeding with the Contract specifications as changed.

#### **SECTION 2.17: PERMITS AND RESPONSIBILITIES**

The CONTRACTOR shall, without additional expense to GPA, be responsible for obtaining any necessary licenses and permits, and for complying with any applicable Federal and Territorial laws, codes and regulations necessary for performance by CONTRACTOR.

### **SECTION 2.18: FORCE MAJEURE**

No failure or omission to carry out or to observe any of the terms, provisions or conditions of the Contract shall give rise to any claim by one party against the other, or be deemed to be a breach of the Contract if the same shall be caused by or arise out of:

- A. War, etc. War, hostilities, acts of public enemy or belligerents, sabotage, blockade, revolution, insurrection, riot or disorder;
- B. Restraints. Arrest or restraint of princes, rulers or peoples;
- C. Confiscation. Expropriation, requisition, confiscation or nationalization;
- D. Rationing. Embargoes, export or import restrictions or rationing or allocation, whether imposed by law or regulation or by voluntary cooperation of industry at the insistence or request of any governmental AUTHORITY or person purporting to act therefore;
- E. Regulations. Interference by restriction or onerous regulations imposed by civil or military authorities, whether legal or de facto and whether purporting to act under some constitution, decree, law or otherwise;
- F. Acts of God. Acts of God, fire, frost or ice, earthquake, storm, lightning, tide, tidal wave, or peril of the sea, accident of navigation or breakdown or injury of vessels;
- G. Loss for Tankers. Loss of tanker tonnage due to sinking by belligerents or to governmental taking whether or not by formal requisition;
- H. Strikes. Epidemics, quarantine, strikes or combination of workmen, lockouts, or other labor disturbances;
- I. Explosions. Explosion, accidents by fire or otherwise to wells, pipes, storage facilities, refineries, installations, machinery;
- J. Taking by Government. Unavailability of fuel because of the election of the government of the country of its origin to take royalty product in kind;

No failure or omissions to carry out or to observe any of the terms, provisions or conditions of the Contract shall give rise to any claim by one party against the other, or be deemed to be a breach of the Contract from the time of and to the extent occasioned by the Force Majeure.

### **SECTION 2.19: NOTICE TO OTHER PARTY**

Either party whose obligations may be affected by any of the forces or causes set out in Section 3.06, shall promptly notify the other party in writing, giving full particulars thereof as soon as possible after the occurrence of such force or cause. Such party shall exercise due diligence to remove such cause with all reasonable dispatch and to resume performance at the earliest practicable time.

### **SECTION 2.20: PAYMENT REQUIRED**

Notwithstanding the provisions of Section 3.06, GPA shall not be relieved of any obligation to make payments for any Fleet Fuels delivered to/ purchased by GPA, however, during the force majeure condition the obligation shall be suspended, except for all fuels purchased prior to the force majeure condition.

### **SECTION 2.21: ALTERNATE SUPPLY**

In the event CONTRACTOR is unable to fulfill its obligations under this Contract as a result of any negligence on part of the CONTRACTOR OR FAILURE TO MEET GPA's requirement, GPA may at its sole discretion seek an alternative source for the fleet fuels from other petroleum suppliers. If the cost of fuels during such period exceeds the Contract price as provided in Section 1.03, the CONTRACTOR shall be liable to GPA for the difference in cost and GPA must be reimbursed for such equitable amount as calculated and agreed between both parties.

### **SECTION 2.22: RESUMPTION OF PERFORMANCE**

If CONTRACTOR is prevented from delivering or GPA is prevented from receiving all or any of the Fleet Fuels, to be purchased under the Contract for the reasons which fall within the provisions of Section 3.06, then the party so prevented shall, as to the remainder of the Fleet Fuels not affected thereby, promptly resume performance of the Contract. No curtailment or suspension of deliveries or payment under the causes listed in Section 3.06, shall operate to extend the term of or terminate the Contract unless the occurrence of force majeure will materially impair, for an indefinite period of time, the parties' ability to perform the Contract.

### **SECTION 2.23: DISPUTES**

GPA and CONTRACTOR agree to attempt resolution of all controversies which arise under, or are by virtue of, this Contract through mutual agreement. If the controversy is not resolved by mutual agreement, then the controversy shall be decided by GPA in writing within sixty (60) days after CONTRACTOR shall request GPA in writing to issue a final decision.

If GPA does not issue a written decision within sixty (60) days after written request for a final decision, or within such longer period as may be agreed upon by the parties, then CONTRACTOR may proceed as though GPA had issued a decision adverse to CONTRACTOR.

GPA shall immediately furnish a copy of the decision to CONTRACTOR, by certified mail with a return receipt requested, or by any other method that provides evidence of receipt.

GPA's decision shall be final and conclusive, unless fraudulent or unless CONTRACTOR appeals the decision as follows:

- A. For disputes involving money owed by or to GPA under this Contract, CONTRACTOR files appeal of the decision in accordance with the Government Claims Act by filing a government claim with GPA no later than eighteen months after the decision is rendered by GPA or from the date when a decision should have been rendered.
- B. For all other disputes arising under the Contract, CONTRACTOR files an appeal with the Office of the Public Accountability pursuant to 5 GCA §§ 5706(a) and 5427(e) within sixty days of GPA's decision or from the date the decision should have been made.

CONTRACTOR shall exhaust all administrative remedies before filing an action in the Superior Court of Guam in accordance with applicable laws.

CONTRACTOR shall comply with GPA's decision and proceed diligently with performance of this Contract pending final resolution by the Superior Court of Guam of any controversy arising under, or by virtue of, this Contract, except where CONTRACTOR claims a material breach of this Contract by GPA. However, if GPA determines in writing that continuation of services under this Contract is essential to the public's health or safety, then CONTRACTOR shall proceed diligently with performance of the Contract notwithstanding any claim of material breach by GPA.

#### **SECTION 2.24: INDEMNITY**

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

#### **SECTION 2.25: FAILURE TO SUPPLY**

A. Should CONTRACTOR fail to perform any of the terms, provisions or conditions of this Contract, the CONTRACTOR shall be in default of the Contract agreement. In this event, GPA will provide a written notice to the CONTRACTOR of such default, and provide the CONTRACTOR an opportunity to cure the default within thirty (30) calendar days after the notice of default.

GPA, during this period, in its discretion and in accordance with whatever action, reserves the right to secure similar diesel engine cylinder lubrication oil from other sources; in such event, the contractor shall be responsible for any costs, expenses, fees, and monetary amounts of any nature whatsoever, including but not limited to diesel engine cylinder lubrication oil handling fees, administrative, labor, and operations costs, and all other amounts associated with or related to the securing of such diesel engine cylinder lubrication oil supply by the Authority.

B. Should the CONTRACTOR fail to cure such default within thirty (30) calendar days after the notice of default thereof, GPA may terminate the Contract in whole or in part. In the event that GPA terminates the Contract by default, then the provisions of the performance bond shall be in effect.

#### **SECTION 2.26: FAILURE TO PAY**

Failure to pay an invoice and any late penalties, if any, within a period of thirty (30) days from the due date of such invoice, shall be a default and should such a default not be cured within thirty (30) days after notice of default, CONTRACTOR may, at its option, do either of the following:

- A. terminate the Contract effective thirty (30) days after receipt by GPA of written notice if not first cured; or
- B. continue to supply fuel oil and bring suit in the Superior Court of Guam for amounts past due and as they become due.

### **SECTION 2.27: FAILURE TO COMPLY WITH LAWS**

In the event the CONTRACTOR or any person or entity identified as principals in the offer submitted in connection with the bid shall be found by any court or administrative agency having jurisdiction over the subject matter of the violation, to have violated any law, rule or regulation in connection with CONTRACTOR's performance of the obligations under the Contract in any manner whatsoever directly or indirectly which violation shall constitute a breach of the peace, or an act involving moral turpitude or otherwise constitute endangerment of the health, safety and welfare of the citizens of the Territory of Guam, GPA may at its sole discretion terminate this Contract upon 30 days written notice.

### **SECTION 2.28: TERMINATION FOR DEFAULT**

#### **A. Default**

If the CONTRACTOR refuses or fails to perform any of the provisions of this contract with such diligence as will ensure its completion within the time specified in this contract, or any extension thereof, otherwise fails to timely satisfy the contract provision, or commits any other substantial breach of this contract, GPA may notify the CONTRACTOR in writing of the delay or non-performance and if not cured in thirty days or longer time specified in writing by GPA.

GPA may terminate the CONTRACTOR's right to proceed with the contract or such part of the contract as to which there has been delay or a failure to properly perform. In the event of termination in whole or in part GPA may procure similar supplies or services in a manner and upon terms deemed appropriate by GPA. The CONTRACTOR shall continue performance of the contract to the extent it is not terminated and shall be liable for excess costs incurred in procuring similar goods or services.

#### **B. CONTRACTOR's Duties.**

Notwithstanding termination of the contract and subject to any directions from GPA, the CONTRACTOR shall take timely, reasonable, and necessary action to protect and preserve property in the possession of the CONTRACTOR in which GPA has an interest.

#### **C. Compensation:**

Payment for completed supplies delivered and accepted by GPA shall be at the contract price. Payment for the protection and preservation of property shall be in an amount agreed upon by the CONTRACTOR and GPA; if the parties fail to agree, GPA shall set an amount subject to the CONTRACTOR's rights under Chapter 9 (Legal and Contractual Remedies) of the Guam Procurement Regulations.

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

**D. Excuse for Non-performance or Delayed Performance**

Except with respect to defaults of subcontractors, the CONTRACTOR shall not be in default by reason of any failure in performance of the contract in accordance with its terms (including any failure by the CONTRACTOR to make progress in the prosecution in prosecution of the work hereunder which endangers such performance) if the CONTRACTOR has notified GPA within 15 days after the cause of the delay and the failure arises out of causes such as: acts of God, acts of the public enemy; acts of GPA and any other governmental entity in its sovereign or contractual capacity; fires; floods; epidemics; quarantine restrictions; strikes or other labor disputes; freight embargoes; or unusually severe weather.

If the failure to perform is caused by the failure of a subcontractor to perform or to make progress, and if such failure arises out of causes similar to those set forth above, the CONTRACTOR shall not be deemed to be in default, unless the supplies or services to be furnished by the subcontractor were reasonably obtainable from other sources in sufficient to permit the CONTRACTOR to meet the contract requirements.

Upon request of the CONTRACTOR, GPA shall ascertain the facts and extent of such failure, and, if GPA determines that any failure to perform was occasioned by any one or more of the excusable causes, and that, but for the excusable cause, the CONTRACTOR's progress and performance would have met the terms of the contract, the delivery schedule shall be revised accordingly, subject to the rights of GPA under Section 2.30 Termination of Convenience. As used in this Paragraph of the section the term "subcontractor" means subcontractor at any tier.

**E. Erroneous Termination for Default.**

If, after notice of termination of the CONTRACTOR's right to proceed under the provisions of this section, it is determined for any reason that the CONTRACTOR was not in default under the provisions of the section, or that the delay was excusable under the provisions of Paragraph (d) (Excuse for Nonperformance or Delay Performance) of this section, the rights and obligations of parties shall, if the contract contains a section providing for termination for convenience of GPA, be the same as if the notice of termination had been issued pursuant to such section.

If, in the foregoing circumstances, this contract does not contain a section providing for termination for convenience of GPA, the contract shall be adjusted to compensate for such termination and the contract modified accordingly subject to the CONTRACTOR's rights under Chapter 9 (Legal and Contractual Remedies) of the Guam Procurement Regulations.

**F. Additional Rights and Remedies.**

The rights and remedies provided in the section are in addition to any other rights and remedies provided by law or under this contract.

**SECTION 2.29: TERMINATION FOR CONVENIENCE**

**A. Termination**

GPA may, when the interest of GPA so requires, terminate this contract in whole or in part, for the convenience of GPA. GPA shall give written notice of the termination to the CONTRACTOR specifying the part of the contract terminated and when termination becomes effective.

**B. CONTRACTOR's Obligations.**

The CONTRACTOR shall incur no further obligations in connection with the terminated work and on the date set in the notice of termination the CONTRACTOR will stop work to the extent specified. The CONTRACTOR shall also terminate outstanding orders and subcontracts as they relate to the terminated work. The CONTRACTOR shall settle the liabilities and claim arising out of the termination of subcontracts and orders connected with the terminated work.

GPA may direct the CONTRACTOR to assign the CONTRACTOR's right, title, and interest under terminated order or subcontracts to GPA.

The CONTRACTOR must still complete the work not terminated by the notice of termination and may incur obligation as are necessary to do so.

**C. Right to Supplies.**

If applicable, GPA may require the CONTRACTOR to transfer title and deliver to GPA in the manner and to the extent directed by GPA:

1. any completed supplies; and
2. such partially completed supplies and materials, parts, tools, dies, jigs, fixtures, plans, drawing, information, and contract rights (hereinafter called "manufacturing material") as the CONTRACTOR has specifically produced or specially acquired for the performance of the terminated part of the contract.

The CONTRACTOR shall, upon direction of GPA, protect and property in the possession of the CONTRACTOR in which GPA has an interest. If GPA does not exercise this right, the CONTRACTOR shall use best efforts to sell such supplies and manufacturing materials in accordance with the standards of Uniform Commercial Code of Guam, §2706 (U.S.C.G. §2706 is quoted at the end of this §6101(10)(d) Utilization of this Section is no way implies that GPA has breached the contract by exercise of the Termination for Convenience Section.

D. Compensation.

1. The CONTRACTOR shall submit a termination claim specifying the amounts due because of the termination for convenience together with cost or pricing data to the extent required by §3118 (Cost of Pricing Data) of the Guam Procurement Regulations bearing on such claim. If the CONTRACTOR fails to file a termination claim within one year from the effective date of termination, GPA may pay the CONTRACTOR, if at all, an amount set in accordance with Subparagraph (c) of this Paragraph.
2. GPA and the CONTRACTOR may agree to a settlement provided the CONTRACTOR has filed a termination claim supported by cost or pricing data to the extent required by §3118 (Cost of Pricing Data) of the Guam Procurement Regulations and that the settlement does not exceed the total contract price plus settlement costs reduced by payments previously made by GPA, the proceeds of any sales of supplies and manufacturing materials under Paragraph (3) of this section, and the contract price of the work not terminated.
3. Absent complete agreement under Subparagraph (b) of the Paragraph, GPA shall pay the CONTRACTOR the following amounts, provided payments agreed to under Subparagraph (b) shall not duplicate payments under the Subparagraph:
  - a. Contract prices for supplies or services accepted under the contract;
  - b. costs incurred in preparing to perform and performing the terminated portion of the work plus a fair and reasonable profit on such portion of the work (such profit shall not include anticipatory profit or consequential damages) less amounts paid or to be paid for accepted supplies or services; provided, however, that if it appears that the CONTRACTOR would have sustained a loss if the entire contract would have been completed, no profit shall be allowed or included and the amount of compensation shall be reduced to reflect the anticipated rate of loss;

- c. costs of settling and paying claims arising out of the termination of subcontracts or orders pursuant to Paragraph (2) of this section. These costs must not include costs paid in accordance with Subparagraph (c) (ii) of this Paragraph;
- d. the reasonable settlement costs of the CONTRACTOR including accounting, legal, clerical, and other expenses reasonably necessary for the preparation of settlement claims and supporting data with respect to the terminated portion of the contract for the termination and settlement of subcontract thereunder, together with reasonable storage, transportation, and other costs incurred in connection with protection or disposition of property allocable to the terminated portion of this contract. The total sum to be paid the CONTRACTOR under the Subparagraph shall not exceed the total contract price plus the reasonable settlement costs of the CONTRACTOR reduced by the amount of payments otherwise made, the proceeds of any sale of supplies and manufacturing material under Subparagraph (b) of the Paragraph, and the contract price of work not terminated.

4. Cost claimed, agreed to, or established under Subparagraph (b) and (c) of the Paragraph shall in accordance with Chapter 7 (Cost Principles) of the Guam Procurement Regulations. The Uniform Commercial Code states:

**Title 13 GCA §2706. Seller's Resale Including Contract for Resale.**

- a. Under the conditions stated in §2703 on seller's remedies, if applicable, the seller may resell the goods concerned or the undelivered balance thereof. Where the resale is made in good faith and in a commercially reasonable manner the seller may recover the difference between the resale price and the contract price together with an incidental damages allowed under the provisions of the division (§2710), but less expenses saved in consequence of the buyer's breach.
- b. If applicable, except as otherwise provided in Subsection (3) or unless otherwise agreed resale may be at public or private sale including sale by way of one or more contracts to sell or of identification to an existing contract of the seller. Sale may be as a unit or in parcels and at any time and place and on any terms, but every aspect of the sale including, manner, time, place and terms must be commercially reasonable. The resale must be reasonable identified as referring to the broken contract, but it is not necessary that the goods be in existence or that any or all of them have been identified to the contract before the breach.

- c. If applicable, where the resale is at private sale the seller must give the buyer reasonable notification of his intention to resell.
- d. Where the resale is a public sale:
  - 1. If applicable, only identified goods can be sold except where there is a recognized market for a public sale of futures in goods of the kind; and
  - 2. If applicable, it must be made at a usual place or market for public sale if one is reasonably available and except in case of goods which are perishable or threaten to decline in value speedily the seller must give be the buyer reasonable notice of the time and place of the resale; and
  - 3. If applicable, if the goods are not to be within the view of those attending the sale, the notification of sale must state the place where the goods are located and provide for their reasonable inspection by prospective bidders; and
  - 4. If applicable, the seller may buy.
  - 5. If applicable, a purchaser who buys in good faith at a resale takes the goods free of any rights of the original buyer even though the seller fails to comply with one or more of the requirements of this section.
  - 6. If applicable, the seller is not accountable to the buyer for any profit made on any resale. A person in the position of a seller (§2707) or a buyer who has rightfully rejected or justifiably revoked acceptance must account for any excess over the amount of his security interest, as hereinafter defined (Subsection 3) of (§2711).

### **SECTION 2.30: REMEDIES**

Each and all remedies available to a party in the event of the other party's failure to comply timely with any or all the terms and conditions of the Contract may be exercised independently or in combination (such rights being nonexclusive one with the other). The remedies set forth in the Contract are in addition to, and not in lieu of, all of the remedies available at law or in equity.

Any dispute arising under or out of this Contract is subject to provision of Chapter 9 (Legal and Contractual Remedies) of the Guam Procurement Regulations.

#### **SECTION 2.31: CONTINGENT FEES**

All BIDDERS are required to submit a Contingent Fees Affidavit. Failure to do so will mean disqualification and rejection of bid.

#### **SECTION 2.32: NOTICE ADDRESS**

Except as otherwise expressly specified herein, any notice to be given hereunder by either party to the other shall be deemed sufficiently given if in writing and enclosed in an envelope properly stamped and addressed to the party at the address set forth in this section, and deposited in the United States mail. Either party may change its address by giving FIFTEEN (15) days prior written notice to the other party. Such address until further notice shall be:

**GPA:** General Manager  
Guam Power Authority  
Post Office Box 2977  
Hagatna, Guam 96932  
TELEFAX: (671) 648-3224

**CONTRACTOR:** South Pacific Petroleum Corporation  
816 North Marine Corps Drive, FL 2  
Tamuning, Guam 96913  
671-588-7200

**Telefax:** 671-588-7202

#### **SECTION 2.33: INTEREST OF OTHER PARTIES**

CONTRACTOR warrants that no member of the governing body of GPA, and no other officer, employee, or agent of GPA who exercises any functions or responsibilities in connection with the work to which the Contract pertains, and no employee, agent or member of the Guam Legislature or other public official of the Government of Guam, has or shall have any personal economic or financial interest, direct or indirect, in the contract.

#### **SECTION 2.34: ASSIGNMENT**

CONTRACTOR declares that the only persons or parties interested in the Contract as principals are named herein and that the Contract is made without participation by or benefit to any other person, firm or corporation, except as specified herein.

CONTRACTOR agrees that it will not assign to nor permit Contract participation in whole or in part by any other person, firm or corporation not specified as a principal without the prior written consent of GPA. If such assignment is permitted, CONTRACTOR will guarantee the performance of all terms and obligations of the Contract, and such assignment shall not alter CONTRACTOR's obligations hereunder. No assignee of CONTRACTOR shall have the right to assign the Contract without GPA's written consent which may be given or refused at GPA's absolute discretion.

#### **SECTION 2.35: TIME**

Time is of the essence in the contract and in every part hereof.

#### **SECTION 2.36: AMENDMENT AND WAIVER**

Neither the Contract nor any provision hereof may be changed, waived, altered, amended, discharged or terminated orally, but only by an instrument in writing signed by the party against whom enforcement of the change, waiver, alteration, amendment, discharge or termination is sought. For purposes of this Contract, the signature of the Chairman, or his designee, of the Consolidated Commission on Utilities is required to bind GPA.

Failure by either party to object to any failure of performance by the other party of any provision of the Contract shall not constitute a waiver of, the right of such party to require such performance by the other. Nor shall any such failure to object constitute a waiver or estoppel with respect to any succeeding failure of performance.

#### **SECTION 2.37: DESCRIPTIVE HEADINGS**

The descriptive headings of the several Sections and Subsections in this invitation are inserted for convenience only and shall not be deemed to affect the meaning or construction of any provision hereof.

**SECTION 2.38: DECLARATION RE-COMPLIANCE WITH U.S. DOL WAGE DETERMINATION**

All BIDDERS are required to submit a Declaration Re-Compliance with U.S. DOL Wage Determination. Failure to do so will mean disqualification and rejection of bid.

**SECTION 2.39: RELATIONSHIP OF PARTIES**

Nothing contained in the Contract shall be deemed or construed by the parties or by any third person to create the relationship of principal and agent or of partnership or of joint venture or of any association between CONTRACTOR and GPA, and no provisions contained in the Contract nor any acts of the parties shall be deemed to create any relationship between GPA and CONTRACTOR, other than the relationship of buyer and seller.

**SECTION 2.40: NUMBER AND GENDER**

In the Contract the masculine gender includes the feminine and neuter, the singular number includes the plural, and the word "person" includes corporation, partnership, firm or association wherever the context so requires.

**SECTION 2.41: EQUAL OPPORTUNITY CLAUSE**

During the performance of the Contract the CONTRACTOR agrees as follows:

- A. The CONTRACTOR will not discriminate against any employee or applicant for employment because of race, color, religion, sex, political opinion or affiliation, or national origin. The CONTRACTOR will take affirmative action to ensure that applicants are employed, and that employees are treated during employment, without regard to their race, color, religion, sex, political opinion or affiliation, or national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demoting, or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

The CONTRACTOR agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided by the GPA setting forth the provisions of this equal opportunity clause.

- B. The CONTRACTOR will, in all solicitations or advertisements for employees placed by or on behalf of the CONTRACTOR, state that all qualified applicants will receive consideration for employment without regard to race, color, religion, sex, political opinion or affiliation, or national origin.

#### **SECTION 2.42: SUCCESSORS IN INTEREST**

Each and all of the covenants, conditions, and restrictions in the Contract shall inure to the benefit of and shall be binding upon the permitted assignees and successors in interest of either party.

#### **SECTION 2.43: PARTIAL INVALIDITY**

Should any part of the Contract for any reason be declared to be invalid, such decision shall not affect the validity of any remaining portion thereof, which remaining portion shall remain in force and effect as if the Contract had been executed with the invalid portion thereof eliminated, and it is hereby declared the intention of the parties that they would have executed the remaining portion of the Contract without including any such part, parts, or portions which may, for any reason, be hereafter declared invalid.

#### **SECTION 2.44: GOVERNMENT LAWS AND REGULATIONS**

CONTRACTOR shall at all times comply with all applicable laws and regulations of the Territory of Guam and the Federal Government and their respective agencies.

#### **SECTION 2.45: GOVERNING LAW**

This Contract shall in all respects be governed by the Laws of Guam. The provisions of the United Nations Convention on Contracts for the International Sale of Goods are expressly excluded.

This CONTRACT shall not be construed to confer any benefit on any person not being a party to this Contract nor shall it provide any rights to such person to enforce any of its provisions. The provisions of the English Contracts (Rights of Third Parties) Act 1999 are expressly excluded.

#### **SECTION 2.46: REPRESENTATION REGARDING ETHICAL STANDARDS FOR GOVERNMENT EMPLOYEES AND FORMER GOVERNMENT EMPLOYEES**

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 11 G.C.A. §5601 et.seq. (Ethics in Public Contracting) of the Guam Procurement Act.

**SECTION 2.47: REPRESENTATION REGARDING GRATUITIES AND KICKBACKS**

The bidder, offeror or contractor represents that it has not violated, is not violating, and promises that it will not violate the prohibition against gratuities and kickbacks set forth in 2 G.A.R. §11107 of the Guam Procurement Regulations.

**SECTION 2.48: RESTRICTION AGAINST SEX OFFENDERS EMPLOYED BY SERVICE PROVIDERS TO GOVERNMENT OF GUAM FROM WORKING ON GOVERNMENT OF GUAM PROPERTY**

All BIDDERS required to submit a Restriction Against Sex Offenders Employed by Service Providers to Government of Guam from Working on Government of Guam Property affidavit. Failure to do so will mean disqualification and rejection of bid.

**Section 2.49: OWNER AND INTEREST DISCLOSURE AFFIDAVIT**

5 GCA § (Title 5, Section 5233) states:  
Disclosure of Ownership, Financial and Conflicts of Interest

**A. Purpose.**

The disclosure required by this Section are intended to reveal information bearing on the responsibility of a bidder, and can be obtained by an inquiry regarding responsibility prior to award.

**B. Definitions.**

AS used herein, the term "person" shall be interpreted liberally to include the definition found in 1 GCA § 715, and in § 5030(n) of this Chapter, and includes a natural person as well as every entity of whatever form or composition (an "artificial person") recognized under the laws of Guam other than a natural person, who is a prospective contractor under a bid, offer, proposal or other response to a solicitation, or is a contractor under a contract with the government of Guam, and subject to the provisions of this Chapter.

**C. Public Disclosure of Ownership.**

1. The ownership interest to be disclosed under the Section include the interest of a natural or artificial person who owns all or any part of a prospective contractor, bidder, or offeror, whether as proprietor, a partner, limited or otherwise, a shareholder of any class, in which case the percentage ownership interest test shall be based on each class, a member of an association or company, limited or otherwise, and any person owning a beneficial legal interest in any trust, and any other person having the power to control the performance of the contract or the prospective contractor.

2. Prior to award, every person who is a prospective contractor, bidder, or offeror of a contract to be acquired under any method of source selection authorized by this Chapter shall submit a Disclosure Statement, executed as an affidavit under oath, disclosing the name of each person who currently or has owned an ownership interest in the prospective contractor, bidder, or offeror greater than ten percent (10%) at any time during the twelve (12) month period immediately preceding the date of the solicitation (the "relevant disclosure period").
  - a. If a prospective contractor, bidder, or offeror is an artificial person, the Disclosure Statement shall disclose the name of each person who has owned an ownership interest in such artificial person (a "second tier owner") greater than twenty-five percent (25%) at any time during the relevant disclosure period.
  - b. If any such second-tier owner is also an artificial person, the Disclosure Statement shall disclose the name of each person who has owned an ownership interest in such second-tier owner (a "third tier owner") of forty-nine percent (49%) or more during the relevant disclosure period.
  - c. If the name of no natural person has been identified as an owner, or a second or third tier owner of the prospective contractor, bidder, or offeror, the Disclosure Statement shall identify the name, position, address, and contact information of the natural person having the authority and responsibility for the performance of the prospective contract, and the name of any natural person who has the authority and power to remove and replace the designated responsible person or otherwise control the performance of the prospective contract.
3. Disclosure of Financial Interest.  
A prospective contractor shall execute an affidavit disclosing the name of any person who has received or is entitled to receive a commission, gratuity, contingent fee or other compensation to solicit, secure, or assist in obtaining business related to the solicitation by means of a Disclosure Statement, executed as an affidavit under oath, disclosing such interest and shall also contain the amounts of any such commission, gratuity, contingent fee or other compensation.
4. Disclosure of Conflict of Interest.  
A prospective contractor shall disclose the name of any person who directly or indirectly participates in any solicitation if such person is also an employee of the government of Guam, or of the government of the United States if federal funds are used in payment of the contract.

5. Every disclosure of an ownership or financial interest of any person required to be identified by this Section shall name the person required to be disclosed and the street address of their principal place of business. All information disclosed or meant to be disclosed under the Section is public procurement data and shall be kept as part of the public record of each procurement.
6. **Continuing Duty of Disclosure.**  
Notwithstanding any other provision of this Chapter, the duty to disclose the information required under this Section shall be, upon award a continuing duty of a contractor of every contract subject to this Chapter, and all such information shall become part of the procurement record required by§ 5249 of this Chapter. Throughout the term of a contract subject to the terms of this Chapter, the contractor shall promptly make any disclosures not made previously and update changes in the identities or other required information, interest, or conflicts of the persons required to be disclosed herein. Failure to comply with Section shall constitute a material breach of contract.

#### **SECTION 2.49.1: SEVERABILITY**

If any provision of this Act or its application to any person or circumstance is found to be invalid or contrary to law, such invalidity shall not affect other provisions or applications of the Act that can be given effect without the invalid provision or application, and to this end of provision of this Act are severable.

- A. If the affidavit is a copy, indicate the BID/RFP number and where it is filed.
- B. Affidavits must be signed within 60 days of the date of the bids or proposals are due.

#### **SECTION 2.50: NON-COLLUSION AFFIDAVIT**

Each person submitting a bid for any portion of the work covered by the bid documents shall execute an affidavit, in the form provided with the bid, to the effect that he has not colluded with any other person, firm or corporation in regard to any bid submitted. Such affidavit shall be attached to the bid.

#### **SECTION 2.51: CONTRACT BINDING EFFECT**

All SCHEDULES attached hereto are incorporated herein by reference in its entirety.

This Contract is binding upon the CONTRACTOR only if CONTRACTOR has been awarded the Contract in response to the **IFB-GPA-001-26**. This Contract is subject to the approval of GPA and the Public Utilities Commission and it shall not be binding on part of GPA until such approval is made as evidenced by the signatories below

For the Guam Power Authority (GPA).

  
By \_\_\_\_\_

12/30/2025

**(for) General Manager**

DATE

For CONTRACTOR:

(Company Name and Seal)

  
William A. Ada Executive Vice President  
Name of Authorized Representative  
Title

November 21, 2025  
DATE

**APPROVED AS TO FORM:**

  
Michael W. Holoschuk  
GUAM POWER AUTHORITY

12/19/2025

DATE