



**Office of the Attorney General**  
**Leonardo M. Rapadas**  
 Attorney General of Guam  
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**RECEIVED**  
 OFFICE OF PUBLIC ACCOUNTABILITY  
 PROCUREMENT APPEALS

JUL 19 2011

TOP: 3:18 BY: *mar*  
 FILE NO. OPA-PA-11-009

Attorneys for the Government of Guam

**BEFORE THE OFFICE OF PUBLIC ACCOUNTABILITY  
 PROCUREMENT APPEAL**

IN THE APPEAL OF	)	DOCKET NO. OPA-PA-11-009
	)	
HUBTEC INTERNATIONAL CORP.	)	
	)	
Appellant.	)	<b>AGENCY REPORT</b>
	)	
	)	

Pursuant to the requirements of 2 G.A.R. §12105, Appellee **DEPARTMENT OF PUBLIC WORKS, GOVERNMENT OF GUAM**, hereby submits its Agency Report as follows:

- (a) A copy of the protest. (*Tab A attached*);
- (b) A copy of the bid or offer submitted by the Appellant and a copy of the bid or offer that is being considered for award or whose bid or offer is being protested, if any had been submitted prior to the protest. (*PROCUREMENT RECORD at pp. 0314-0358 (OPA July 12, 2011)*);
- (c) A copy of the solicitation, including the specifications or portions thereof relevant to the protest. (*PROCUREMENT RECORD at pp.0054-0312*);
- (d) A copy of the abstract of bids or offers or relevant or portions thereof relevant to the protest. (*PROCUREMENT RECORD at p. 0442-0445*);

**COPY**

(e) Any other documents which are relevant to the protest: including the contract, if one has been awarded, pertinent amendments, and plans and drawings: (*PROCUREMENT RECORD at pp.0036-0043 [Contract], 0339-0343 [Amendments], 0213-0247 [Plans & Drawings]*);

(f) The decision from which the Appeal is taken, if different than the decision submitted by Appellant. (*PROCUREMENT RECORD at pp.589-590*);

(g) A statement answering the allegation of the Appeal and setting forth findings, actions, and recommendations in the matter together with any additional evidence or information deemed necessary in determining the validity of the Appeal. The statement shall be fully responsive to the allegations of the Appeal. (*Tab B, attached*);

(h) If the award was made after receipt of the protest, the report will include the determination required under 2 G.A.R. § 9101(e). (*Tab C, attached*); and

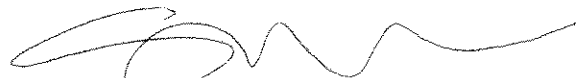
(i) A statement in substantially the same format as Appendix B to this Chapter, indicating whether the matter is the subject of a court proceeding:

*The undersigned party does hereby confirm that to the best of her knowledge, no case or action concerning the subject of this Appeal has been commenced in court. All parties are required to, and the undersigned party agrees, to notify the Office of Public Accountability within 24 hours if court action commences regarding this appeal or the underlying contract/procurement action. ( See also, Tab D, attached).*

Dated this 19th day of July, 2011.

OFFICE OF THE ATTORNEY GENERAL  
**Leonardo M. Rapadas**, Attorney General

By:



**SANDRA E. CRUZ-MILLER**

Assistant Attorney General

T a b

A

LAW OFFICES

**TEKER TORRES & TEKER, P.C.**

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Of Counsel:  
Nagatomo Yamaoka

April 1, 2011

VIA U.S. MAIL

Joanne M. S. Brown  
Acting Director  
**Department of Public Works**  
542 North Marine Corps Drive  
Tamuning, Guam 96913

**Re: Route 2 Culverts and Slide Repair.**  
DPW Project No.: GU-NH-0002(104)  
Contractor: Hubtec International Co.  
Surety: Chung Kuo Insurance Company, Ltd.  
Bond No.: CKI-09-189-APB  
Amount of Bond: \$1,835,040.00

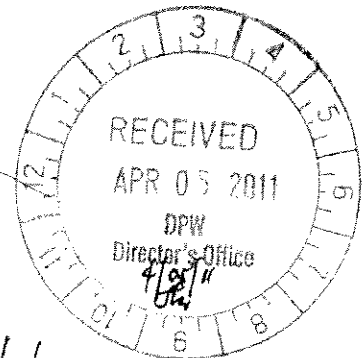
Dear Ms. Brown:

I am in receipt of your termination letter to Hubtec International Co. ("Hubtec") of the Route 2 Roadway Construction Contract referenced above, dated February 22, 2011. Hubtec herewith protests the termination and requests a Final Decision, in accordance with the Guam Procurement Regulations.

Sincerely yours,

  
Phillip Torres

cc: Hubtec International Co.  
Via electronic mail



  
4/5/11

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## TAB B

### STATEMENT ANSWERING ALLEGATIONS OF APPEAL

(As required by 2 G.A.R. §12105(g))

#### I. RELEVANT BACKGROUND AND FACTS.

Between April to July, 2009, the Department of Public Works ("Government") solicited bids for a road construction project located on Route 2 in Urratac. [PROCUREMENT RECORD at p.0250]. At all times, payment for the Route 2 project was, and is, funded fully by the U.S. Federal Government pursuant to the AMERICAN RECOVERY AND REINVESTMENT ACT OF 2009 ("ARRA"), and administered by Federal Highway Administration ("FHWA"). Accordingly, federal road construction standards and other requirements are applicable to the project.

On October 5, 2009, a bid opening was held and the low bid of Appellant Hubtec International Corporation ("Hubtec") for \$1,835,040.00 was determined to be responsive and reasonable. [PROCUREMENT RECORD at p. 0008]. On January 7, 2010, Hubtec was awarded a contract for the Route 2 construction project. [PROCUREMENT RECORD at pp. 0036-0043].

The terms and conditions of Hubtec's contract provided that the construction project would be completed within 240 calendar days from the contract commencement date (which is the date that a Notice to Proceed is issued). [PROCUREMENT RECORD at p. 0037]. For the Route 2 project, the contract completion date was determined to be December 31, 2010.

On January 25, 2011, the Government advised Hubtec that it was in serious breach of its contractual obligations due to numerous environmental and safety violations and that fact that the deadline of December 31 had passed and only 28% of the project had been completed, while over 100% of the contract time had elapsed. [PROCUREMENT RECORD at p. 588]. The Government ordered Hubtec to submit a request for time extension as required by Section SCR 108-01 of the contract between the parties. [PROCUREMENT RECORD at pp. 588, 0165].

Despite this, Hubtec failed to submit the request for time extension. Thereafter on February 22, 2011, the Government terminated the Route 2 contract with Hubtec. [PROCUREMENT RECORD at pp. 0589-0590]. On the same date, the Government also notified Hubtec's surety of the contract termination. [PROCUREMENT RECORD at pp. 0591-0593].

Subsequently, on April 1, 2011, Hubtec advised DPW that it was protesting the termination and requesting a Final Decision. [Tab A, attached]. The Government

interpreted Hubtec's protest letter of April 1 to mean a procurement protest, and issued a decision responding to the protest on April 13, 2011. [Tab B at pp. 0007-0008]. On April 21, 2011, Hubtec clarified that its letter of April 1 referred to a contract dispute over the termination, and not a procurement protest. [PROCUREMENT RECORD at p. 0594]. This appeal was subsequently filed on June 24, 2011.

## **II. BID PROTEST VS. CONTRACT DISPUTE.**

### **A. Stipulation Re: Contract Dispute.**

Upon further review of the relevant correspondence, the Government agrees with Hubtec that the termination of the Route 2 road construction contract between the parties is appropriately designated as a contract dispute, and not a bid protest. The misunderstanding of the nature of dispute arose from the plain language of Hubtec's letter to the Government dated April 1, 2011, wherein Hubtec stated that it "*herewith protests the termination and requests a final Decision . . .*" [Tab A, attached].

Having now been corrected, the Government stipulates that this matter involves a contract or breach of contract controversy.

## **III. THIS APPEAL MUST BE DISMISSED BECAUSE ABSENT A FINAL DECISION, THE PUBLIC AUDITOR HAS NO JURISDICTION.**

In its Notice of Appeal, Hubtec alleges that the Government has refused to issue a final decision with respect to the termination of its contract with Hubtec for the Route 2 road construction project.

It is well established that pursuant to 5 G.C.A. § 5425(c) and 5 G.C.A. § 5425(e), the jurisdiction of the OPA to review a protest or controversy is limited to matters where a final decision on the controversy has been issued by the relevant agency.

For example, in the appeal of Town House Department Stores, Inc. dba Island Business Systems and Supplies, OPA-PA-08-003 (July 8, 2008), the Public Auditor found that the OPA had no jurisdiction because the agency in that case (GPHSS), had not rendered a decision on Appellant's protest. The Public Auditor found that it did not have jurisdiction to hear the appeal because it did not have before it a final agency decision on the protest. *See also, Juan C. Tenor, P.C.*, and OPA-PA-11-006 (Mar. 15, 2011) (without agency's final decision, bid protest appeal is not properly before the OPA).

For purposes of this appeal, and in light of Hubtec's clarification that this appeal involves a contract controversy and not a bid protest, the Government acknowledges that a final decision with respect to the contract termination has not been issued. The failure to issue a final decision was administrative in nature, and not a willful refusal on the agency's part as Hubtec would suggest.

Regardless of the reason, however, under 5 G.C.A. Section 5425(c) and 5 G.C.A. Section 5425(e), absent a final decision, the OPA is without jurisdiction to hear this appeal, and a dismissal of the same must be had.

#### **IV. THE TERMINATION OF THE ROUTE 2 CONTRACT WITH HUBTEC WAS PROPER.**

As grounds for its appeal, Hubtec alleges that it was the Government and DPW who breached the construction contract and that its termination was wrongful. Hubtec further alleges that the Government “*has used the termination as an excuse not to honor its obligation for Change Orders and other work done on the job sites.*”

This is an egregious misstatement. Hubtec, and not the Government, materially and repeatedly breached the contract by engaging in the following activities:

- Failure to timely or reasonably progress and prosecute the contracted work, resulting in a scant completion rate of 28% by the contract deadline of December 31, 2011;
- Admitted substitution and installation of foreign steel imported from Korea, a direct violation of the express terms of the Contract (SCR 105.1) and the federal “Buy American Act.” [Tab B at p. 0001];
- Intentional and willful falsification of payment invoices so as to fraudulently misrepresent the Korean steel as being U.S. steel, in violation of the express terms of the Contract (RCP-14 at § IX);
- Intentional and willful creation of false invoices in order to receive double payment for certain Undistributed Materials (received from DPW Construction Manager and supplier requesting payment under the Payment Bond). [Tab B at pp. 0009-0027];
- Failure to pay subcontractors. [Tab B at pp. 0009-0027];
- Failing to engage adequate erosion control measures, resulting in the issuance of a non-conformance report and a Notice of Violation by the Guam Environmental Protection Agency (GEPA);
- Numerous traffic and OSHA workplace safety violations;



- Numerous unauthorized deviations from the particulars and specifications set forth in the design plans; and
- Overall defective and substandard workmanship.

Hubtec's allegation that the Government has used the contract termination as "an excuse" not to pay Hubtec for change orders is so bold that it is almost amusing. Upon the termination of the contract, the Route 2 job was left torn apart and in shambles. The condition of Route 2 was such that Government was faced with an emergency situation because there was a possibility that the road would collapse.

The Government filed a claim with Hubtec's Performance Bond surety, and the surety concurred with the Government's assessment of the state of the project site. The surety agreed to pay the entire bond amount of \$1.8 million, but as it turned out, even this amount was no longer enough to complete the project. This was because nearly all of the work that Hubtec did was substandard and had to be torn out and re-done. Additionally, the project had to be re-designed in order to remedy and address a site that had become worse off than when Hubtec first started.

Although Hubtec had already been paid approximately \$414,000, the Government was also forced to find a new contractor to take over Hubtec's performance and complete the project. The cost of new contractor was \$3,815,491.00, a difference of \$2 million dollars over the project's original \$1.8 million price tag. [Tab B, 0028-0038]. When the cost of the new contract is added to the \$414,091 already paid to Hubtec, the final price tag of Route 2 adds up to approximately \$4.2 million.

Under the circumstances, it is difficult to understand the logic of Hubtec's allegation that the Government is using the termination as an "excuse" not to pay Hubtec's change orders. Apparently Hubtec would have the OPA believe that Government would prefer to pay \$3.8 million to a different contractor instead of simply agreeing to Hubtec's change orders.

The FHWA advised the Government that the Korean steel rebar that Hubtec admits that it illegally installed and tried to pass off as being U.S. steel was not reimbursable with federal funds. [Tab B at pp. 0001, 0003-0004]. This meant that the Government of Guam had to try to absorb the cost itself, an amount which exceeded over \$100,000.

V. CONCLUSION AND RECOMMENDATIONS.

To the extent Hubtec alleges that the Government has not issued a final decision, Hubtec breached the Route 2 construction contract, then the OPA does not have jurisdiction to hear this appeal and it must be dismissed as a matter of law pursuant to 5 G.C.A. § 5425(c) and 5 G.C.A. § 5425(e).

With respect to Hubtec's allegation that the Government is the breaching party and that the termination of the contract was wrongful, the overwhelming evidence establishes that this allegation is completely without merit. Hubtec's performance and workmanship on the Route 2 project was one of the worst ever seen by the Government. Hubtec can point to no action on the Government's part which caused the contract to be breached. On the contrary, the Government was privileged to terminate Hubtec on the basis of any one of the many breaches and violations enumerated above. In hindsight, the Government regrets not terminating Hubtec much sooner.

For all of the above reasons, including witness and other evidence to be presented at the hearing on this matter, the Government respectfully recommends and moves the OPA to DISMISS the instant appeal on all grounds.

\*\*\*\*\* END OF AGENCY STATEMENT \*\*\*\*\*

HUBTEC INTERNATIONAL CORP.  
P. O. Box 25260  
Barrigada, Guam 96921  
Tel. No. 472-3315  
E-mail: hubtecguaam@gmail.com

Project: Reconstruction/Rehabilitation of Route 2 Culverts & Slide Repair  
Project no. GU-NH-0002(104)  
Owner: Department of Public Works  
Construction Management: Parsons Transportation Group Inc.

February 3, 2011

To : Joanne M. S. Brown  
Acting Director DPW  
Tamuning, Guam

Attention : Pacy G. Carpo  
Project Engineer

Subject : Reconstruction/Rehabilitation of  
Route 2 Culverts and Slide Repair  
Project No. GU-NH-0002(104)

Dear Ms. Brown,

We have excess Rebars Grade 60 US made products from our other projects, but it is not enough for the rebars requirements for the Cetti Bay Slide of the above mentioned project. Due to lack of need, we purchase from our supplier on Guam the Rebars Grade 60. In my understanding, the said rebars is US approval because it is purchase/selling in a territory of US.

After long time, and a series of concrete pouring for the concrete wall nobody notify us the failure of rebars requirements on site. It is acknowledge then with our own belief that the said rebars is good as approved which is the reason why we continue fabrication and installation.

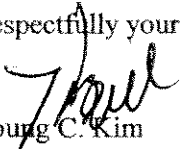
To then, the rebars was found out last month that it is a Hyundai Steel made products and did not match with the approved submittals.

In my heartfelt, it is not my ability to purchase intentionally hyundai rebars which is not required on our contract specifications. In behalf of the company, i feel sorry about the consequences that we encounter and honestly speaking it will not happen again in the near future for the entire project.

Right now, we already purchase Rebars Grade 60 from the sole supplier of US made products rebars in our island as inspected together with FHWA, Parsons, DCA and Contractor.

Hoping your understanding regarding the issue.

Respectfully yours,

  
Young C. Kim  
Project Manager

Tab B 0001



U.S. Department  
of Transportation  
**Federal Highway  
Administration**

**Hawaii Federal-Aid Division**

February 18, 2011

300 Ala Moana Blvd., Rm 3-306  
Box 50206  
Honolulu, HI 96850  
Phone: (808) 541-2700  
Fax: (808) 541-2704  
<http://www.fhwa.dot.gov/hidiv/>

In Reply Refer To:  
HDA-HI

Joanne Brown  
Acting Director  
Department of Public Works  
Government of Guam  
542 North Marine Drive  
Tamuning, GU 96913

Dear Ms. Brown,

During a Construction Documentation Process Review on January 20, 2011, FHWA noticed that similar Certified Mill Test Reports (mill certifications) were showing up on different projects as a submittal for reinforcing steel. Upon further research the following are our findings and required corrective actions:

1. On the Route 25 Reconstruction and Widening Project (GU-NH-0025(101)) and Reconstruction/Rehabilitation of Route 2 Culverts and Slide Repair Project No. GU-NH-0002(104), there are mill certifications for Bill of Lading (B.L.) Number 377128 but with different dates 5-Jul-2009 and 6-Aug-2010 (Enclosure 1).

The FHWA contacted NUCOR Steel Seattle, Inc., the manufacturer of the steel. NUCOR stated that they reprint the mill certification upon request, usually by the company they sold the steel to. However, when they reprint the mill certification, the date printed on the mill certification will be the date of the reprint and not the date the mill certification was originally issued.

FHWA also contacted DCK Pacific and questioned them on their practices in providing mill certifications. DCK Pacific stated that they order rebar in large quantities and Contractors purchase in small quantities from them. They do not track bundles sold with the customers. They also provide the mill cert before they even purchase the rebar. DCK will provide a mill cert upon request from the customer for the rebar sold to them.

Based on the information provided by DCK, all submittals for rebar should be rejected until the rebar is on the site and the documentation as stated in FP-03 Section 709 is provided. If the contractor wants to submit sample mill certifications, showing the source of the steel and the properties, the request should be clearly stated on the submittal and the response from the government should be something similar to "no objections/exceptions - Certifications per Section 709, required with delivery to the site."



Tab B 0002

2. On the Route 17 Rehabilitation and Widening Project (GU-NH-0017(201)), the Contractor submitted a Certified Mill Test Report Dated 30-Dec-2009 with a *SOLD TO: Superior Enterprises Corporation*. A similar document was found on the Route 25 Reconstruction and Widening Project (GU-NH-0025(101)) with a *SOLD TO: DCK Pacific Guam LLC*. The Contractor made the following certification on 5 Nov, 2010 with his submittal "It is hereby certified that the EQUIPMENT/MATERIAL shown and marked in this submittal is that proposed to be incorporated into the project referenced above, is in compliance with the Contract Drawings and Specifications, can be installed in the allocated spaces and is submitted for Governmental approval." (Enclosure 2)

On February 8, 2011 FHWA contacted NUCOR to ask who they sold the rebar to. NUCOR responded that it was sold to Dick Pacific in Guam (Enclosure 2). Upon further review of the Route 17 mill certification, it is obvious that the document was tampered with. In addition, based on the findings on mill certifications by DCK Pacific it is also highly likely that the rebar on site or shows up on the site are not bundles from the mill certification provided.

This has the appearance of fraud. Please reject the submittal and notify the Contractor.

3. On the Reconstruction/Rehabilitation of Route 2 Culverts and Slide Repair Project No. GU-NH-0002(104), which is funded with American Recovery and Reinvestment Act (ARRA) funds, the following was found (Enclosure 3):
- The Contractor initially made a submittal proposing to use Korean made steel, but it was rejected. The Contractor then made two submittals, one for June 2010 from Conwood Products, Inc. with steel from Cascade Steel Rolling Mills, Inc. and the other in August 2010 for steel from NUCOR Steel Seattle, Inc.
  - In payment invoice #6 the Contractor submitted an invoice from Conwood Products, Inc. for payment of \$1,250 under undistributed materials. Payment was made and reimbursement by FHWA was made.
  - The project files did not have rebar tags to show that the rebar installed at the site corresponded with the mill certifications provided.
  - On January 21, 2011, FHWA visited the project site. It was noticed that only Korean steel with the stamp KSH5 was scattered around the staging area. The Contractor stated that the Korean steel was only used for silt fences and that American made steel was used for the concrete wall at the slide and the head wall at the culvert. The Contractor also stated that he had rebar tags at his office and would provide it.
  - On January 22, 2011, FHWA requested that DPW provide copies of the mill certification from Conwood as well as the tags. We also stated that the tags should match the mill certification.
  - On January 27, 2011 the Contractor submitted to DPW a copy of three rebar tags from Cascade Steel Rolling Mills, but the HEAT numbers did not match the HEAT numbers on the mill certification. FHWA also asked DPW if they knew for certain that these tags were for the rebars that were installed in the subject project. DPW could not say for certain that they were.
  - On February 3, 2011 the Contractor submitted a letter to DPW acknowledging that he installed Hyundai Steel (foreign made steel) in the subject project.

Based on the information provided, the FHWA cannot reimburse the Government of Guam for pay items that were constructed to date with steel. Any pay item already reimbursed shall be deducted from the next request for reimbursement for this project. In addition, FHWA will not participate in the cost of the Construction Management, Duenas -Camacho & Associates, for time spent inspecting the work with foreign steel and time required to resolve this issue. FHWA will reimburse the Government of Guam the cost to inspect the products made with American Steel.

Please provide the cost for the pay items installed with foreign steel that have already been reimbursed by FHWA, for the pay items with foreign steel that have not been reimbursed by FHWA, and the construction management cost that should be deducted.

As a reminder, under Title 23 Code of Federal Regulation §635.119 False Statements, the notice enclosed shall be posted on each Federal-aid highway project in one or more places where it is readily available to and viewable by all personnel concerned with the project (Enclosure 4). It is also the responsibility of the DPW to provide this to the Contractor. We suggest that this be sent to all contractors, designers, and construction managers currently under contract with DPW.

If you have any questions, please contact me at (866) 233-8177 extension 311 or email at [Richelle.takara@dot.gov](mailto:Richelle.takara@dot.gov).

Sincerely yours,



Richelle M. Takara, P.E.  
Transportation Engineer

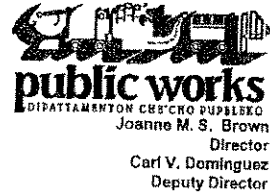
Enclosures

cc: Carl Dominguez, DPW (via email)  
Kin Blaz, DPW (via email)  
Gene Niemasz, PTG (via email)  
Mike Lanning, PTG (via email)



The Honorable  
**Eddie Baza Calvo**  
Governor

The Honorable  
**Raymond S. Tenorio**  
Lieutenant Governor



**public works**  
DIPARTAMENTON CH'GRO PUPLESKO  
Joanne M. S. Brown  
Director  
Carl V. Dominguez  
Deputy Director

March 24, 2011

Chen-Yi Kuo  
Representative  
Chung Kuo Insurance Co. LTD  
P.O. Box 3248  
Hagatna, Guam 96932

Attn: **Richard Reed, AIA**  
**Architecture RNK**  
**241 Condo Lane, Suite 527**  
**Tamuning, GU 96913**  
**P: (671) 649-5270**

<b>ACKNOWLEDGMENT RECEIPT:</b>	
NAME:	R REED
DEPT./COMPANY:	RNK/CHUNG KUO
DATE:	3-30-11
TIME:	11:1
SIGNATURE:	<i>[Handwritten Signature]</i>

Re: Project No. GU-NH-0002(104)  
Route 2 Culverts and Slide Repair  
Resumption of Work for the Umatac Baseball Culvert Site

Dear Mr. Reed,

On February 9<sup>th</sup> the Department of Public Works issued a Stop Work Order for the Cetti Bay Culvert and Umatac Culvert sites on the above reference project. Follow-up inspections conducted by Guam Environmental Protections Agency (GEPA) have determined that their Notice of Violation and Stop Work Order at the Umatac Culvert site can be lifted. An email received by Ken Rekdahl on March 24, 2011 from Maricar Quezon with GEPA specifically states the following:

"As per our discussion yesterday, we (GEPA) will be lifting the NOV/Stop work order at the Umatac site with the following conditions:

- 1.) We (GEPA) will allow the contractor to dewater in order for them to proceed (with) the work, but still they are required to apply for a dewatering permit for any future dewatering activities.
- 2.) Contractor must ensure that erosion/sedimentation control and BMP's are maintained regularly.

Based on the above email correspondence between GEPA and Ken Rekdahl of Duenas, Camacho & Associates (DCA) the Department of Public Works is hereby lifting the Stop Work Order that was issued for the Umatac Culvert site subject to Chung Kuo Insurance meeting the above conditions stipulated by GEPA.

542 North Marine Corps Drive, Tamuning, Guahan 96913, Tel (671) 646-3131, Fax (671) 649-6178

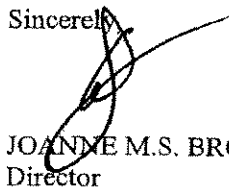
Tab B 0005


Resumption of Work for the  
Umatac Baseball Culvert Site  
March 24, 2011  
Page 2

Chung Kuo Insurance continues to be advised that the Stop Work Order issued by the Department of Public Works for the Cetti Bay Culvert site is still in effect. This Stop Work Order will not be lifted until the environmental violations at Cetti have been satisfactorily corrected with the concurrence of GEPA. The GEPA Notice of Violation for the Cetti Bay Culvert site was issued on February 2, 2011 and is still in effect as of the date of this letter. The Department of Public Works requests that Chung Kuo Insurance provide a date when the environmental violations at the Cetti Bay Culvert site will be fully corrected so work at that site can resume.

If you have any questions or need additional information, please contact Mr. Ramon B. Padua, P.E., DPW Chief Engineer, at 649-3155, Mr. Kenneth M. Rekdahl, P.E., Duenas Camacho & Associates, Inc., at 477-7991, or Mr. Michael Lanning, Construction Manager with Parsons Transportation Group, at 648-1056.

Sincerely,

  
JOANNE M.S. BROWN  
Director

 cc Ramon Padua, PE, Chief Engineer, DPW  
Richelle M. Takara, Transportation Engineer, FHWA  
Michael Lanning, Construction Manager, Parsons Transportation Group, Inc  
Kenneth M. Rekdahl, P.E., DCA  
Correspondence File

File: Route 2 Resumption of Work at Umatac\_03-24-11\_w\_cc.doc

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JOANNE M.S. BROWN  
Director  
CARL V. DOMINGUEZ  
Deputy Director

April 12, 2011

**VIA FAX NO. 472-2601 and HAND DELIVERY**

Phillip Torres, Esq.  
Teker Torres & Teker, P.C.  
Suite 2A, 130 Aspinall Avenue  
Hagatna, Guam 96910-5018

Re: **Hubtech International Corp. v. Department of Public Works, Government of Guam**  
**Procurement Protest**  
**Route 2 Culverts and Slide Repair**  
**DPW Project No.: GU-NH-0002(104)**  
**AGO PCF No. DPW 11-0318**

Dear Mr. Torres:

This is in response to your letter dated April 1, 2011 which asserts a procurement protest on behalf of Hubtech International Corporation (Hubtech) against the Department of Public Works, Government of Guam (DPW). In that letter, Hubtech formally protests its termination from the above-referenced construction project.

The DPW respectfully denies Hubtech's protest on the grounds that the protest is legally time-barred. Under the Procurement Law of Guam [5 G.C.A. § 5425(a)], a protest must be filed within fourteen (14) days after the aggrieved contractor knew or should have known of the circumstances giving rise to the protest:

**§ 5425. Authority to Resolve Protested Solicitations and Awards.**

(a) **Right to Protest.** Any actual or prospective bidder, offeror, or contractor who may be aggrieved in connection with the method of source selection, solicitation or award of a contract, may protest to the Chief Procurement Officer, the Director of Public Works or the head of a purchasing agency. **The protest shall be**

Tab B 0007

submitted in writing within fourteen (14) days after such aggrieved person knows or should know of the facts giving rise thereto. (Emphasis added).

See also, 2 G.A.R. § 9101(c)(1) ("Protests shall be made in writing to the Chief Procurement Officer, the Director of Public Works, or the head of a Purchasing Agency, and shall be filed in duplicate within 14 days after the protestor knows or should have known of the facts giving rise thereto."); Sablan v. GTA et. al. CV1353-03 Decision and Order at p. 4 (Super. Ct. Guam July 28, 2004) (procurement protest must be filed no later than 14 days after aggrieved person knows or should have known of the facts giving rise to the protest).

It is undisputed that Hubtech was served with a written *Notice of Termination of Contract* on February 22, 2011. This meant that any grievance Hubtech may have had over DPW's decision to terminate the Hubtech's performance and the applicable contract should have been filed within fourteen days after February 22, 2011, or by no later than March 8, 2011.

However, Hubtech did not file its protest with DPW concerning the termination until April 1, 2011.<sup>1</sup> By then, the fourteen-day deadline had passed. Under 5 G.C.A. Section 5425(a) and 2 G.A.R. Section 9101(c)(1), because any protest over DPW's decision to terminate the Route 2 contract with Hubtech was not filed by the deadline of March 8, 2011, the protest is now legally time-barred.

Thank you very much for your understanding of this matter. Pursuant to 5 G.C.A. Section 5425(c)(2) and 2 G.A.R. Section 9101(g), Hubtech International Corporation has the right to seek administrative and judicial review of this response and decision.

Sincerely,

  
JOANNE M.S. BROWN

cc: Attorney General of Guam  
Richelle Takara, Territorial Representative, FHWA  
Chrono

<sup>1</sup> Actually, although the letter of protest is dated April 1, 2011, DPW did not actually receive it until April 5, 2011. Regardless of whether the date of April 1 or April 5 is used, the protest is still untimely.

Tab B 0008



April 29, 2011

Joanne M.S. Brown  
Director  
Department of Public Works  
542 North Marine Corp Drive  
Tamuning, Guam 96913

APR 29 2011

Attn: Joanne M.S. Brown

RE: Route 2 Culverts and Slide Repair, Project No. GU-NH- 0002(104)

Subject: Plastic Pipe Culvert Invoice Review

Hafa Adai Ms. Brown:

Duenas Camacho and Associates, Inc. (DCA) has been reviewing the outstanding claims submitted to the subject project bonding company (Chung Kuo Insurance Company). In our review of these claims, DCA noticed a discrepancy with the amount and invoice submitted by American Water Works International, supplier of the 48-inch diameter plastic pipe (ASTM F 477 Dual Wall Storm Drain Pipe). Hubtec's Invoice #6, received on 9/28/2010, was reviewed and approved by DCA/PTG and the DPW. This invoice requested payment for undistributed material (UDM). This request was for payment for 48-inch diameter plastic pipe, 500 linear feet (LF) at a unit cost of \$205.70/LF. The total UDM payment request for this plastic culvert pipe on Invoice #6 was \$102,850. The supporting documentation in the form of a Invoice/receipt (#5001523-01) under American Water Works International letterhead was provided by Hubtec as part of the invoice which indicated payment to the vendor of \$102,850 by Check #3060 and was marked as payment rec'd (see Attachment 1). On a related matter check # 3060 was provided by American Water Works International in the amount of \$6,680(see Attachment 5).

An outstanding claim of \$17,172 was submitted on April 11, 2011 to the project bonding company. This claim had Invoice/receipt #5001523-01 attached to it (see Attachment 2). This invoice appears to be for the same 500LF of 48-inch diameter plastic pipe. The unit price for this pipe was \$137.60/LF with a total price of \$68,800. There is a clear discrepancy given that the invoice/receipt numbers and material descriptions are the same, but the unit prices and total amount are different. This discrepancy between the Hubtec Invoice and the AWWI invoice/receipt provided an additional unearned UDM payment to Hubtec.

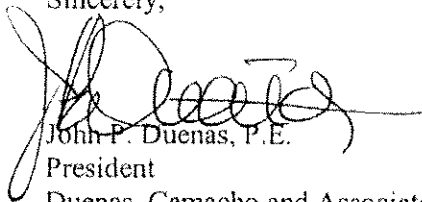
DCA contacted American Water Works International on April 21<sup>st</sup>, 2011 and provided American Water Works International with a copy of the Hubtec #5001523-01 receipt. American Water Works International personnel (Jun Gozum) confirmed that the receipt #5001523-01 was modified (see Attachment 3).

April 29, 2011

Given this finding DCA reviewed past UDM claims for the plastic culvert pipe. Hubtec made an earlier request for undistributed materiel on Invoice #4, received on 11/30/2010, in the amount of \$32,912 for 160ft of 48-inch plastic pipe on Invoice #5001462-1 (see Attachment 4). American Water Works International provided DCA with a copy of this invoice (Attachment #5). This request was for 160LF of the same 48-inch plastic pipe. The same discrepancies in the unit price mentioned above were identified.

Given these discrepancies, it is clear that Hubtec intentionally deceived DPW in order to increase their UDM payments. Additional information provided by American Water Works International and the bonding company (Chung Kuo Insurance Company) is attached to this letter for reference. DCA recommends that further investigation into this matter be undertaken by DPW/FHWA.

Sincerely,



John P. Duenas, P.E.

President

Duenas, Camacho and Associates

Att:

Cc: ~~Mike Lanning, PTC~~  
Joaquin Blas, DPW

*Approved Inv. #6*

**CAN WATER WORKS INTERNATIONAL**

OF AMERICAN INTERNATIONAL SUPPLY, INC.  
 ONE DRIVE, SUITE 1000 \* TAMUNING, GUAM 96913  
 5061 Fax: (671)647-5064

REMIT TO: AMERICAN WATER WORKS  
 165 SKYLINE DRIVE SUITE 1000  
 TAMUNING, GU 96911

**RECEIPT**

INVOICE NUMBER  
 5001523-01

HUBTEC INTERNATIONAL CORP.  
 PO BOX 25260  
 BARRIGADA 96921

SHIP TO: SEE BOOKING DETAILS BELOW

VOICE NUMBER	SLEMM.	ORDER DATE	TAKEN BY	CUSTOMER P.O. NUMBER	RECEIPT DATE	
001523-01	306	10/21/10	382	002	11/24/2010	
SHIP VIA		JOB NAME/PAYMENT TERMS			FRT.	PAGE NO.
CIF GUAM JOBSITE		PAYMENT RECEIVED BY CHECK #3060			B	1

QTY	QUANTITY		DISP.	ITEM CODE AND DESCRIPTION	U/M	MULT.	UNIT PRICE	AMOUNT
	B.O./RET.	SHIPPED						
50		500	D*	*48" x 200" LONG HANCOR SURELOK ASTM F 477 DUALL WALL STORM DRAIN PIPE, CURRUATED EXTERIOR, SMOOTH EXTERIOR  *****  BOOKING INFORMATION: MATSON BKG#8761676 6X45' CONTAINERS VIA MANUKAI VIII ETD: 11/7 ETA: 11/23	LF		205.7000	102850.00

Any claims for damaged material or shortages in shipment must be made within 30 days of receipt. Claims not made within the above time limit will not be honored.

*June  
 Jun @ Aisigrem - can*

CODE EXPLANATION		*** THIS IS YOUR RECEIPT ***		SUB TOTAL	102,850.00
1. UNPAID	2. CANCELLED ORDER			MISC. CHARGE	
3. RETAIN INVENTORY	4. ORDER SHIPPED			TELE. CHARGE	
5. RETURN TO SUPPLIER	6. FACTORY ORDER			FREIGHT TOTAL	
7. BACK ORDER	8. RETURN CR.			FED/OTHER TAX	
				STATE TAX	
				PAYMENT RECD	102,850.00

©: Certain patented, trade, marks and other marks used herein are the property of their respective owners. The State of California is hereby acknowledged as the source of the information herein.

*ADR 1*

# AMERICAN WATER WORKS INTERNATIONAL

DIVISION OF AMERICAN INTERNATIONAL SUPPLY, INC.  
165 SKYLINE DRIVE, SUITE 1000 \* TAMUNING, GUAM 96913  
(671)647-5061 Fax: (671)647-5064

TO: AMERICAN WATER WORKS  
165 SKYLINE DRIVE SUITE 1000  
TAMUNING, GUAM 96911

## INVOICE

5001523-01

3HUBIN

BILL TO: HUBTEC INTERNATIONAL CORP.  
PO BOX 25260  
BARRIGADA 96921

SHIP TO: SEE BOOKING DETAILS BELOW

5001523-01		306	10/21/10	382	002	11/03/10		
CIF GUAM PORT			20% ADV RMT/ BALANCE CAD			B	1	
500		500	D*	*48" X 20FT HANFOR SUREBLOK ASTM F 477 DUAL WALL STORM DRAIN PIPE, CORRUGATED EXTERIOR, SMOOTH EXTERIOR  ***** BOOKING INFORMATION: MATSON BKG#8761676 SK45' CONTAINERS VIA MANUKAI V111 ETD: 11/7 ETA: 11/23  Any claims for damaged material or shortages in shipment must be made within 90 days of receipt. Claims not made within the above time limit will not be honored.	LF		137.6000	68800.00
COPE EXPLANATION 1 - STATE TAX APPLICABLE 2 - FED. OTHER TAX APPLICABLE 3 - STATE & FEDERAL TAX APPL. 4 - BALANCE BACK ORDERED 5 - CONSIDER COMPLETE 6 - CRADY SHIPMENT 7 - FACTORY MESSAGING 8 - RETURNED CPE						*** THIS IS YOUR INVOICE *** [ ] [ ]		
(WARNING) Certain chemicals, acids, poisons, flammable and other products require special handling instructions. Check the invoice to the State of California to learn correct, safe disposal or other representative fees.						SUB TOTAL 68,800.00 MISC. CHARGE TELE. CHARGE FREIGHT TOTAL FED. OTHER TAX STATE TAX PAYMENT REC'D. 0.00		
EMER060206HV05						TOTAL AMT DUE 68,800.00		

AA. 2.

Tab B 0012

**Ken Rekdahl**

---

**From:** Jun Gozum [jun@aisiguam.com]  
**Sent:** Monday, April 25, 2011 3:51 PM  
**To:** kmrekdahl@dcaguam.com  
**Cc:** Willie Nicolas; Doris Narvarte  
**Subject:** Hubtec Receipt  
**Attachments:** AWW reciept.pdf

Ken,

The attached document that you sent me earlier has been modified. What we have sent you on a separate email last April 21<sup>st</sup> are the documents that we submitted to Hubtech – true and accurate. Any modification made by them on our documents is the sole responsibility of Hubtech.

Thanks and regards,

***Jun Gozum***

American International Supply, Inc.  
Tel: (671) 647-5061; Cell: (671) 727-5064

---

**From:** Ken Rekdahl [mailto:kmrekdahl@dcaguam.com]  
**Sent:** Thursday, April 21, 2011 8:36 AM  
**To:** jun@aisiguam.com  
**Subject:** Hubtec Receipt

Jun,

See attached

Ken

Ken Rekdahl, P.E.  
Duenas, Camacho & Associates, Inc.  
238 E. Marine Corps Dr.  
Suite 201 Diamond Plaza  
Hagatna, Guam 96910  
671-477-7991  
671-479-6315 (fax)

No virus found in this incoming message.

Checked by AVG - [www.avg.com](http://www.avg.com)

Version: 8.5.449 / Virus Database: 271.1.1/3595 - Release Date: 04/24/11 18:56:00

447.3

Tab B 0013

# AMERICAN WATER WORKS INTERNATIONAL

VISION OF AMERICAN INTERNATIONAL SUPPLY, INC.  
 165 SKYLINE DRIVE, SUITE 1000 \* TAMUNING, GUAM 96913  
 (671)647-5061 Fax: (671)647-5064

REMIT TO: AMERICAN WATER WORKS  
 165 SKYLINE DRIVE SUITE 1000  
 TAMUNING, GU 96911

## RECEIPT

INVOICE NUMBER

5001523-01

HUBCN

BILL TO: HUBTEC INTERNATIONAL CORP.  
 PO BOX 25260  
 BARRIGADA 96921

SHIP TO: SEE BOOKING DETAILS BELOW

INVOICE NUMBER		SLSMN.	ORDER DATE	TAKEN BY	CUSTOMER P.O. NUMBER	RECEIPT DATE		
5001523-01		306	10/21/10	382	002	11/24/2010		
SHIP VIA			JOB NAME/PAYMENT TERMS			FRT.	PAGE NO.	
CIF GUAM JOBSITE			PAYMENT RECEIVED BY CHECK #3060			B	1	
QUANTITY			DISP.	ITEM CODE AND DESCRIPTION	U/M	MULT.	UNIT PRICE	AMOUNT
ORDERED	B.O./MET.	SHIPPED						
160		500	D*	*48" x 200" LONG HANCOR SURELOK ASTM F 477 DUALL WALL STORM DRAIN PIPE, CURRUGATED EXTERIOR, SMOOTH EXTERIOR  *****  BOOKING INFORMATION: MATSON BKG#8761676 6X45' CONTAINERS VIA MANUKAI VIU ETD: 11/7 ETA: 11/23	LF		205.7000	102850.00
Any claims for damaged material or shortages in shipment must be made within 30 days of receipt. Claims not made within the above time limit will not be honored.								

\*\*\* THIS IS YOUR RECEIPT \*\*\*

CODE EXPLANATION

- 1. DATE TIME AND RATE
- 2. QUANTITY TAKEN FROM INVOICE
- 3. STATE FEDERAL TAX APPL. %
- 4. ADVANCE INVOICING
- 5. COMMERCE CODE SITE
- 6. DATED INVOICE
- 7. FACTORY NUMBER
- 8. RETURN %



SUB TOTAL	102,850.00
MISC. CHARGE	
TELE. CHARGE	
FREIGHT TOTAL	
FED./OTHER TAX	
STATE TAX	
PAYMENT RECD	102,850.00

**WARNING:** Certain polymerized, terpoly, plastic and other products contain lead, lead compounds or other chemicals known to the State of California to cause cancer, birth defects or other reproductive harm.



**CAN WATER WORKS INTERNATIONAL**

OF AMERICAN INTERNATIONAL SUPPLY, INC.  
 VE DRIVE, SUITE 1000 \* TAMUNING, GUAM 96913  
 061 Fax: (671)647-5064

REMIT TO: AMERICAN WATER WORKS  
 165 SKYLINE DRIVE SUITE 1000  
 TAMUNING, GU 96911

*Approved Inv #4*

**INVOICE**

INVOICE NUMBER

5001462-01

HUBTEC INTERNATIONAL CORP.  
 PO BOX 25260  
 HARRIGADA 96921

SHIP HUBTEC INTERNATIONAL  
 TO: 2 X 45' CONTAINERS  
 (SEE BELOW)

INVOICE NUMBER	SLSMN.	ORDER DATE	TAKEN BY	CUSTOMER P.O. NUMBER	INVOICE DATE
162-01	306	07/26/10	386	001	08/17/2010
SHIP VIA				JOB NAME/PAYMENT TERMS	FRT. PAGE NO.
GUAM JOBSITE				PAYMENT RECEIVED BY CASHIER'S CHECK #847795	B 1

QUANTITY		DISP.	ITEM CODE AND DESCRIPTION	U/M	MULT.	UNIN PRICE	AMOUNT
S.O./RET.	SHIPPED						
	160	D*	*48" x 200" LONG HANCOR SURELOK ST DUAL WALL HDPE STORM DRAIN PIPE  ***** HUBTEC INTERNATIONAL PO# 001 ROUTE 2 CULVERTS & SLIDE REPAIR GUAM  ***** *****  BOOKING #: 5826433 CONTAINER # MATU452159-5 SEAL #: 12872918 CONTAINER # MATU451913-4 SEAL #: 12872917 VIA MATSON MAUNALEI V43 ETD: 8/17/10 ETA: 8/31/10 *****  Any claims for damaged material or shortages in shipment must be made within 30 days of receipt. Claims not made within the above time limit will not be honored.	LF		205.7000	32912.00

<p>APPLICABLE TAX APPLICABLE (SAL TAX APPL. UNL ORDERED)</p> <p>C - CONSIDER COMPLETE                  D - DIRECT SHIPMENT                  F - FACTORY MINIMUM                  H - RETURNED CYS.</p>	<p>*** THIS IS YOUR INVOICE ***</p> <table border="1"> <tr> <td>FREIGHT IN</td> <td>FREIGHT OUT</td> </tr> <tr> <td></td> <td></td> </tr> </table>	FREIGHT IN	FREIGHT OUT			<p>SUB TOTAL 32,912.00</p> <p>MISC. CHARGE                  TELE. CHARGE                  FREIGHT TOTAL                  FED./OTHER TAX                  STATE TAX                  PAYMENT REC'D 32,912.00</p>
FREIGHT IN	FREIGHT OUT					

NOT GUARANTEED, BRUSH, PLASTIC AND OTHER ITEMS, SMALL COMPONENTS OF OTHER CHARACTERS etc. of Call back to course correct, USA defects etc. form.

206INV05

*Att 4*

# AMERICAN WATER WORKS INTERNATIONAL

DIVISION OF AMERICAN INTERNATIONAL SUPPLY, INC.  
 165 SKYLINE DRIVE, SUITE 1000 \* TAMUNING, GUAM 96913  
 (671)647-5061 Fax: (671)647-5064



## INVOICE

5001462-01

3HUBIN

**BILL TO:** HUBTEC INTERNATIONAL CORP.  
 PO BOX 25260  
 BARRIGADA 96921

**SHIP TO:** HUBTEC INTERNATIONAL  
 2 X 45' CONTAINERS  
 (SEE BELOW)

5001462-01	306	07/26/10	386	001	08/17/10
CIF GUAM JOBSITE					PAYMENT IN ADVANCE
					B 1

160	160	D*	*48" X 20'0" LONG HANCOR SURELOK ST DUAL WALL HDPE STORM DRAIN PIPE  ***** HUBTEC INTERNATIONAL PO# 001 ROUTE 2 GUAM ***** BOOKING #: 5826433 CONTAINER #: MATU452159-5 SEAL #: 12872918 *CONTAINER #: MATU451913-4 SEAL #: 12872917 VIA MATSON MAUNALEI V45 ETD: 8/17/10 ETA: 8/31/10 *****  Any claims for damaged material or shortages in shipment must be made within 30 days of receipt. Claims not made within the above time limit will not be honored.	LF	137.6000	22016.00
-----	-----	----	--	----	----------	----------

**PAID**  
 8/17/2010

CODE EXPLANATION 1 - STATE TAX APPLICABLE 2 - FED/OTHER TAX APPLICABLE 3 - STATE & FEDERAL TAX APPL. 4 - BALANCE EACH ORDERED  01 - CONSIDER COMPLETE 02 - DIRECT SHIPMENT 03 - FACTORY WORKSHOP 04 - RETURNED CXL.		*** THIS IS YOUR INVOICE *** [Stamp: RECEIVED]	SUB TOTAL 22,016.00 MISC. CHARGE TELE. CHARGE FREIGHT TOTAL FED./OTHER TAX STATE TAX PAYMENT REC'D. -4,000.00 <b>TOTAL AMT DUE 18,016.00</b>
--	--	---	---

WARNING: Certain galvanized, bronze, plastic and other products contain lead, lead compounds or other chemicals known to the State of California to cause cancer, birth defects or other reproductive harm.  
 EMEK060208INV05

44.5

**ORIGINAL****HUBTEC INTERNATIONAL CORPORATION**

P.O. Box 25260 Barrigada, Guam 96921  
Tel:(671)472-3315 Fax:(671)472-3315/477-3370  
e-mail:hubtecgum@gmail.com


March 28, 2011

To: American Int'l Supply

As you know, the Route 2 Construction Contract between Hubtec International Co. and the Department of Public Works ("DPW") was terminated by DPW on February 22, 2011. The Bondholder, Chung Kuo Insurance Company, Ltd. ("Chung Kuo"), who is represented by Attorney Tam Sterling (477-7857), is now in charge of the project and he has appointed Richard Reed of DNR, Inc. as Chung Kuo's main construction manager who will work with Parsons Transportation Group and Duenas, Camacho and Associates in the completion of the Route 2 Project. I know there are outstanding balances on this project but those are now the responsibility of the Bondholder. You should contact Mr. Sterling to make a claim for any amounts outstanding. I have submitted a list of all vendors owed, the amounts owed and that list includes you.

Hubtec regrets that this matter has turned out the way it has but it is our intention to contest the termination. Until such time as that termination is rescinded, this project is controlled by Chung Kuo.

Sincerely yours,

  
Young C. Kim/General Manager  
Hubtec International Corp.Other

Tab B 0017

AMERICAN  INTERNATIONAL SUPPLY

165 Skyline Drive Suite 1000 • Tamuning Guam 96911 • TEL: (671) 647-5061 • FAX: (671) 647-5064  
[www.aisi.com](http://www.aisi.com)

To: Chung Kuo Insurance Co.  
 Attn: Atty Tom Sterling

April 11, 2011

Number of Pages : 8  
 ( Including cover)

RE: Route 2 Project Hubtec International Corp

Gentlemen,

We are forwarding herewith statement for the balance on materials supplied to Hubtec International for your payment.

Total CIF Guam of ordered materials \$68,800.00 ( Invoice date 11/7/2010)

Paid check as follows;

Check #3060 Date 11/19/2010 \$6,680 ( first chk insufficient funds, \$50 bank charges)  
 Check #0131 Date 11/26/2010 \$25,018.00  
 Check #3236 Date 1/18/2011 \$ 20,000.00

Balance to date \$17,152.00

Should you have any question or need for more supporting documents let us know or contact Doris Narvarte at 647-5061

Very truly yours,  
 American International Supply Inc.

  
 Willie Nicolas  
[willie@aisiguam.com](mailto:willie@aisiguam.com)

RECEIVED

APR 11 2011

BLAIRE TESSIER  
 JOHNSON  
 A PROFESSIONAL



1

**AMERICAN WATER WORKS INTERNATIONAL**  
 DIVISION OF AMERICAN INTERNATIONAL SUPPLY, INC.  
 165 SKYLINE DRIVE, SUITE 1000 \* TAMUNING, GUAM 96913  
 671-647-5061 Fax: 671-647-5064

**STATEMENT**

PLEASE REMIT PAYMENT TO:  
 AMERICAN INTERNATIONAL SUPPLY  
 165 SKYLINE DRIVE, SUITE 1000  
 TAMUNING, GUAM 96913  
 (671) 647-5061

3HUBIN

STATEMENT DATE
03/31/11

STATEMENT DATE
3HUBIN
03/31/11

TO: HUBTEC INTERNATIONAL CORP.  
 PO BOX 25260  
 BARRIGADA 96921  
 671-472-3315

PAGE NO.
1

PAGE NO.
1

INVOICE DATE	INVOICE NUMBER	INVOICE AMOUNT	CUSTOMER ID NUMBER	INVOICE NUMBER	INVOICE AMOUNT
11/03/10	5001523-01	17152.00	002	5001523-01	17152.00
<b>TOTAL DUE</b>		<b>CURRENT</b>	<b>PAST DUE 1-30</b>	<b>PAST DUE OVER 30</b>	<b>TOTAL DUE</b>
17152.00		0.00	0.00	17152.00	17152.00

EMEK20080629RECA\_5

0236

**HUBTEC INTERNATIONAL CO.**  
 P.O. BOX 25260  
 BARRIGADA, GU 06021  
 PH: (787) 472-3015

Date: 18th, 2011

RAY TO THE ORDER OF American International Supply \$ 20,000.00

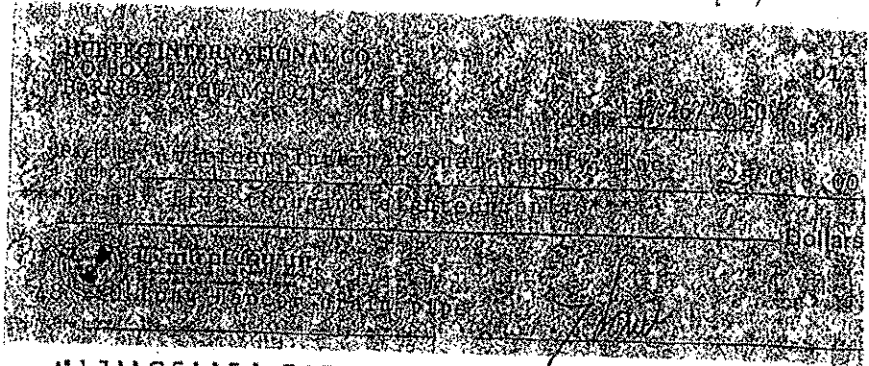
\*\*\*\*\*Twenty thousand and only\*\*\*\*\* DOLLAR

MEMO: Invoice #5001523-01  
 Culverts & Slab Repair project  
 Payment for 40 Pipes

*J. Powell*  
 AUTHORIZED SIGNATURE

\*889182101015118011291938\*

4/4



1110 #6E291E#1010 #5115041211

68,800 -

AE# 5001523 -01

3/4

<b>SUMMARY FOR CHK#0131</b>	
\$61,920.00 (68,800.00 -6880.00) LESS PARTIAL PYMT OF 40% AS AGREED BY WILLIE	\$ 24,768.00
\$200.00 SHORT FOR DOWNPAYMENT (NOTE: DOWNPAYMENT AMOUNT S/B \$6,880.00 BUT WAS PAID ONLY \$6,680.00 ,A DIFF. OF \$200.00)	\$ 200.00
BOH CHARGES FOR RETURNED UNPAID CHK#3003	\$ 50.00
<b>TOTAL CHECK# 0131</b>	<b>\$ 25,018.00</b>



6/6

HUBTEC INTERNATIONAL CO.  
P.O. BOX 25260  
BAHEIGADA, GU 06021  
PH. 671-472-3316

BANK OF GUAM  
P.O. BOX 817  
HAGATNA GUAM 96913

3060  
1071-8174

NOV 19 1980

PAY TO THE ORDER OF American International Supply Inc. \$ 6,680.00  
Six thousand six hundred eighty 00/100 DOLLARS

MEMO

AUTHORIZED SIGNATURE [Signature]

1071 6471874

68,800 - DP - replacement check.  
A# 5001523 \$ 6,680.00

Inawase 11/22/80

Note: Replacement for the check # 3003 that was deposited on 11/22/80 (NS). Short of \$ 200.00 plus \$ 50.00 for bank charges. Already informed customer & said, they will pay it.

2/2



**HUBTEC INTERNATIONAL  
CORPORATION**

Hubtec International Corporation  
P. O. Box 25260  
Barrigada, Guam 96921

Sept 1, 2010

American International Supply, Inc.  
165 Skyline Drive, Suite 1000  
Tamuning, GU 96913

Mr. Willie Nicolas  
General Manager

Promissory Note


Dear Sir,

As per our request, our payment for the CAD terms you have extended to Hubtec, under P.O. # 001 dated July 23, 2010, for the amount \$22,016.00 is a follow:

1. Down Payment - check payment of \$4,000.00 payment made last July 24<sup>th</sup>
2. CAD Term: check payment of \$10,000 to be given with this note.
3. CAD Term: check dated Sept 17<sup>th</sup> for the amount of \$8,016.00 to be given with this note.

We hope for your understanding and rest assured that the post dated to be issued will have enough funds by the said date. Thank you.

For Hubtec International Corporation,

  
Mr. Young C. Kim  
General Manager

HUBTECH

6/12

**BANK OF GUAM**  
**THE PEOPLE'S BANK**  
 P.O. BOX 511 HAGATNA, GUAM 96932 Branch Name: HAGATNA

101-811 1214 No. 847795  
 DATE: AUGUST 31, 2010  
NOT VALID AFTER 90 DAYS FROM DATE OF ISSUE

PAY TO THE ORDER OF AMERICAN INTERNATIONAL SUPPLY, INC. \*\*\*\*\*  
 \$ 10,000.00  
 THE SUM OF TEN THOUSAND DOLLARS 00 CTS

**CASHIER'S CHECK** WARNING: DO NOT CASH THIS CHECK UNLESS YOU CAN SEE THE WORDS "SAFE" "TRUST" "FIRST" IN THE WATERMARK AND RED & BLUE FIBRE IN THE PAPER. TO VERIFY WATERMARK HOLD UP TO LIGHT. THIS DOCUMENT IS PRINTED ON A GREEN BACKGROUND. PLS. ALWAYS READ TO SEE CHANGE TO WORD "SAFE".

⑈847795⑈ ⑈121405115⑈ 3110140⑈

\$ 18,016.00

AEA 5001462-01

\$ 10,000 - Bal \$ 8016.00

Inawarte 9/1/10

HUBTEC INTERNATIONAL CO.  
P.O. BOX 26260  
BARRIBADA, GU 98921  
PH: 8711472-3318

BANK OF GUAM  
P.O. BOX 111  
MAGADHA GUAN 98501

2909

101-517114

Sept 17th 2010

PAY TO THE ORDER OF American International Supply, Inc.

\$ 8,016.00

\*\*\*\*\*Eight thousand sixteen only\*\*\*\*\*

DOLLAR

MEMO Invoice #8001462-01  
Route 2 Culverts & Slide repair project  
48"x20' LONG HANCOR Storm Drain Pipe



Authorized Signature

⑈002809⑈ ⑆1214051756 010⑈ 88198⑈

AE # 580 1462-01 \$ 8,016.00

Inarwant 9/1/10

464

HUBTEC INTERNATIONAL CO.  
P.O. BOX 25260  
BARRIGADA, GU 96921  
PH: 671-472-3316

BANK OF GUAM  
P.O. BOX 50  
MAGATNA, GUAM 96932

2884

101-511/1214

JULY 2/82

PAY TO THE  
ORDER OF

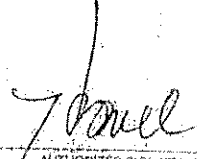
AMERICAN INTERNATIONAL SUPPLY, INC.

\$ 4,000.00

FOUR THOUSAND DOLLARS ONLY

DOLLAR

MEMO



AUTHORIZED SIGNATURE

⑈002884⑈ ⑆1214051151⑆ 0101 291738⑈

CONTRACT NO.: \_\_\_\_\_

11-0499

**CONTRACT**

*between*

**GOVERNMENT OF GUAM**

*and*

**IMCO GENERAL CONSTRUCTION, INC  
(CONTRACTOR)**

Contract for: ROUTE 2 CULVERTS AND SLIDE REPAIR

Project No.: GU-NH-0002(104)

Amount: \$3,815,491.00

Location: AGAT AND UMATAAC, GUAM

**R E C E I V E D**  
MAY 24 2011  
Bureau of Budget and  
Management Research

Tab B 0028

THIS AGREEMENT AND FORMAL CONTRACT is hereby made and entered into on the day signed below by the Governor of Guam, by and between the **DEPARTMENT OF PUBLIC WORKS, GOVERNMENT OF GUAM** ("Government" or "DPW"), represented by the Contracting Officer executing this Contract and **IMCO GENERAL CONSTRUCTION, INC.** ("Contractor") a corporation licensed to do business in Guam.

**RECITALS**

*WHEREAS*, previously on or about January 7, 2010, the Government entered into a contract with Hubtec International Corporation ("Hubtec"), as the low bidder selected pursuant to a lawful procurement solicitation for the construction of that certain project identified as the **ROUTE 2 CULVERTS AND SLIDE REPAIR, DPW PROJECT NO. GU-NH-0002(104)** ("Project"); and

*WHEREAS*, in connection with the Project, and pursuant to the Guam Procurement Act (5 G.C.A. §5304) and the Guam Procurement Regulations (2 G.A.R. § 5104), Hubtec was the principal of a Performance and Payment Bond in the amount of \$1,835,040.00 issued to Hubtec by **CHUNG KUO INSURANCE COMPANY, LTD.** ("Surety") and identified as Bond No. CKI-090189-APB; and

*WHEREAS*, the Government is the named obligee of said Performance and Payment Bond; and

*WHEREAS*, on or about February 22, 2011, Hubtec was declared by the Government to be in default of the contract, and said contract and Hubtec's performance on the Project was terminated; and

*WHEREAS*, on or about February 22, 2011, the Surety was advised of Hubtec's default and termination; and

*WHEREAS*, the Government desires to effect the completion of the Project in order to preserve the work in place and to expedite completion and to avoid the delays and inconvenience of reletting; and

*WHEREAS*, Hubtec's Performance and Payment Bond with the Surety provides that upon the default of Hubtec, the Surety shall promptly remedy the default; or complete the contract in accordance with its terms and conditions; or obtain a bid or bids for completing the contract in accordance with its

terms and conditions and upon determination by the Government and the Surety of the lowest responsive, responsible bidder, arrange for a Contract between such bidder and the Government and make available as work progresses sufficient funds to pay the cost of completion less the balance of the contract price; and

*WHEREAS*, pursuant to its obligations under the Performance and Payment Bond, the Surety has elected to obtain bids for completing the contract and the Project, and the Government has concurred with the Surety that of the three bids received, the Contractor is the lowest responsive, responsible bidder able to take over and complete the Project; and

*WHEREAS*, the Surety has offered to tender and make available to the Government the full penal sum of its Performance and Payment Bond with Hubtec to be used towards the cost of completing the Project with Contractor and the settlement of outstanding Hubtec subcontractor claims.

**AGREEMENT**

*NOW THEREFORE*, the Government and Contractor AGREE that the recitals and mutual covenants set forth above are incorporated herein, and further they AGREE as follows:

I. **THE CONTRACTOR AGREES** to furnish all the necessary labor, materials, equipment, tools and services necessary to perform and complete in a workmanlike manner all of the work required to take over and complete the construction of the Project in strict compliance with the Contract Documents herein mentioned which are hereby made a part of the Contract, including the following addenda:

<u>Addendum No.</u>	<u>Dated</u>
1	May 21, 2009
2	June 24, 2009
3	June 24, 2009
4	July 27, 2009



(a) Contract Time: The Contractor agrees to commence work under this Contract upon written Notice to Proceed, and to complete the project ready for use and operation within 200 calendar days thereof.

(b) Subcontractors: The Contractor agrees to bind every subcontractor by the terms of the Contract Documents. The Contract Documents shall not be construed as creating any contractual relation between any sub-contractor and the Government.

II. **CONTRACT AMOUNT AND PAYMENT.** As full payment for the performance of this completion contract, the Contractor agrees to accept as payment the LUMP SUM amount of **THREE MILLION EIGHT HUNDRED FIFTEEN THOUSAND, FOUR HUNDRED NINETY-ONE DOLLARS (\$3,815,491.00)**, together with any sums to be added and/or deducted resulting from all extra and/or omitted work in connection therewith, as authorized under the terms as stated in the *Construction Standard Specifications and Special Contract Requirement of the Contract*, all according to the terms as stated in the Contract Documents.

(a) Responsibility for payment to the Contractor of the Contract Amount shall be shared between the Government and the Surety, with the maximum respective cost and payment obligations allocated as follows:

<u>PAYING PARTY</u>	<u>MAXIMUM PAYMENT</u>
Government	\$2,130,451.00
Surety	\$1,685,040.00
	-----
<i>Total.</i>	<u>\$3,815,491.00</u>

The Contractor understands and acknowledges that the amount of the Surety's liability for payment of this Contract as stated above is subject to the payment of existing prior claims of subcontractors and other vendors. To the extent that the funds available from the Surety after payment of all existing

subcontractor and vendor claims is less than \$1,685,040.00, the Government agrees that it will assume the difference.

(b) Guaranty of Hubtec Bond Proceeds. By its signature below, the Surety unconditionally and irrevocably guarantees and certifies to the Government and the Contractor that it shall tender and make available for this Contract the full proceeds of Hubtec's Performance and Payment Bond No. CKI-090189-APB up to the amount stated above less payment of existing claims, which amount shall in no case exceed the penal sum of the bond.

(c) Progress payments will be made according to the Special Contract Requirements of the Contract. The Government and the Surety shall handle their own accounts and shall make payment of their respective obligatory shares directly to the Contractor upon presentation of a duly approved invoice.

(d) Surety Not a Party to this Contract. It is expressly understood and acknowledged by the Government and the Contractor that the Surety is NOT a party to this Contract and absolutely nothing herein shall be construed to mean otherwise. Except with respect to the tender, guaranty, and certification of the availability of the penal sum of the Hubtec bond towards costs related to the Project, the Surety shall have no privity with, nor liability or responsibility to or for, the Government, the Contractor, the Project, or any other person or entity; and the Surety makes no representations or warranties as to the Project; nor to any defect of equipment, material, workmanship, or design thereof.

(e) In the event that the Government or the Surety fails to make payment to the Contractor of any portion of its obligatory share of the costs, the Government and the Surety each reserve their respective right to seek indemnification and reimbursement from the non-paying party of all payments, costs and fees (including attorney's fees) that may be paid by one of them on behalf of the non-paying party.

**III. CONTRACT DOCUMENTS.** It is hereby agreed and understood that the following list of instruments, plans, specifications and documents which are attached, bound herewith or incorporated

herein by this reference shall constitute the Contract Documents, all of which are made a part hereof, and collectively evidence and constitute the Contract between the parties hereto and which are as fully a part of this agreement as if they were again set out verbatim and in full:

- (a) Invitation and Notice to Bidders;
- (b) Special Contract Requirements;
- (c) Proposal and Bid Documents;
- (d) Proposal and Bid Addendum;
- (e) Project Location and Drawings (original and as amended or revised);
- (f) Standard Specifications for Construction of Roads and Bridges on Federal Highway Projects, FP-03;
- (g) Proposal and Bid Documents procured by the Surety;
- (h) Attachment A, consisting of: (1) Description of Work; (2) Bid Schedule; and (3) SCR Section 208; and
- (i) Other contract documents.

**IV. LIQUIDATED DAMAGES.** The Contractor agrees to pay to the Government reasonable liquidated damages as stipulated in the construction standard specifications for breach of this Contract by the Contractor by his failing, neglecting or refusing to complete the work within the time herein specified and shall be paid for each consecutive calendar day therefore that the Contractor shall be in default after the time stipulated in the Contract for completing the work ready for use and/or operation.

**V. COVENANT AGAINST CONTINGENT FEES.** The Contractor warrants that he has not employed any person to solicit or secure this Contract upon any agreement for a commission, percentage, brokerage or contingent fee. Breach of this warranty shall give the Government the right to terminate the Contract, or in its discretion, to deduct from the contract price or consideration the amount of such commission, percentage, brokerage or contingent fee. The warranty shall not apply to commissions

payable by contractors upon contracts or sales secured or made through bona fide established commercial or selling agencies maintained by the Contractor for securing business.

**VI. OTHER CONTRACTS.** The Government may award other contracts for additional work, and the Contractor shall fully cooperate with such other contractors and carefully fit his own work to that provided under other contracts as may be directed by the Contracting Officer. The Contractor shall not commit or permit any act that will interfere with the performance of work by any other Contractor.

**VII. DISPUTES.** Except as otherwise specifically provided in this Contract, all disputes concerning questions of fact arising under this Contract shall be decided by the Contracting Officer whose decision shall be final and conclusive upon the parties thereto. Meanwhile the Contractor shall diligently proceed with the work as directed.

**VIII. CONTRACT BINDING.** It is agreed that this Contract and all of the Covenants hereof shall inure to the benefit of and be binding upon the Government and the Contractor respectively and his partners, successors, assignees and legal representatives. Neither the Government nor the Contractor shall have the right to assign, transfer or sublet his interests or obligations hereunder without written consent of the other party. It is hereby mutually agreed by and between the parties hereto that no mechanic, Contractor, subcontractor, material man or other person can contract for or in any other manner have or acquire any lien upon the building or works covered by this Contract, or upon the land which the same is situated.

**IX. COMPLIANCE WITH PUBLIC LAW 28-98 (Restriction Against Contractors Employing Convicted Sex Offenders from Working at Government of Guam Venues).** (a) The Contractor warrants that:

(1) 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 G.C.A. or an offense as defined in Article 2 of Chapter 28,

Title 9 G.C.A., 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) 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 G.C.A. or an offense as defined in Article 2 of Chapter 28, Title 9 G.C.A. 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 for the Government or DPW and that the administrator of DPW shall be informed of such within twenty-four (24) hours of such conviction.

IN WITNESS WHEREOF the parties hereto have executed this Contract effective on the day and year of the Governor of Guam's signature as written below.

  
JOANNE M. S. BROWN, Director  
Department of Public Works  
Contracting Officer

CONTRACTOR:

WITNESS NO 1:

IMCO GENERAL CONSTRUCTION, INC.

Frank Imhof  
FRANK IMHOF, President  
Building 17-3311 Corsair Road  
Tiyan, Guam 96921  
Date: 5-10-11

MARSA C. MENDIOLA  
MARSA C. MENDIOLA  
Print Name plus Signature  
Date: 5/10/11

WITNESS NO. 2:

CYNTHIA BLAZINA  
CYNTHIA BLAZINA  
Print Name plus Signature  
Date: 5/10/2011

I, Courtney Imhof certify that I am the Secretary of the corporation named as the completion Contractor herein; that Frank Imhof, the person who signed this Contract on behalf of the Contractor, was then president of said corporation; that said Contract was duly signed for and in behalf of said corporation by authority of its governing body, and is within the scope of its corporate powers.

) Corporate Seal (

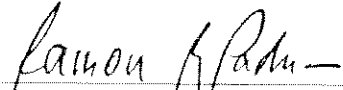
Courtney Imhof



DEPARTMENT OF PUBLIC WORKS:

DEPARTMENT OF PUBLIC WORKS

  
JOANNE M. S. BROWN  
Director

  
RAMON B. PALOU, P.E.  
Chief Engineer

Date: 5/13/11

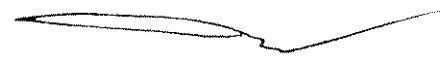
Date: 05/11/2011

DEPARTMENT OF PUBLIC WORKS:  
DPW Certifying Officer  
[Subject to the Availability of Funds]

For certification of funds only:  
CHUNG KUO INSURANCE CO., INC.  
Surety Certifying Officer  
[Subject to the Availability of Funds and  
payment of prior claims]

Request No. \_\_\_\_\_  
Account No(s). 5101F091068AR113-230 (\$1,017,908.00)  
Account No(s). 5101F091068IB113-230 (\$1,203,040.00)  
Amount: \$ 2,220,948.00

Bond No. CKI-090189-APB  
Account No(s). CKI account  
Account No(s). CKI account  
Amount: \$ As stipulated in the contract

  
JOAQUIN R. BLAZ, BMA IV  
Acting Program Administrator,  
Highways (Horizontal) Engineering  
and Maintenance


  
PAUL CHIANG  
Claims Manager

Date: 5/13/11

Date: 5/14/11

APPROVED & CLEARED PER  
BBMR'S REVIEW:  
[Subject to the Availability of Funds]

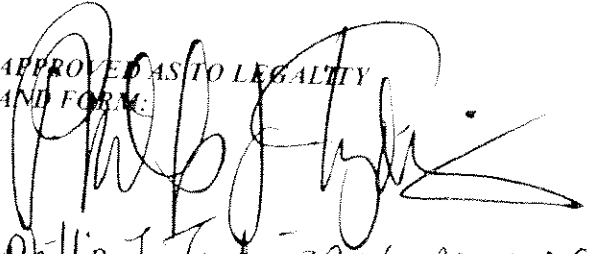
APPROVED AS TO LEGALITY AND FORM:  
BLAIR STERLING JOHNSON  
& MARTINEZ

  
BENITA A. MANGLONA, CPA  
Director, BBMR  
CLEARED PER  
BBMR'S REVIEW

  
THOMAS C. STERLING, Esq.  
Legal Counsel, Chung Kuo Insurance Co., Inc.

Date: 5/20/11

Date: 5/13/11

APPROVED AS TO LEGALITY  
AND FORM:  
  
Phillip J. Tynges, *Chief Deputy AG*  
LEONARDO M. RAPADAS  
Attorney General of Guam

Date: 5/27/2011

APPROVED:

HONORABLE EDDIE BAZA CALVO  
Governor of Guam

Date: \_\_\_\_\_



## RELEASE

### **KNOW ALL MEN BY THESE PRESENTS:**

That for and in consideration of the sum of **SEVENTEEN THOUSAND ONE HUNDRED FIFTY-TWO DOLLARS (\$17,152.00)** in lawful money of the United States and other good and valuable consideration, this day paid to **AMERICAN INTERNATIONAL SUPPLY** (hereinafter "PAYEE"), receipt of which is hereby acknowledged, said PAYEE does by these presents remise, release and forever discharge **CHUNG KUO INSURANCE CO., LTD., HUBTEC INTERNATIONAL CORPORATION and GOVERNMENT OF GUAM** (hereinafter "PAYOR"), their agents, servants and employees, and each of them, and all other persons, firms, corporations, associations or partnerships having any interest in or in any way connected with said PAYOR of all claims and demands for damages of every kind and nature whatsoever and whether now known or unknown, including any and all claims for labor, materials, liens, costs, expenses, design work, construction work, or other work performed, both past and future which the said PAYEE shall or may have against PAYOR, or any of the above named persons, firms, corporations, associations or partnerships by reason of or arising out of the Route 2 Culverts and Slide Repair Project, Project No. GU-NH-0002(104) and any and all claims against Chung Kuo Insurance Co., Ltd.'s Bond No. CKI-09-189-APB.

The undersigned further declares and represents that this Release expresses a ~~full and~~ complete settlement and regardless of the adequacy of the compensation, is intended to avoid future disputes, and that there is absolutely no promise, inducement or agreement on the part of PAYOR to make any payment or do any act or thing other than is herein expressly stated and clearly agreed to, and that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital.

In further consideration of the payment herein made, the undersigned waive the benefits of the provisions of 18 G.C.A. § 82602 (formerly § 1542 of the Civil Code of Guam), which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

INITIAL: *dm*

Tab B 0039

The undersigned hereby declares that he has read the foregoing Release and that he was apprised of his right to hire an attorney to explain the meaning thereof, but that he declines to do so as he fully understands and appreciates the meaning hereof, and has executed the same of his own free will and accord.

PAYEE further acknowledges that:

1. This Release consists of two (2) pages, each of which has been initialed by PAYEE at the lower right corner.
2. A copy of the Release has been retained by PAYEE.
3. Where appropriate, the masculine gender shall include the feminine and neuter, and the singular shall include the plural.

AMERICAN INTERNATIONAL SUPPLY

DATED: MAY 24, 2011.

BY: *J. Narvarte*  
 NAME: DORIS NARVARTE  
 ITS: DULY AUTHORIZED REPRESENTATIVE

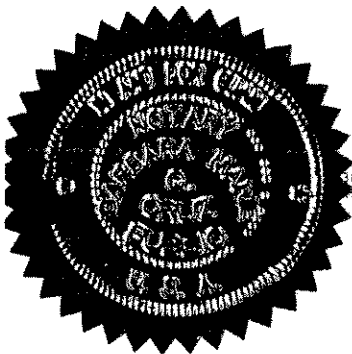
ACKNOWLEDGEMENT

GUAM, U.S.A.            )  
                                   ) ss:  
 CITY OF HAGÁTÑA    )

ON THIS 24<sup>th</sup> day of May, 2011, before me, a notary public in and for Guam, personally appeared DORIS NARVARTE, known or identified to me to be the Duly Authorized Representative of AMERICAN INTERNATIONAL SUPPLY, whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same on behalf of said corporation, in such capacity, being fully authorized to do so, and for the uses and purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

*Barbara M. Q. Cruz*  
 (official signature and seal of notary)



**BARBARA M.Q. CRUZ**  
**NOTARY PUBLIC**  
 In and for Guam, U.S.A.  
 My Commission Expires: Apr. 22, 2013  
 1008 DNA Building, 238 Archbishop  
 F.C. Flores St., Hagatna, Guam 96910 INITIAL: *JN*

302  
 354-RELEASE RE AMERICAN INTERNATIONAL SUPPLY.DOC

**CHUNG KUO INSURANCE CO. LTD.**

PH. 671-477-7686 671-472-2226  
P. O. BOX 3248  
HAGATNA, GU 96932

22850

101-511/1214

DATE May-26, 2011

PAY TO THE ORDER OF American International Supply \$ 17,152.00

SEVENTEEN THOUSAND ONE HUNDRED FIFTY TWO DOLLARS AND 0/100 \*\*\*\*\* DOLLARS



Hagatna Branch  
**BANK OF GUAM**  
P.O. BOX 117  
Hagatna, Guam 96932

*[Handwritten Signature]*

⑆022850⑆ ⑆2240515⑆ 0101266510⑆

CHUNG KUO INSURANCE CO. LTD.  
HAGATNA, GU 96932

**DETACH AND RETAIN THIS STATEMENT**

THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW  
IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

DATE	DESCRIPTION	AMOUNT
2011/5/20	CLAIM NO: BA11-001-APB CLAIMANT: Department of Public Works POLICY NO: CKI-090189-APB	17,152.00

*Pranwante 5/24/11*

BOG #2285

Details on Back

Security Features Included

## RELEASE

**KNOW ALL MEN BY THESE PRESENTS:**

That for and in consideration of the sum of **ELEVEN THOUSAND DOLLARS (\$11,000.00)** in lawful money of the United States and other good and valuable consideration, this day paid to **CHANG CHIN INC.** (hereinafter "PAYEE"), receipt of which is hereby acknowledged, said PAYEE does by these presents remise, release and forever discharge **CHUNG KUO INSURANCE CO., LTD., HUBTEC INTERNATIONAL CORPORATION** and **GOVERNMENT OF GUAM** (hereinafter "PAYOR"), their agents, servants and employees, and each of them, and all other persons, firms, corporations, associations or partnerships having any interest in or in any way connected with said PAYOR of all claims and demands for damages of every kind and nature whatsoever and whether now known or unknown, including any and all claims for labor, materials, liens, costs, expenses, design work, construction work, or other work performed, both past and future which the said PAYEE shall or may have against PAYOR, or any of the above named persons, firms, corporations, associations or partnerships by reason of or arising out of the Route 2 Culverts and Slide Repair Project, Project No. GU-NH-0002(104) and any and all claims against Chung Kuo Insurance Co., Ltd.'s Bond No. CKI-09-189-APB.

The undersigned further declares and represents that this Release expresses a full and complete settlement and regardless of the adequacy of the compensation, is intended to avoid future disputes, and that there is absolutely no promise, inducement or agreement on the part of PAYOR to make any payment or do any act or thing other than is herein expressly stated and clearly agreed to, and that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital.

In further consideration of the payment herein made, the undersigned waive the benefits of the provisions of 18 G.C.A. § 82602 (formerly § 1542 of the Civil Code of Guam), which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

INITIAL: 

Tab B 0042



**CHUNG KUO INSURANCE CO. LTD.**

PH. 671-477-7696 671-472-2226  
P. O. BOX 3248  
HAGATNA, GU 96932

22790

DATE May 11, 2011

101-511/1214  
1

PAY TO THE  
ORDER OF \*\*\* Chang Chin, Inc \*\*\*

\$ \$11,000.00

\*\*\*\*\* ELEVEN THOUSAND DOLLARS AND 0/100 \*\*\*\*\*

DOLLARS



Hagatna Branch  
**BANK OF GUAM**  
THE PEOPLE'S BANK  
P.O. Box BW  
Hagatna, Guam 96932

*Handwritten signature: Wally Hy*

⑈022790⑈ ⑆121405115⑆ 0101⑈ 266510⑈

CHUNG KUO INSURANCE CO. LTD.  
HAGATNA, GU 96932

**DETACH AND RETAIN THIS STATEMENT**  
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW  
IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

DATE	DESCRIPTION	AMOUNT
2011/5/11	CLAIM NO: BA11-001-AB CLAIMANT: Department of Public Works POLICY NO: CKI-090189-APB	11,000.00
		BOG #2279

PICK UP BY: *[Signature]*

DATE: MAY 11, 2011

## RELEASE

### KNOW ALL MEN BY THESE PRESENTS:

That for and in consideration of the sum of **SIX THOUSAND FIVE HUNDRED DOLLARS (\$6,500.00)** in lawful money of the United States and other good and valuable consideration, this day paid to **J.M. AQUINO P.C.** (hereinafter "PAYEE"), receipt of which is hereby acknowledged, said PAYEE does by these presents remise, release and forever discharge **CHUNG KUO INSURANCE CO., LTD., HUBTEC INTERNATIONAL CORPORATION** and **GOVERNMENT OF GUAM** (hereinafter "PAYOR"), their agents, servants and employees, and each of them, and all other persons, firms, corporations, associations or partnerships having any interest in or in any way connected with said PAYOR of all claims and demands for damages of every kind and nature whatsoever and whether now known or unknown, including any and all claims for labor, materials, liens, costs, expenses, design work, construction work, or other work performed, both past and future which the said PAYEE shall or may have against PAYOR, or any of the above named persons, firms, corporations, associations or partnerships by reason of or arising out of the Route 2 Culverts and Slide Repair Project, Project No. GU-NH-0002(104) and any and all claims against Chung Kuo Insurance Co., Ltd.'s Bond No. CKI-09-189-APB.

The undersigned further declares and represents that this Release expresses a full and complete settlement and regardless of the adequacy of the compensation, is intended to avoid future disputes, and that there is absolutely no promise, inducement or agreement on the part of PAYOR to make any payment or do any act or thing other than is herein expressly stated and clearly agreed to, and that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital.

In further consideration of the payment herein made, the undersigned waive the benefits of the provisions of 18 G.C.A. § 82602 (formerly § 1542 of the Civil Code of Guam), which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

INITIAL: *N.P.*

Tab B 0045

The undersigned hereby declares that he has read the foregoing Release and that he was apprised of his right to hire an attorney to explain the meaning thereof, but that he declines to do so as he fully understands and appreciates the meaning hereof, and has executed the same of his own free will and accord.

PAYEE further acknowledges that:

1. This Release consists of two (2) pages, each of which has been initialed by PAYEE at the lower right corner.
2. A copy of the Release has been retained by PAYEE.
3. Where appropriate, the masculine gender shall include the feminine and neuter, and the singular shall include the plural.

J.M. AQUINO P.C.

DATED: MAY 19, 2011.

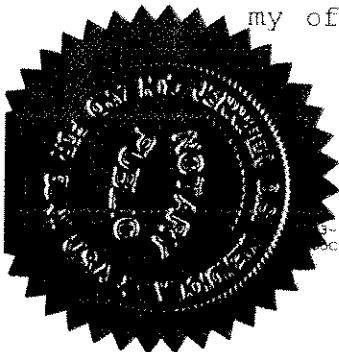
BY: Noly M. Aquino  
 NAME: Noly Aquino  
 ITS: DULY AUTHORIZED REPRESENTATIVE

ACKNOWLEDGEMENT

GUAM, U.S.A. )  
 ) SS:  
 CITY OF HAGÁTÑA )

ON THIS 19th day of May, 2011, before me, a notary public in and for Guam, personally appeared NOLY M. AQUINO, known or identified to me to be the Duly Authorized Representative of J.M. AQUINO P.C., whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same on behalf of said corporation, in such capacity, being fully authorized to do so, and for the uses and purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



Jennifer D.S. Mendiola  
 (Official signature and seal of notary)

**JENNIFER D.S. MENDIOLA**  
**NOTARY PUBLIC**  
 In and for Guam, U.S.A.  
 My Commission Expires: Apr. 13, 2013  
 1008 DNA Building, 238 Archbishop  
 F.C. Flores St., Hagaña, Guam 96910

INITIAL: N.A.



**CHUNG KUO INSURANCE CO. LTD.**

PH. 671-477-7696 671-472-2226  
P. O. BOX 3248  
HAGATNA, GU 96932

22787

DATE May 11, 2011

101-511/1214

PAY TO THE  
ORDER OF \*\*\* J.M. Aquino, P.C. \*\*\*

\$ 6,500.00

\*\*\*\*\* SIX THOUSAND FIVE HUNDRED DOLLARS AND 0/100 \*\*\*\*\*

DOLLARS



Hagatna Branch  
**BANK OF GUAM**  
THE PEOPLE'S BANK  
P.O. Box BW  
Hagatna, Guam 96932

*Handwritten signature*

⑈022787⑈ ⑆121405115⑆ 0101⑈266510⑈

CHUNG KUO INSURANCE CO. LTD.  
HAGATNA, GU 96932

**DETACH AND RETAIN THIS STATEMENT**  
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW  
IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

DATE	DESCRIPTION	AMOUNT
2011/5/11	CLAIM NO: BA11-001-AB CLAIMANT: Department of Public Works POLICY NO: CKI-090189-APB	6,500.00
		BOG #2278

PICK UP BY: Noly Mo. Oquendo  
DATE: MAY 19, 2011

## RELEASE

---

### *KNOW ALL MEN BY THESE PRESENTS:*

That for and in consideration of the sum of **TWENTY-THREE THOUSAND EIGHT HUNDRED SIXTY-TWO AND 83/100 DOLLARS (\$23,862.83)** in lawful money of the United States and other good and valuable consideration, this day paid to **HAWAIIAN ROCK PRODUCTS CORPORATION** (hereinafter "PAYEE"), receipt of which is hereby acknowledged, said PAYEE does by these presents remise, release and forever discharge **CHUNG KUO INSURANCE CO., LTD., HUBTEC INTERNATIONAL CORPORATION** and **GOVERNMENT OF GUAM** (hereinafter "PAYOR"), their agents, servants and employees, and each of them, and all other persons, firms, corporations, associations or partnerships having any interest in or in any way connected with said PAYOR of all claims and demands for damages of every kind and nature whatsoever and whether now known or unknown, including any and all claims for labor, materials, liens, costs, expenses, design work, construction work, or other work performed, both past and future which the said PAYEE shall or may have against PAYOR, or any of the above named persons, firms, corporations, associations or partnerships by reason of or arising out of the Route 2 Culverts and Slide Repair Project, Project No. GU-NH-0002(104) and any and all claims against Chung Kuo Insurance Co., Ltd.'s Bond No. CK1-09-189-APB.

The undersigned further declares and represents that this Release expresses a full and complete settlement and regardless of the adequacy of the compensation, is intended to avoid future disputes, and that there is absolutely no promise, inducement or agreement on the part of PAYOR to make any payment or do any act or thing other than is herein expressly stated and clearly agreed to, and that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital.

In further consideration of the payment herein made, the undersigned waive the benefits of the provisions of 18 G.C.A. § 82602 (formerly § 1542 of the Civil Code of Guam), which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release,

which if known by him must have materially affected his settlement with the debtor.

The undersigned hereby declares that he has read the foregoing Release and that he was apprised of his right to hire an attorney to explain the meaning thereof, but that he declines to do so as he fully understands and appreciates the meaning hereof, and has executed the same of his own free will and accord.

PAYEE further acknowledges that:

1. This Release consists of two (2) pages, each of which has been initialed by PAYEE at the lower right corner.
2. A copy of the Release has been retained by PAYEE.
3. Where appropriate, the masculine gender shall include the feminine and neuter, and the singular shall include the plural.

**HAWAIIAN ROCK PRODUCTIONS  
CORPORATION**

DATED: JULY \_\_\_\_\_, 2011.

BY: \_\_\_\_\_  
NAME: \_\_\_\_\_  
ITS: DULY AUTHORIZED REPRESENTATIVE

**ATTORNEY'S CONSENT**

I have read the foregoing Release and approve it as to substance and as to form and have advised **HAWAIIAN ROCK PRODUCTS CORPORATION** to execute it.

**THOMAS MCKEE TARPLEY LAW OFFICE**

BY: \_\_\_\_\_  
**THOMAS M. TARPLEY, JR.**  
*Attorneys for Payee*

ACKNOWLEDGEMENT

GUAM, U.S.A.            )  
                                  ) ss:  
CITY OF HAGATÑA        )

ON THIS \_\_\_\_\_ day of July, 2011, before me, a notary public in and for Guam, personally appeared \_\_\_\_\_, known or identified to me to be the Duly Authorized Representative of **HAWAIIAN ROCK PRODUCTS CORPORATION**, whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same on behalf of said corporation, in such capacity, being fully authorized to do so, and for the uses and purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

-----  
*(official signature and seal of notary)*

Notary Public  
State of Guam  
My Commission Expires \_\_\_\_\_

## RELEASE

### *KNOW ALL MEN BY THESE PRESENTS:*

That for and in consideration of the sum of **ONE THOUSAND FOUR HUNDRED DOLLARS (\$1,400.00)** in lawful money of the United States and other good and valuable consideration, this day paid to **LUJAN TOWING & AUTO PARTS** (hereinafter "PAYEE"), receipt of which is hereby acknowledged, said PAYEE does by these presents remise, release and forever discharge **CHUNG KUO INSURANCE CO., LTD., HUBTEC INTERNATIONAL CORPORATION** and **GOVERNMENT OF GUAM** (hereinafter "PAYOR"), their agents, servants and employees, and each of them, and all other persons, firms, corporations, associations or partnerships having any interest in or in any way connected with said PAYOR of all claims and demands for damages of every kind and nature whatsoever and whether now known or unknown, including any and all claims for labor, materials, liens, costs, expenses, design work, construction work, or other work performed, both past and future which the said PAYEE shall or may have against PAYOR, or any of the above named persons, firms, corporations, associations or partnerships by reason of or arising out of the Route 2 Culverts and Slide Repair Project, Project No. GU-NH-0002(104) and any and all claims against Chung Kuo Insurance Co., Ltd.'s Bond No. CKI-09-189-APB.

The undersigned further declares and represents that this Release expresses a full and complete settlement and regardless of the adequacy of the compensation, is intended to avoid future disputes, and that there is absolutely no promise, inducement or agreement on the part of PAYOR to make any payment or do any act or thing other than is herein expressly stated and clearly agreed to, and that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital.

In further consideration of the payment herein made, the undersigned waive the benefits of the provisions of 18 G.C.A. § 82602 (formerly § 1542 of the Civil Code of Guam), which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

INITIAL 

Tab B 0051

The undersigned hereby declares that he has read the foregoing Release and that he was apprised of his right to hire an attorney to explain the meaning thereof, but that he declines to do so as he fully understands and appreciates the meaning hereof, and has executed the same of his own free will and accord.

PAYEE further acknowledges that:

1. This Release consists of two (2) pages, each of which has been initialed by PAYEE at the lower right corner.
2. A copy of the Release has been retained by PAYEE.
3. Where appropriate, the masculine gender shall include the feminine and neuter, and the singular shall include the plural.

**LUJAN TOWING & AUTO PARTS**

DATED: MAY 20, 2011.

BY: Raymond S. Lujan  
 NAME: Raymond S. Lujan  
 ITS: DULY AUTHORIZED REPRESENTATIVE

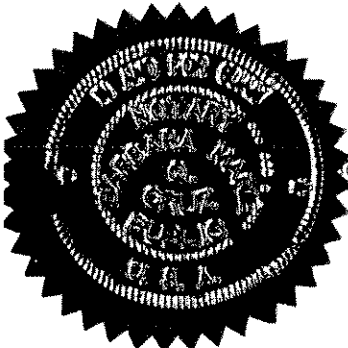
**ACKNOWLEDGEMENT**

GUAM, U.S.A. )  
 ) ss:  
 CITY OF HAGATÑA )

ON THIS 20<sup>th</sup> day of May, 2011, before me, a notary public in and for Guam, personally appeared Raymond S. Lujan, known or identified to me to be the Duly Authorized Representative of LUJAN TOWING & AUTO PARTS, whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same on behalf of said corporation, in such capacity, being fully authorized to do so, and for the uses and purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

[Signature]  
 (official signature and seal of notary)



62  
 53-RELEASE RE LUJAN TOWING & AUTO PARTS.DOC

**BARBARA M.Q. CRUZ**  
**NOTARY PUBLIC**  
 In and for Guam, U.S.A.  
 My Commission Expires: Apr. 22, 2013  
 1008 DNA Building, 238 Archbishop  
 F.C. Flores St., Hagatña, Guam 96910

INITIAL: [Signature]

Tab B 0052

**CHUNG KUO INSURANCE CO. LTD.**

PH. 671-477-7696 671-472-2226  
P. O. BOX 3248  
HAGATNA, GU 96932

22788

DATE May 11, 2011

101-511/1214

PAY TO THE  
ORDER OF \*\*\* Lujan Towing and Auto Parts\*\*\*

\$ 1,400.00

\*\*\*\*\* ONE THOUSAND FOUR HUNDRED DOLLARS AND 0/100 \*\*\*\*\*

DOLLARS



Hagatna Branch  
**BANK OF GUAM**  
THE PEOPLE'S BANK  
P.O. Box BW  
Hagatna, Guam 96932

*Chip Willyby*

⑈022788⑈ ⑆121405115⑆ 0101⑈ 266510⑈

CHUNG KUO INSURANCE CO. LTD.  
HAGATNA, GU 96932

**DETACH AND RETAIN THIS STATEMENT**  
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW  
IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

DATE	DESCRIPTION	AMOUNT
2011/5/11	CLAIM NO: BA11-001-AB CLAIMANT: Department of Public Works POLICY NO:CKI-090189-APB	1,400.00
		BOG #2278

PICK UP BY: *Jay B. Lopez*

DATE: MAY 20, 2011

## RELEASE

### KNOW ALL MEN BY THESE PRESENTS:

That for and in consideration of the sum of **FIFTY-EIGHT THOUSAND FOUR HUNDRED DOLLARS (\$58,400.00)** in lawful money of the United States and other good and valuable consideration, this day paid to **ROCKY CONSTRUCTION COMPANY** (hereinafter "PAYEE"), receipt of which is hereby acknowledged, said PAYEE does by these presents remise, release and forever discharge **CHUNGKUO INSURANCE CO., LTD., HUBTEC INTERNATIONAL CORPORATION** and **GOVERNMENT OF GUAM** (hereinafter "PAYOR"), their agents, servants and employees, and each of them, and all other persons, firms, corporations, associations or partnerships having any interest in or in any way connected with said PAYOR of all claims and demands for damages of every kind and nature whatsoever and whether now known or unknown, including any and all claims for labor, materials, liens, costs, expenses, design work, construction work, or other work performed, both past and future which the said PAYEE shall or may have against PAYOR, or any of the above named persons, firms, corporations, associations or partnerships by reason of or arising out of the Route 2 Culverts and Slide Repair Project, Project No. GU-NH-0002(104) and any and all claims against Chung Kuo Insurance Co., Ltd.'s Bond No. CKI-09-189-APB.

The undersigned further declares and represents that this Release expresses a full and complete settlement and regardless of the adequacy of the compensation, is intended to avoid future disputes, and that there is absolutely no promise, inducement or agreement on the part of PAYOR to make any payment or do any act or thing other than is herein expressly stated and clearly agreed to, and that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital.

In further consideration of the payment herein made, the undersigned waive the benefits of the provisions of 18 G.C.A. § 82602 (formerly § 1542 of the Civil Code of Guam), which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

INITIAL: 

Tab B 0054



The undersigned hereby declares that he has read the foregoing Release and that he was apprised of his right to hire an attorney to explain the meaning thereof, but that he declines to do so as he fully understands and appreciates the meaning hereof, and has executed the same of his own free will and accord.

PAYEE further acknowledges that:

1. This Release consists of two (2) pages, each of which has been initialed by PAYEE at the lower right corner.
2. A copy of the Release has been retained by PAYEE.
3. Where appropriate, the masculine gender shall include the feminine and neuter, and the singular shall include the plural.

ROCKY CONSTRUCTION COMPANY

DATED: MAY 23, 2011.

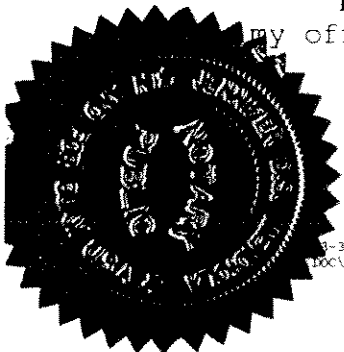
BY: *[Signature]* 5/23/11  
 NAME: RAUL D. VARGAS  
 ITS: DULY AUTHORIZED REPRESENTATIVE

ACKNOWLEDGEMENT

GUAM, U.S.A. )  
 ) ss:  
 CITY OF HAGÁTÑA )

ON THIS 23<sup>RD</sup> day of May, 2011, before me, a notary public in and for Guam, personally appeared RAUL D. VARGAS, known or identified to me to be the Duly Authorized Representative of ROCKY CONSTRUCTION COMPANY, whose name is subscribed to the foregoing instrument, and acknowledged to me that he executed the same on behalf of said corporation, in such capacity, being fully authorized to do so, and for the uses and purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



*[Signature]*  
 (official signature and seal of notary)

**JENNIFER D.S. MENDIOLA**  
**NOTARY PUBLIC**  
 In and for Guam, U.S.A.  
 My Commission Expires: Apr. 13, 2013  
 1008 DNA Building, 238 Archbishop  
 F.C. Flores St., Hagatña, Guam 96910

3-302  
 DOC\355-RELEASE RE ROCKY CONSTRUCTION COMPANY.DOC

**CHUNG KUO INSURANCE CO. LTD.**

PH. 671-477-7696 671-472-2226  
P. O. BOX 3248  
HAGATNA, GU 96932

22851

101-511/1214

DATE May 30, 2011

PAY TO THE  
ORDER OF

Rocky Construction Company

\$ 58,400.00

\*\*\*\*\* FIFTY EIGHT THOUSAND FOUR HUNDRED DOLLARS AND 0/100 \*\*\*\*\*

DOLLARS



Hagatna Branch  
**BANK OF GUAM**  
THE PEOPLE'S BANK  
P.O. Box BW  
Hagatna, Guam 96932

*Christ Kelly*

⑆022851⑆ ⑆224051⑆5⑆ 010128510⑆

PAY TO CHUNG KUO INSURANCE CO. LTD.  
HAGATNA, GU 96932

**DETACH AND RETAIN THIS STATEMENT**  
THE ATTACHED CHECK IS A LIST OF ITEMS DESCRIBED BELOW  
IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

DATE	DESCRIPTION	AMOUNT
2011/5/20	CLAIM NO: BA11-001-APB CLAIMANT: Department of Public Works POLICY NO: CKI-090189-APB	58,400.00
	<i>Rocky - 5/23/11</i>	BOG #2285

RELEASE

**KNOW ALL MEN BY THESE PRESENTS:**

That for and in consideration of the sum of **FOUR THOUSAND EIGHT HUNDRED FIFTY-SEVEN AND 18/100 DOLLARS (\$4,857.18)** in lawful money of the United States and other good and valuable consideration, this day paid to **SJ RENTAL, INC.** (hereinafter "PAYEE"), receipt of which is hereby acknowledged, said PAYEE does by these presents remise, release and forever discharge **CHUNG KUO INSURANCE CO., LTD.** and **GOVERNMENT OF GUAM** (hereinafter "PAYOR"), their agents, servants and employees, and each of them, and all other persons, firms, corporations, associations or partnerships having any interest in or in any way connected with said PAYOR of all claims and demands for damages of every kind and nature whatsoever and whether now known or unknown, including any and all claims for labor, materials, liens, costs, expenses, design work, construction work, or other work performed, both past and future which the said PAYEE shall or may have against PAYOR, or any of the above named persons, firms, corporations, associations or partnerships by reason of or arising out of the Route 2 Culverts and Slide Repair Project, Project No. GU-NH-0002(104) and any and all claims against Chung Kuo Insurance Co., Ltd.'s Bond No. CKI-09-189-APB.

The undersigned further declares and represents that this Release expresses a full and complete settlement and regardless of the adequacy of the compensation, is intended to avoid future disputes, and that there is absolutely no promise, inducement or agreement on the part of PAYOR to make any payment or do any act or thing other than is herein expressly stated and clearly agreed to, and that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital.

In further consideration of the payment herein made, the undersigned waive the benefits of the provisions of 18 G.C.A. § 82602 (formerly § 1542 of the Civil Code of Guam), which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

INITIAL:   TJ  

Tab B 0057

The undersigned hereby declares that he has read the foregoing Release and that he was apprised of his right to hire an attorney to explain the meaning thereof, but that he declines to do so as he fully understands and appreciates the meaning hereof, and has executed the same of his own free will and accord.

PAYEE further acknowledges that:

1. This Release consists of two (2) pages, each of which has been initialed by PAYEE at the lower right corner.
2. A copy of the Release has been retained by PAYEE.
3. Where appropriate, the masculine gender shall include the feminine and neuter, and the singular shall include the plural.

S J RENTAL, INC.

DATED: MAY 19, 2011

BY: [Signature]  
NAME: Takehisa Totsuka  
ITS: DULY AUTHORIZED REPRESENTATIVE

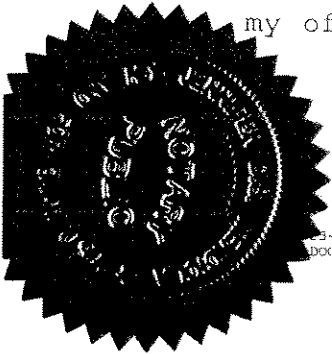
ACKNOWLEDGEMENT

GUAM, U.S.A. )  
                  ) ss:  
CITY OF HAGÁTÑA )

ON THIS 19th day of May, 2011, before me, a notary public in and for Guam, personally appeared TAKEHISA TOTSUKA, known or identified to me to be the Duly Authorized Representative of S J RENTAL, INC., whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same on behalf of said corporation, in such capacity, being fully authorized to do so, and for the uses and purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.

[Signature]  
(Official Signature and seal of notary)



JENNIFER D.S. MENDIOLA  
NOTARY PUBLIC  
In and for Guam, U.S.A.  
My Commission Expires: Apr. 13, 2013  
1008 DNA Building, 238 Archbishop  
F.C. Flores St., Hagaña, Guam 96910

INITIAL: 7.7

**CHUNG KUO INSURANCE CO. LTD.**

PH. 671-477-7696 671-472-2226  
P. O. BOX 3248  
HAGATNA, GU 96932

22789

DATE May 11, 2011

101-511/1214

PAY TO THE  
ORDER OF \*\*\* S J Rental, Inc. \*\*\*

\$ 4,857.18

\*\*\*\*\* FOUR THOUSAND EIGHT HUNDRED FIFTY SEVEN DOLLARS AND 18/100 \*\*\*\*\*

DOLLARS



Hagatna Branch  
**BANK OF GUAM**  
THE PEOPLE'S BANK  
P.O. Box 5W  
Hagatna, Guam 96932

⑈022789⑈ ⑆21409115⑆ 0101⑈ 266510⑈

CHUNG KUO INSURANCE CO. LTD.  
HAGATNA, GU 96932

**DETACH AND RETAIN THIS STATEMENT**  
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW  
IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

DATE	DESCRIPTION	AMOUNT
2011/5/11	CLAIM NO: BA11-001-AB CLAIMANT: Department of Public Works POLICY NO: CKI-090189-APB	4,857.18
		BOG #2278

PICK UP BY: [Signature]

DATE: MAY 19, 2011

**RELEASE**

**KNOW ALL MEN BY THESE PRESENTS:**

That for and in consideration of the sum of **THREETHOUSAND THREE HUNDRED TWENTY-TWO AND 80/100 DOLLARS (\$3,322.80)** in lawful money of the United States and other good and valuable consideration, this day paid to **SOLID TRADING** (hereinafter "PAYEE"), receipt of which is hereby acknowledged, said PAYEE does by these presents remise, release and forever discharge **CHUNG KUO INSURANCE CO., LTD., HUBTEC INTERNATIONAL CORPORATION and GOVERNMENT OF GUAM** (hereinafter "PAYOR"), their agents, servants and employees, and each of them, and all other persons, firms, corporations, associations or partnerships having any interest in or in any way connected with said PAYOR of all claims and demands for damages of every kind and nature whatsoever and whether now known or unknown, including any and all claims for labor, materials, liens, costs, expenses, design work, construction work, or other work performed, both past and future which the said PAYEE shall or may have against PAYOR, or any of the above named persons, firms, corporations, associations or partnerships by reason of or arising out of the Route 2 Culverts and Slide Repair Project, Project No. GU-NH-0002(104) and any and all claims against Chung Kuo Insurance Co., Ltd.'s Bond No. CKI-09-189-APB.

The undersigned further declares and represents that this Release expresses a full and complete settlement and regardless of the adequacy of the compensation, is intended to avoid future disputes, and that there is absolutely no promise, inducement or agreement on the part of PAYOR to make any payment or do any act or thing other than is herein expressly stated and clearly agreed to, and that this Release contains the entire agreement between the parties hereto, and that the terms of this Release are contractual and not a mere recital.

In further consideration of the payment herein made, the undersigned waive the benefits of the provisions of 18 G.C.A. § 82602 (formerly § 1542 of the Civil Code of Guam), which reads as follows:

A general release does not extend to claims which the creditor does not know or suspect to exist in his favor at the time of executing the release, which if known by him must have materially affected his settlement with the debtor.

INITIAL: 

Tab B 0060

The undersigned hereby declares that he has read the foregoing Release and that he was apprised of his right to hire an attorney to explain the meaning thereof, but that he declines to do so as he fully understands and appreciates the meaning hereof, and has executed the same of his own free will and accord.

PAYEE further acknowledges that:

1. This Release consists of two (2) pages, each of which has been initialed by PAYEE at the lower right corner.
2. A copy of the Release has been retained by PAYEE.
3. Where appropriate, the masculine gender shall include the feminine and neuter, and the singular shall include the plural.

**SOLID TRADING**

DATED: MAY 24, 2011.

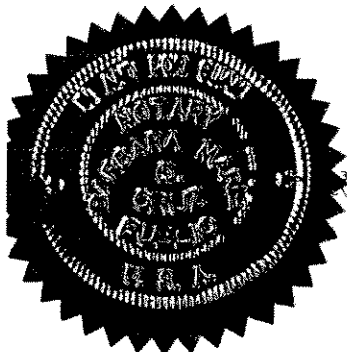
BY: *Steven Lim*  
NAME: STEVEN LIM  
ITS: DULY AUTHORIZED REPRESENTATIVE

**ACKNOWLEDGEMENT**

GUAM, U.S.A.            )  
                                  ) ss:  
CITY OF HAGÁTÑA    )

ON THIS 24 day of May, 2011, before me, a notary public in and for Guam, personally appeared STEVEN LIM, known or identified to me to be the Duly Authorized Representative of **SOLID TRADING**, whose name is subscribed to the foregoing instrument, and acknowledged to me that he/she executed the same on behalf of said corporation, in such capacity, being fully authorized to do so, and for the uses and purposes therein contained.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed my official seal the day and year first above written.



302  
356-RELEASE RE SOLID TRADING.DOC

*Barbara M.Q. Cruz*  
(official signature and seal of notary)

**BARBARA M.Q. CRUZ**  
**NOTARY PUBLIC**  
In and for Guam, U.S.A.  
My Commission Expires: Apr. 22, 2013  
1006 DNA Building, 238 Archbishop  
F.C. Flores St., Hagåtña, Guam 96910

INITIAL: *SL*

Tab B 0061

**CHUNG KUO INSURANCE CO. LTD.**

PH. 671-477-7696 671-472-2226  
P. O. BOX 3248  
HAGATNA, GU 96932

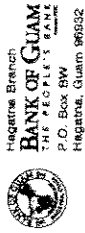
22852

DATE May 20, 2011 101-511/7214

PAY TO THE ORDER OF Solid Trading

\$ 3,322.80

THREE THOUSAND THREE HUNDRED TWENTY TWO DOLLARS AND 80/100 DOLLARS



Hagatna Branch  
**BANK OF GUAM**  
THE PEOPLE'S BANK  
P.O. Box 8W  
Hagatna, Guam 96932

*[Handwritten Signature]*

⑆022852⑆ ⑆240515⑆ 01010266510⑆

CHUNG KUO INSURANCE CO. LTD.  
HAGATNA, GU 96932

**DETACH AND RETAIN THIS STATEMENT**  
THE ATTACHED CHECK IS IN PAYMENT OF ITEMS DESCRIBED BELOW  
IF NOT CORRECT, PLEASE NOTIFY US PROMPTLY. NO RECEIPT DESIRED

DATE	DESCRIPTION	AMOUNT
2011/5/20	CLAIM NO: BA11-001-APB CLAIMANT: Department of Public Works POLICY NO: CKI-090189-APB	3,322.80

RECEIVED BY:  
*[Handwritten Signature]*  
2011 MAY 24

BOG #2285



T ab

C

## TAB C

### **DETERMINATION OF AWARD MADE AFTER RECEIPT OF PROTEST**

*(As required by 2 G.A.R. §12105(h) and 2 G.A.R. 2 G.A.R. § 9101(e))*

The requirements of 2 G.A.R. Section 9101(e) are not applicable to this case because that section is relevant only in a protest relative to the method of procurement, solicitation, or award. Here, Appellee Government agrees with Appellant Hubtec International Corp. and stipulates that the instant appeal involves a contract dispute, and not a procurement protest.

Additionally, the requirements of 2 G.A.R. Section 9101(e) are not applicable in any event because an award was made to Appellant two years before (and not after) receipt of its protest.

Tab

D



OFFICE OF THE PUBLIC AUDITOR

Appendix B: Declaration Form  
PROCUREMENT APPEAL

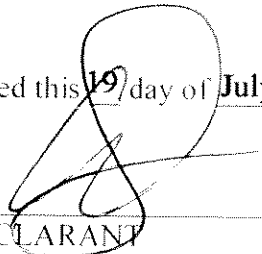
In the Appeal of )  
 )  
**HUBTECH INTERNATIONAL CORP.** )  
 )  
 (Name of Company), APPELLANT ) Docket No. OPA-PA -11-009  
 )  
 )

**DECLARATION RE COURT ACTION**  
(To be signed by the Government Purchasing Agency.)

Pursuant to 5 GCA Chapter 5, unless the court requests, expects, or otherwise expresses interest in a decision by the Public Auditor, the Office of the Public Auditor will not take action on any appeal where action concerning the protest or appeal has commenced in any court.

The undersigned party does hereby confirm that to the best of his or her knowledge, no case or action concerning the subject of this Appeal has been commenced in court. All parties are required to and the undersigned party agrees to notify the Office of the Public Auditor within 24 hours if court action commences regarding this Appeal or the underlying procurement action.

Submitted this 19 day of July, 2011.

By:   
 \_\_\_\_\_  
 DECLARANT

**CARL V. DOMINGUEZ**  
 \_\_\_\_\_  
 Print Declarant's Name  
 Department of Public Works, Acting Director,

APPENDIX B TN 001115

11-0248  
SCM

**RECEIVED**  
 JUL 19 2011  
 12:30 PM  
 Office of the Attorney General of Guam  
 Civil/Solicitor Division