

17



GOVERNMENT OF GUAM
RETIREMENT FUND

307 MAY 10 AM 2:35

RECEIVED

Gregory E. Seller
Senior Vice President, Government Markets
18111 Von Karman Avenue, Suite 560
Irvine, California 92612
800.933.9808.
eFax: 949.315.3428
Fax: 949.474.1707
Email: gregory.seller@gwrs.com

May 9, 2007

Ms. Paula M Blas
Director
Government of Guam Retirement Fund
424 Route 8
Maite, Guam 96910

**RE: RFP #GGRF -028-06 Investment Management and Plan
Administration Services related to the 401(a) Defined Contribution Plan,
457 Deferred Compensation Plan and Welfare Benefit Plan**

Dear Ms. Blas

Great-West Retirement Services ("Great-West"), 424 Route 8, Maite, Guam, 96910-2010 hereby officially protests the determination by the Government of Guam Retirement Fund ("GGRF") that our firm's best and final offer is not "fair and reasonable" given the estimated value, scope, complexity and professional nature of the services to be rendered in accordance with the above-referenced RFP. This decision by GGRF, communicated to us in the April 27, 2007 letter from Ms. Ulloa, is not based on facts for the following reasons:

1. Great-West is the #1 Provider of Services to States & US Territories

Great-West is the largest provider of defined contribution services to state governments. Great-West serves 15 of the 50 states, which is more states than are served by any other competitor in the market.¹ While Guam is not a state, the Government of Guam, and the defined contribution plans maintained by GGRF would be viewed as being comparable to state plans in any comparison as to the scope, complexity

¹ According to a survey conducted by Great-West in January, 2007

and professional nature of the services to be rendered. In each of these 15 states, Great-West has been awarded services as a result of a competitive bidding process similar in nature to that conducted with respect to RFP #GGRF -028-06. Since Great-West was the winning bidder in each of these 15 states it would be hard for GGRF to justify that our pricing is not "fair and reasonable" given the volume of business Great-West has been awarded by entities very similar to GGRF.

2. Great-West Pricing is "Fair and Reasonable"

As further evidence that the pricing offered to GGRF is "fair and reasonable", we also refer to a decision by the State of Montana to renew Great-West earlier this year, during the same time period that GGRF was negotiating with Great-West following your determination that Great-West was the "best qualified" offeror. The comparisons between the State of Montana and GGRF are quite striking:

- The GGRF defined contribution plans have approximately 9,873 participants. The Montana defined contribution plans have approximately 10,000 distinct participants. Both Montana and GGRF have an existing contract with Great-West that was up for renewal, and subject to an open bidding process in the public market.
- Great-West submitted the most competitive pricing for Montana at \$57 per participant account, and was recently awarded the business. Great-West submitted a best and final price offer to GGRF in the amount of .27% of plan assets, which is mathematically equivalent to \$45.16 participant account.² Therefore, on two very similar plans, where Great-West maintains a local office with local staffing, and other plan services very comparable to each other, GGRF received a bid that was *even less* than the winning bid for the State of Montana.

3. GGRF Provided No Factual Basis for Their Determination

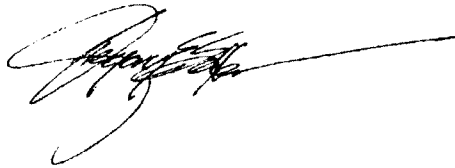
The April 27, 2007 letter from Ms. Ulloa includes no factual basis for the determination by GGRF that the Great-West offer is not "fair and reasonable". In order to make their determination that the best and final offer by Great-West was not "fair and reasonable", GGRF will have to provide factual evidence for similar plans that is contrary to the above facts presented by Great-West.

² See my March 21, 2007 letter addressed to you

In accordance with 5GCA, section 5425(g), and GAR section 9101(e), the Territory shall not proceed further with solicitation or award of the contract prior to the final resolution of such protest, and any such further action is void. Great-West believes that the conclusions described in the April 27, 2007 letter are not based on facts and the GGRF is not acting in good faith to negotiate a fair and reasonable price with the best qualified bidder (Great-West).

Great-West requests that GGRF immediately resume negotiations regarding our compensation in good faith or we will be forced to take other steps to enforce our rights under Territory law and this bid process in particular.

Sincerely,

A handwritten signature in black ink, appearing to read 'Gregory E. Seller', with a long horizontal line extending to the right.

Gregory E. Seller
Senior Vice President
Government Markets
GES/mp

cc: Mr. Mike Perez, Regional Director, Guam/Micronesia
Mr. Kent Morris, Vice President

18



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

May 11, 2007

Mr. David J. John
President
ASC TRUST CORPORATION
Capitol Plaza, Suite 110
120 Father Duenas Avene
Hagåtña, Guam 96910

Re: RFP No. GGRF-028-06 – Investment Management and Plan
Administration Services related to the 401(a) Defined
Contribution Plan, 457 Deferred Compensation Plan and
Welfare Benefit Plan: Stay of Procurement

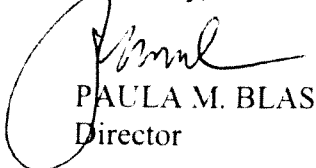
Dear Mr. John:

Please be advised that the Government of Guam Retirement Fund has executed a "Stay of Procurement" on the above subject Request for Proposal as a result of Great-West Retirement Services' letter dated May 9, 2007, and until such time a final resolution has been reached.

If you should have any questions, please feel free to contact the undersigned.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director


GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

May 11, 2007

Ms. Michele Scott
Regional Vice President
LINCOLN FINANCIAL GROUP / BANK OF HAWAII
1300 South Clinton Street
Fort Wayne, IN. 46802

Re: RFP No. GGRF-028-06 – Investment Management and Plan
Administration Services related to the 401(a) Defined
Contribution Plan, 457 Deferred Compensation Plan and
Welfare Benefit Plan: Stay of Procurement

Dear Mr. Scott:

Please be advised that the Government of Guam Retirement Fund has executed a “Stay of Procurement” on the above subject Request for Proposal as a result of Great-West Retirement Services’ letter dated May 9, 2007, and until such time a final resolution has been reached.

If you should have any questions, please feel free to contact the undersigned.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director


GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

May 11, 2007

Mr. Gregory E. Seller
Senior Vice President, Government Markets
GREAT-WEST RETIREMENT SERVICES
18111 Von Karman Avenue, Suite 560
Irvine, CA. 92612

Re: RFP No. GGRF-028-06 – Investment Management and Plan
Administration Services related to the 401(a) Defined
Contribution Plan, 457 Deferred Compensation Plan and
Welfare Benefit Plan: Stay of Procurement

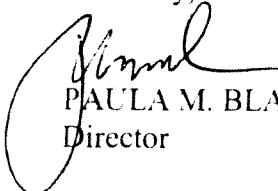
Dear Mr. Seller:

Please be advised that the Government of Guam Retirement Fund has executed a “Stay of Procurement” on the above subject Request for Proposal as a result of Great-West Retirement Services’ letter dated May 9, 2007, and until such time a final resolution has been reached.

If you should have any questions, please feel free to contact the undersigned.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

May 11, 2007

MEMORANDUM

To: Attorney General, Department of Law


From: Director

Subject: Protest Letter
Great-West Retirement Services dated May 9, 2007

Re: Reason for Protest: Termination of Negotiations Letter dated
April 27, 2007

In compliance with Section 9-101.03.04 of the Guam Procurement Regulations and Public Law 16-124, as amended, we are forwarding a copy of a "Stay of Procurement" letter referenced above, and applies only to the following:

- We are currently reviewing the concerns and this transmittal is submitted for information purposes only.
- Please render an opinion
- The information provided is as per your request.
- Other: _____


PAULA M. BLAS
Director



GOVERNMENT OF GUAM
RETIREMENT FUND
 STABILITY · SECURITY · REWARDS

Felix P. Camacho
 Governor

Michael W. Cruz, M.D.
 Lieutenant Governor

Paula M. Blas
 Director

Trustees:

Joe T. San Agustin
 Chairman

Wilfred P. Leon Guerrero, Ed.D.
 Vice-Chairman
 Investment Committee, Chairman

James J. Taylor, Ph.D.
 Secretary
 Investment Committee, Vice-Chairman

Gerard A. Cruz
 Treasurer
 Audit & Operations Committee,
 Chairman

George A. Santos
 Members' & Benefits Committee,
 Chairman

Katherine T.E. Taitano
 Trustee

May 11, 2007

MEMORANDUM

To: Office of the Public Auditor

From: Director

Subject: Protest Letter
 Great-West Retirement Services dated May 9, 2007

Re: Reason for Protest: Termination of Negotiations Letter dated
 April 27, 2007

In compliance with Section 9-101.03.04 of the Guam Procurement Regulations and Public Law 16-124, as amended, we are forwarding a copy of a "Stay of Procurement" letter referenced above, and applies only to the following:

- We are currently reviewing the concerns and this transmittal is submitted for information purposes only.
- Please render an opinion
- The information provided is as per your request.
- Other: _____


 PAULA M. BLAS
 Director

19

Paula M. Blas

From: "Paula M. Blas" <pmbblas@ite.net>
To: "David John" <david.john@ascpac.com>
Cc: "Gaby Bamba" <gaby.bamba@ascpac.com>
Sent: Monday, May 14, 2007 12:23 PM
Attach: Stay of Procurement - ASC 05.11.07.PDF
Subject: RFP No. GGRF-028-06 Stay of Procurement

Good Afternoon David,

In the interest of time, I am emailing you a copy of the letter that was mailed to you.

Regards,

Paula M. Blas
Director
GOVERNMENT OF GUAM RETIREMENT FUND
Tel: 671.475.8900/01
Fax: 671.475.8922
Email: pmbblas@ite.net

05.14.07

R
GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

May 11, 2007

Mr. David J. John
President
ASC TRUST CORPORATION
Capitol Plaza, Suite 110
120 Father Duenas Avene
Hagåtña, Guam 96910

Re: RFP No. GGRF-028-06 – Investment Management and Plan
Administration Services related to the 401(a) Defined
Contribution Plan, 457 Deferred Compensation Plan and
Welfare Benefit Plan: Stay of Procurement

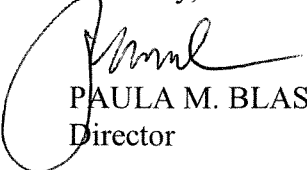
Dear Mr. John:

Please be advised that the Government of Guam Retirement Fund has executed a "Stay of Procurement" on the above subject Request for Proposal as a result of Great-West Retirement Services' letter dated May 9, 2007, and until such time a final resolution has been reached.

If you should have any questions, please feel free to contact the undersigned.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director

Paula M. Blas

From: "Paula M. Blas" <pmbblas@ite.net>
To: "Seller, Gregg" <gregory.seller@gwl.com>
Cc: "Perez, Mike" <mike.perez@gwl.com>
Sent: Monday, May 14, 2007 12:26 PM
Attach: Stay of Procurement - GWRS 05.11.07.PDF
Subject: RFP No. GGRF-028-06 Stay of Procurement

Good Afternoon Greg,

In the interest of time, I am emailing you a copy of the letter that was mailed to you.

Regards,

Paula M. Blas
Director
GOVERNMENT OF GUAM RETIREMENT FUND
Tel: 671.475.8900/01
Fax: 671.475.8922
Email: pmbblas@ite.net

R
GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

May 11, 2007

Mr. Gregory E. Seller
Senior Vice President, Government Markets
GREAT-WEST RETIREMENT SERVICES
18111 Von Karman Avenue, Suite 560
Irvine, CA. 92612

Re: RFP No. GGRF-028-06 – Investment Management and Plan
Administration Services related to the 401(a) Defined
Contribution Plan, 457 Deferred Compensation Plan and
Welfare Benefit Plan: Stay of Procurement

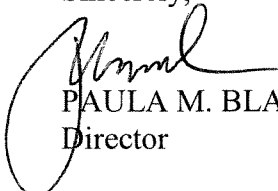
Dear Mr. Seller:

Please be advised that the Government of Guam Retirement Fund has executed a “Stay of Procurement” on the above subject Request for Proposal as a result of Great-West Retirement Services’ letter dated May 9, 2007, and until such time a final resolution has been reached.

If you should have any questions, please feel free to contact the undersigned.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director

Paula M. Blas

From: "Paula M. Blas" <pmbblas@ite.net>
<mscott@inc.com>
Cc: "Marilyn Megofna" <mmegofna@boh.com>; <racquino@boh.com>
Sent: Monday, May 14, 2007 12:29 PM
Attach: Stay of Procurement - Lincoln-BOH 05.11.07.PDF
Subject: RFP No. GGFR-028-06 Stay of Procurement

Good Afternoon Michele,

In the interest of time, I am emailing you a copy of the letter that was mailed to you.

Regards,

Paula M. Blas
Director
GOVERNMENT OF GUAM RETIREMENT FUND
Tel: 671.475.8900/01
Fax: 671.475.8922
Email: pmbblas@ite.net



R
GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

May 11, 2007

Ms. Michele Scott
Regional Vice President
LINCOLN FINANCIAL GROUP / BANK OF HAWAII
1300 South Clinton Street
Fort Wayne, IN. 46802

Re: RFP No. GGRF-028-06 – Investment Management and Plan
Administration Services related to the 401(a) Defined
Contribution Plan, 457 Deferred Compensation Plan and
Welfare Benefit Plan: Stay of Procurement

Dear Mr. Scott:

Please be advised that the Government of Guam Retirement Fund has executed a
“Stay of Procurement” on the above subject Request for Proposal as a result of
Great-West Retirement Services’ letter dated May 9, 2007, and until such time a
final resolution has been reached.

If you should have any questions, please feel free to contact the undersigned.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director



Capitol Plaza
Suite 110
120 Father Duenas Avenue
Hagåtña, Guam 96910

Tel: (671) 477-2724
Fax: (671) 477-2729
Website: www.ascpac.com

David J. John
President

May 14, 2007

Paula M. Blas
Director
Government of Guam Retirement Fund
424 Route 8
Maite, Guam 96910

RECEIVED
2007 MAY 14 PM 3:19
GOVT OF GUAM
PRIME FIN

Re: RFP No. GGRF-028-06 – Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan

Dear Ms. Blas:

We would like to thank you for your letter dated May 7, 2007. We are in agreement with the required Custodial Services and Pricing requested:

Custodial Services:

In your letter, you requested that the custodian selected by ASC to provide trust services must be independent of ASC, and that you preferred a local trust company.

We have contacted the Bank of Guam Trust Department and they have agreed to act as an independent trustee to the plan. Their proposed annual fee for their services is .015% of total assets plus \$25 per distribution from the plan.

If this is not acceptable, we are open to working with the trust company of your choice.

Pricing:

We are in agreement with your proposed pricing for the services listed in our response to RFP No. GGRF-028-06 - Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan:

- ASC will not assess a fee to the Participant Account Balances.
- All re-allowances and rebates of 12-b-1 fees received by ASC from the investment option managers will be remitted to the fund.
- ASC will charge .25% of total assets as our fee for Investment Management and Plan Administrative Services related to the GGRF 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan.

Services:

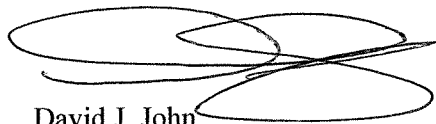
RFP No. GGRF-028-06 - Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan covers a wide range of services. The following is a list of the basic services covered by the RFP.

- Recordkeeping System Conversion
- On-going Recordkeeping & Administration
- Custodial / Trustee Fees
- Financial Investment Advisory Services & Educational Material
- Distribution / 1099R & Check Processing
- Postage
- Hardship Administration
- QDRO Administration
- Wire Fees
- Statements & Management Reports
- Customer Service and Webb Access
- Enrollment and Training Services
- Enrollment & Awareness Material
- Newsletter & Retirement Planning Material

As you can see by the above list, we anticipate this being a comprehensive administration and management contract for your plans. However, if any additional services are required, we are open to further discussion.

We look forward to a successful negotiation and working with you for years to come. If you have any questions or concerns, please feel free to contact me at 477-0250.

Sincerely,
ASC Trust Corporation



David J. John
President

20

CONFIDENTIAL

21



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

June 1, 2007

Mr. Gregory E. Seller
Senior Vice President, Government Markets
Great-West Retirement Services
18111 Von Karman Avenue, Suite 560
Irvine, CA 92612

Re: Protest to RFP #GGRF-028-06

Dear Mr. Seller:

Thank you for your letter dated May 9, 2007. As Director of the Government of Guam Retirement Fund ("GGRF"), the Purchasing Agency issuing RFP# GGRF-028-06 ("the RFP"), and pursuant to my authority under applicable procurement rules¹, I am responding as follows.

I have reviewed and considered your arguments against our decision to terminate negotiations with your firm, as well as the written record of the GGRF selection panel's reasons prompting its decision to terminate negotiations with your firm. Based on the circumstances and governing procurement rules, I must deny your protest for the reasons below.

A. Background.

Great-West Retirement Services ("GWRS") submitted its proposal at or before the November 6, 2006 date and time announced for receipt of proposals. The proposal submitted by GWRS was determined to meet minimum qualifications, rendering the proposal eligible for further evaluation. After discussions with GWRS in January 2007, the procurement selection panel found that GWRS complied with the mandatory and material requirements of the solicitation and was evaluated based on the proposal's technical merits and price. In March 2007, GWRS was notified that it was determined by the selection panel to be the best qualified offeror to provide the required services. Negotiations took place during March, 2007 to further evaluate GWRS's cost proposal for the services to be performed.

¹ Chapter 5, Article 9 of Title 5 of the Guam Code Annotated and Division 4, Chapter 9 of Title 2 of the Guam Administrative Rules and Regulations (GAR)

In its letter dated March 6, 2007, GGRF quantified key terms, which it deemed essential to an anticipated contract for Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan to be provided to GGRF. Specifically, GGRF requested the following items: (1) an independent custodian; (2) no fee for participant account balances; (3) a maximum charge of .25% of total assets as GWRS's fee; and (4) the remittance to GGRF of all re-allowances and rebates of the 12b-1 fees received from the investment option managers. GWRS's reply letter dated March 12, 2007 was deemed non-responsive to each of these items.

GGRF gave GWRS another opportunity in its letter dated March 18, 2007 to meet its required terms, requesting GWRS' "best and final offer". On March 21, 2007, GWRS responded with a reduced fee pricing but again failed to address the above-described material items. On April 27, 2007, GGRF notified GWRS that its "best and final offer is not fair and reasonable given the estimated value, scope, complexity and professional nature of the services rendered."

On May 10, 2007, you submitted a protest on three grounds:

1. GWRS is the #1 provider of services to U.S. states and territories, serving 15 states, which is more than any other provider in the market, according to a GWRS survey.
2. GWRS's pricing is "fair and reasonable," based on a comparison to the State of Montana's decision to renew GWRS's services, whereby Montana has a similar number of participants as GGRF.
3. GGRF provided no factual basis for its determination in its letter dated April 27, 2007.

B. Governing Procurement Rules.

The Guam procurement statute and regulations govern GGRF's conduct of this procurement process. To ensure equal treatment of competitors for award of any contract, the procurement regulations place rigid protocol that procuring agencies must exercise when handling proposals.

In particular, 2 GAR Section 3114.(f)(2) provides for the criteria by which all proposals are to be evaluated. 2 GAR Section 3114.(i)(1) restricts the scope of discussion between GGRF and offerors. 2 GAR Section 3114.(i)(2) prohibits disclosing any information from other offerors until after an award of the proposed contract is made. 2 GAR Section 3114.(l) outlines the negotiation process between GGRF and the best qualified offeror, including "agreeing upon compensation which is fair and reasonable, taking into account the estimated value of the required services, and the scope, complexity, and nature of such services."

C. Analysis.

1. We applaud your success as being a provider of defined contribution services in various U.S. states and territories. While this success may substantiate GWRS's qualifications, it must be weighed not in isolation, but against the value (price) given the scope and complexity of services to be provided. Pursuant to 2 GAR Section 3114.(1)(2)(C), GGRF carefully considered the estimated value of the required services as set forth in the RFP, as well as the scope, complexity, and nature of such services, in comparison to the proposals submitted by other qualified offerors.

2. The fairness and reasonability of GWRS's pricing in its proposal to the RFP is to be compared only against the relevant pool of proposals from other qualified offerors. Contracts negotiated and awarded in other jurisdictions are relevant to GWRS's qualifications and experience but cannot be the basis to establish that GWRS's "best and final offer" is fair and reasonable for the scope of work proposed under the RFP. The determination of "fair and reasonable" is relative only to the other proposals submitted under the RFP based on the needs of GGRF in comparison to other proposals from other offerors.

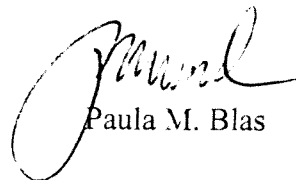
3. GGRF is not authorized to provide GWRS at this juncture with its factual basis for determining that GWRS's proposal was not fair and reasonable because it would mean disclosing competitors' proposals prior to award. While 2 GAR Section 3114.i(2) prohibits disclosing any information from other offerors, please be assured that both the evaluation process and the negotiation process are well documented with factual evidence supporting each decision the GGRF selection panel has made in relation to the RFP. This includes the systematic approach of selecting you as the best offeror as well as the unfortunate determination that Great-West was non-responsive to GGRF's good faith attempt to reach mutually beneficial contract terms.

D. Conclusion.

For the reasons above, your protest is denied. This is a final decision on GWRS's protest. Pursuant to Public Law No. 28-68:IV:65, you may appeal this decision.

I thank you sincerely for your interest in providing services to GGRF, and I hope you will compete again for future requirements.

Sincerely,



Paula M. Blas

cc: Attorney General Alicia Limtiaco

Confirmation Report - Memory Send

Page : 001
Date & Time: Jun-08-07 11:25am
Line 1 : +6714779491
Machine ID : Gov Guam Retirement Employee

Job number : 816
Date : Jun-08 11:23am
To : 8101648319494741707
Number of pages : 004
Start time : Jun-08 11:23am
End time : Jun-08 11:25am
Pages sent : 004
Status : OK

Job number : 816

*** SEND SUCCESSFUL ***

424 Route 8
Maite, Guam 96910
Tel: 671.475.8951/8952
Fax: 671.475.8922



Fax Transmittal

| | | | |
|---------------|--------------------------------|----------------------|------------------|
| To: | Gregory E. Seller | From: | Debbie Ulloa for |
| | Great-West Retirement Services | | Paula M. Blas |
| Fax: | 949.474.1707 | Date: | June 8, 2007 |
| Phone: | 800.933.9808 | No. of Pages: | Four (4) |
| Re: | RFP No. GGRF-028-06 | | |

| | | | |
|--|--|---|---------------------------------------|
| <input checked="" type="checkbox"/> Urgent | <input checked="" type="checkbox"/> For Review | <input type="checkbox"/> Please Comment | <input type="checkbox"/> Please Reply |
|--|--|---|---------------------------------------|

● Message:

Dear Mr. Seller:

Please find copy of GGRF letter in response to your protest letter dated May 9, 2007 regarding RFP No. GGRF-028-06 for Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan. Original letter was mailed to your office on June 1, 2007.

Thank You,
Debbie Ulloa
Debbie Ulloa
Administrative Assistant

NOTICE: THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE. If the reader of this message is not the intended recipient or an employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication by error, please notify us immediately by telephone and discard the original message.

424 Route 8
Maite, Guam 96910
Tel: 671.475.8951, 8952
Fax: 671.475.8922



Fax Transmittal

| | | | |
|---------------|--------------------------------|----------------------|------------------|
| To: | Gregory E. Seller | From: | Debbie Ulloa for |
| | Great-West Retirement Services | | Paula M. Blas |
| Fax: | 949.474.1707 | Date: | June 8, 2007 |
| Phone: | 800.933.9808 | No. of Pages: | Four (4) |
| Re: | RFP No. GGRF-028-06 | | |

Urgent For Review Please Comment Please Reply

● **Message:**

Dear Mr. Seller:

Please find copy of GGRF letter in response to your protest letter dated May 9, 2007 regarding RFP No. GGRF-028-06 for Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan. Original letter was mailed to your office on June 1, 2007.

Thank You,

Debbie Ulloa
Administrative Assistant

NOTICE: THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE. If the reader of this message is not the intended recipient or an employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication by error, please notify us immediately by telephone and discard the original message.

22



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Leutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

June 8, 2007

Ms. Michele Scott
Regional Vice President
LINCOLN FINANCIAL GROUP / BANK OF HAWAII
1300 South Clinton Street
Fort Wayne, IN. 46802

Re: RFP No. GGRF-028-06 – Investment Management and Plan
Administration Services related to the 401(a) Defined
Contribution Plan, 457 Deferred Compensation Plan and
Welfare Benefit Plan: Stay of Procurement dated May 11, 2007

Dear Mr. Scott:

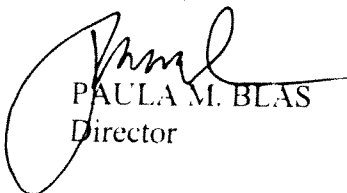
Pursuant to the protest letter submitted by Great-West Retirement Services, you are hereby advised that the Government of Guam Retirement Fund declares their protest to be without merit.

The referenced "Stay of Procurement" has been lifted and we anticipate making an award relative to the subject Request for Proposal.

If you should have any questions, please feel free to contact the undersigned.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director

Cc: Attorney General
Office of the Public Auditor



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

June 8, 2007

Mr. Gregory E. Seller
Senior Vice President, Government Markets
GREAT-WEST RETIREMENT SERVICES
18111 Von Karman Avenue, Suite 560
Irvine, CA. 92612

Re: RFP No. GGRF-028-06 – Investment Management and Plan
Administration Services related to the 401(a) Defined
Contribution Plan, 457 Deferred Compensation Plan and
Welfare Benefit Plan: Stay of Procurement dated May 11, 2007

Dear Mr. Seller:

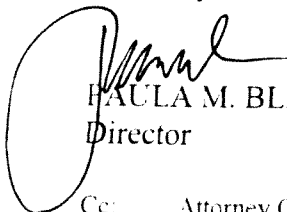
Pursuant to the protest letter submitted by Great-West Retirement Services, you are hereby advised that the Government of Guam Retirement Fund declares their protest to be without merit.

The referenced “Stay of Procurement” has been lifted and we anticipate making an award relative to the subject Request for Proposal.

If you should have any questions, please feel free to contact the undersigned.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director

Cc: Attorney General
Office of the Public Auditor



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

June 8, 2007

Mr. David J. John
President
ASC TRUST CORPORATION
Capitol Plaza, Suite 110
120 Father Duenas Avene
Hagåtña, Guam 96910

Re: RFP No. GGRF-028-06 – Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan: Stay of Procurement dated May 11, 2007

Dear Mr. John:

Pursuant to the protest letter submitted by Great-West Retirement Services, you are hereby advised that the Government of Guam Retirement Fund declares their protest to be without merit.

The referenced "Stay of Procurement" has been lifted and we anticipate making an award relative the subject Request for Proposal.

If you should have any questions, please feel free to contact the undersigned.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director

Cc: Attorney General
Office of the Public Auditor



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taltano
Trustee

June 8, 2007


MEMORANDUM

To: Attorney General, Department of Law
From: Director
Subject: Protest Letter
Great-West Retirement Services dated May 9, 2007
Re: Stay of Procurement dated May 11, 2007

Pursuant to the protest letter submitted by Great-West Retirement Services, you are hereby advised that the Government of Guam Retirement Fund declares their protest to be without merit. In addition, the referenced "Stay of Procurement" has been lifted and we anticipate making an award relative to the subject Request for Proposal.

We are forwarding a copy of the determination of the subject above, and applies only to the following:

- We are currently reviewing the concerns and this transmittal is submitted for information purposes only.
- Please render an opinion
- The information provided is as per your request.
- Other: For information purposes only.


PAULA M. BLAS
Director



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

June 8, 2007

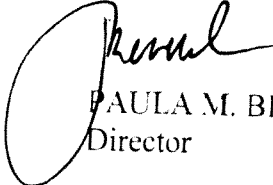
MEMORANDUM

To: Office of the Public Auditor
From: Director
Subject: Protest Letter
Great-West Retirement Services dated May 9, 2007
Re: Stay of Procurement dated May 11, 2007

Pursuant to the protest letter submitted by Great-West Retirement Services, you are hereby advised that the Government of Guam Retirement Fund declares their protest to be without merit. In addition, the referenced "Stay of Procurement" has been lifted and we anticipate making an award relative to the subject Request for Proposal.

We are forwarding a copy of the determination of the subject above, and applies only to the following:

- We are currently reviewing the concerns and this transmittal is submitted for information purposes only.
- Please render an opinion
- The information provided is as per your request.
- Other: For information purposes only.


PAULA M. BLAS
Director

23



GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

June 15, 2007

Mr. David J. John
President
ASC TRUST CORPORATION
Capitol Plaza, Suite 110
120 Father Duenas Avenue
Hagåtña, Guam 96910

Re: RFP No. GGRF-028-06 – Investment Management and Plan Administration
Services related to the 401(a) Defined Contribution Plan, 457 Deferred
Compensation Plan and Welfare Benefit Plan

Dear Mr. John:

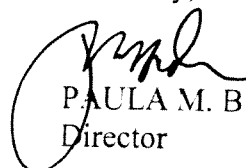
Thank you for your response dated May 14, 2007 in reference to the RFP for professional services related to providing Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan.

The cost pricing and data you submitted has been reviewed. The provider for the Custodial Services you proposed may be subject to further consideration. At this time, please provide me with your best and final offer for all services to be provided as outlined in your proposal.

Please provide your response to the Retirement Fund no later than Monday, June 25, 2007.

If you require additional information or have any additional questions or concerns, please do not hesitate to contact me or Ms. Debbie I. Ulloa at (671) 475-8952/51 or by email at dliulloa@ggrf.com.

Sincerely,


PAULA M. BLAS
Director

424 Route 8
Maite, Guam 96910
Tel: 671.475.8900
Fax: 671.475.8922

24



Capitol Plaza
Suite 110
120 Father Duenas Avenue
Hagåtña, Guam 96910

Tel: (671) 477-2724
Fax: (671) 477-2729
Website: www.ascpac.com

David J. John
President

JUN 18 PM 3:41

RECEIVED

June 18, 2007

Paula M. Blas
Director
Government of Guam Retirement Fund
424 Route 8
Maite, Guam 96910

Dear Ms. Blas:

We are writing to formally request for an update on the status of RFP No. GGRF-028-06 - Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan.

On May 9, we received your letter dated May 7 advising us that we had been "evaluated and deemed to be the next qualified to provide the required services." In addition, we were asked to submit specific cost or pricing data relating to custodial services and pricing. We responded by the May 14 deadline. On May 16, we received a separate letter dated May 11 advising ASC that the Fund had executed a "Stay of Procurement" on the RFP.

Since then, we have not received further correspondence from your office advising us whether the stay was lifted, what the status of the RFP was, or whether you were able to proceed in any way. With this, we respectfully request an update as we have been awaiting word from your office to officially enter into negotiations with the Fund.

On a separate point, we have noticed that you are working on a global custodial contract. We would like to emphasize - and reiterate a statement that we included in our May 14 response to the Fund - that if you would like a separate trust company in place on the DC Plan, that we are open to working with any trust company that GGRF would like to work with. This includes the winning bidder of the global custodial RFP if this would simplify the project or reduce costs for the plan.

We look forward to hearing from you soon.

If you have any questions or concerns, please feel free to contact me at 477-0250.

Sincerely,
ASC Trust Corporation

A handwritten signature in black ink, appearing to read 'David J. John', is written over a circular scribble.

David J. John
President

**THIS DOCUMENT CONTAINS
CONFIDENTIAL INFORMATION AND IS NOT
BEING PRODUCED TO THE PUBLIC**

25



Capitol Plaza
Suite 110
120 Father Duenas Avenue
Hagåtña, Guam 96910

Tel: (671) 477-2724
Fax: (671) 477-2729
Website: www.asepac.com

David J. John
President

June 21, 2007

GOVERNMENT OF GUAM
RECEIVED
JUN 21 2007 3:12 PM
Director's Office

Paula M. Blas
Director
Government of Guam Retirement Fund
424 Route 8
Maite, Guam 96910

Re: RFP No. GGRF-028-06 – Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan

Dear Ms. Blas:

We received both your June 8, 2007 and June 15, 2007 letters in the mail on June 20, 2007.

Pursuant to your June 8th letter, we are pleased to hear that the Stay of Procurement dated May 11, 2007 has been lifted and that GGRF is anticipating making an award relative to the subject Request for Proposal.

As requested in your June 15th letter, the following is our best and final offer for services to be provided, as outlined in our proposal.

Pricing:

As we clarified in our letter dated May 14, 2007, we are in agreement with GGRF's proposed pricing listed in your May 7, 2007 letter. This pricing covers the services listed in our response to RFP No. GGRF-028-06 - Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan. **To reiterate, based on GGRF's letter dated May 7, we agree the pricing for the contract will be as follows:**

- ASC will not assess a fee to the Participant Account Balances.
- All re-allowances and rebates of 12-b-1 fees received by ASC from the investment option managers will be remitted to the fund.
- ASC will charge .25% of total assets as our fee for Investment Management and Plan Administrative Services related to the GGRF 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan.

Services:

RFP No. GGRF-028-06 - Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan covers a wide range of services. The following is a list of the basic services covered by the RFP.

- Recordkeeping System Conversion
- On-going Recordkeeping & Administration
- Custodial / Trustee Fees
- Financial Investment Advisory Services & Educational Material
- Distribution / 1099R & Check Processing

THIS DOCUMENT CONTAINS
CONFIDENTIAL INFORMATION AND IS NOT
BEING PRODUCED TO THE PUBLIC

Page 2

Ms. Paula M. Blas

6/21/2007

- Postage
- Hardship Administration
- QDRO Administration
- Wire Fees
- Statements & Management Reports
- Customer Service and Webb Access
- Enrollment and Training Services
- Enrollment & Awareness Material
- Newsletter & Retirement Planning Material

The above listed services were provided to you in our letter dated May 14, 2007. Your June 15 letter does not notify us of any discrepancies in the above listed services. **Additionally, you verified in our conversation on June 20 that the above list of services was complete.** With this, we believe this list to be complete. However if any services were missed, we are open to further discussion.

Custodial Services:

In your May 7, 2007 letter, you requested that the custodian selected by ASC to provide trust services must be independent of ASC, and that you preferred a "local" trust company.

We read "local" trust company as a locally chartered trust company. With this, in our May 14th letter, we stated that we had contacted the Bank of Guam Trust Department and they had agreed to act as an independent custodian to the plan. Their proposed annual fee for their services is .015% of total assets, plus \$25 per distribution from the plan.

However, as indicated in your June 15, 2007 letter, the provider for the custodial services we proposed may be subject to further consideration. Pursuant to our conversation on June 20, 2007, you clarified that the reason for this was that the intent of the May 7th letter of "local" trust company was a trust company with a local presence and not necessarily a locally chartered trust company.

Based on this, we want to reiterate what we had previously stated in our May 14th letter - that if the Bank of Guam Option is not acceptable, we are open to working with the trust company of your choice. This would include working with other trust companies with a local presence, as well as the option of tying in the custodial relationship with the custodian of your Defined Benefit Plan if this works better for the fund. **For clarification point, we are open to working with the fund to find the custodian that best meets the needs of your plan.**

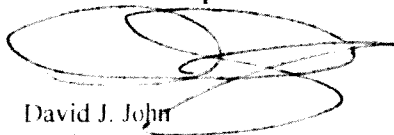
Conclusion:

As our fees are exactly as you requested in your May 7, 2007 letter, and you agreed in our June 20 conversation that our list of services in our May 14th response is complete, we hope to be able to move forward and sign an agreement with GGRF in a timely manner.

If you have any questions or concerns, please feel free to contact me at 477-0250.

Sincerely,

ASC Trust Corporation



David J. John
President

26

1 **LAW OFFICE OF ANTHONY R. CAMACHO, ESQ.**
2 Suite 500T, 5th Floor GCIC Building
3 414 West Soledad Ave.
4 Hagatna, Guam, 96913
5 Telephone: (671) 477-1389
6 Fax: (671) 477-1077
7 E-Mail: arcesq@hotmail.com

8 **ATTORNEY FOR APPELLANT**
9 Great-West Retirement Services

GOVT. OF GUAM
RETIREMENT FUND

797 JUN 22 AM 12: 53

RECEIVED
OFFICE OF THE PUBLIC AUDITOR
PROCUREMENT APPEALS

RECEIVED

JUN 22 2007

TIME: 1235 pm
BY: [Signature]
FILE No. OPA-PA 07-006

10 **OFFICE OF THE PUBLIC AUDITOR**
11 **GUAM**

12 IN THE APPEAL OF) Appeal No. _____
13 GREAT-WEST RETIREMENT)
14 SERVICES,)
15)
16) **NOTICE OF APPEAL**
17)
18)
19)
20)
21)
22)
23)
24)
25)
26)
27)
28)
Appellant.

29 **COMES NOW**, Appellant GREAT-WEST RETIREMENT SERVICES (GWRS), by
30 and through its counsel of record, ANTHONY R. CAMACHO, ESQ., and, pursuant to 2 GAR
31 §12201, does hereby submit its appeal of the Government of Guam Retirement Fund's (GGRF)
32 Procurement Protest Decision in RFP No. GGRF-028-06. Said appeal is as follows:

33 **APPELLANT INFORMATION**

34 Name: Great-West Retirement Services
35 A Division of Great-West Life & Annuity Insurance Company
36 Mailing Address: 18111 Von Karman Avenue, Suite 560
37 Irvine, CA 92612
38 Business Address: 424-B, Route 8
39 Hagatna, Guam, 96910-2010
40 Daytime Contact No: 475-8957/8958

41 **APPEAL INFORMATION**

42 A) Purchasing Agency: Government of Guam Retirement Fund

4 B) Solicitation: RFP No. GGRF-028-06-Investment Management and Plan
5 Administration Services related to the 401(a) Defined Contribution
6 Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan

7 C) Decision being appealed was made on June 1, 2007 by Paula M. Blas, Director, Government
8 of Guam Retirement Fund.

9 D) Appeal is made from a Decision on Protest of Method, Solicitation, or Award.

10 E) The names of the Competing Offerors are unknown to Appellant at this time.

11 **FORM AND FILING**

12 1. Grounds for Appeal:

13 **BACKGROUND**

14 On or before November 6, 2006, Appellant GREAT-WEST RETIREMENT SERVICES
15 (GWRS) submitted an offer in response to RFP No. GGRF-028-06. On March 6, 2007, Appellee
16 GOVERNMENT OF GUAM RETIREMENT FUND (GGRF) notified GWRS that it was
17 selected as the best qualified offeror for the RFP and that GGRF had reviewed the cost and
18 pricing data submitted by GWRS. See Letter by Paula M. Blas dated March 6, 2007 attached
19 herein as Exhibit A. Despite their prior receipt and review of GWRS cost and pricing data,
20 GGRF requested that GWRS submit additional cost and pricing data that included, in relevant
21 part: (1) The non-assessment of a fee to the Participant account balances; and (2) A charge .25%
22 of total assets as GWRS's fee; and (3) Provisions for all re-allowances and rebates of the 12b-1
23 fees received from the investment option managers to be remitted to the Fund. See Exhibit A.
24 On March 12, 2007, GWRS responded to GGRF's request by providing, in relevant part: (1)
25 That there would be no explicit fee deducted from participant accounts (zero administrative fee);
26 and (2) An Administrative Fee beginning at .33%, which, as assets grow, would be reduced to
27 .27% of assets per annum; (3) Any excess funding from investment options (fixed and variable)
28 in excess of the amounts stated (2) would be refunded to the Plan each year. See Letter by
Gregory E. Seller dated March 12, 2007 attached herein as Exhibit B. On March 18, 2007,

4 GGRF informed GWRS that GGRF did not accept the cost pricing GWRS submitted, and GGRF
5 ordered GWRS to submit its best and final offer no later than March 22, 2007. See Letter by
6 Paula M. Blas dated March 18, 2007 attached herein as Exhibit C. On March 21, 2007, GWRS
7 submitted its best and final offer which included a fee of .27% of total plan assets. See Letter by
8 Gregory E. Seller dated March 21, 2007 attached herein as Exhibit D.

9 On April 27, 2007, GGRF informed GWRS that GGRF determined that GWRS' best and
10 final offer is not fair and reasonable given the estimated value, scope, complexity and
11 professional nature of the services to be rendered and that GGRF terminated negotiations with
12 GWRS and would undertake negotiations with the next qualified firm to reach a contract at a fair
13 and reasonable price. See Letter by Debbie I. Ulloa dated April 27, 2007 attached herein as
14 Exhibit E. On May 9, 2007, GWRS protested GGRF's determination that GWRS' best and final
15 offer was not fair and reasonable given the estimated value, scope, complexity and professional
16 nature of the services to be rendered. See GWRS Procurement Protest Letter dated May 9, 2007
17 attached herein as Exhibit F. On June 1, 2007, GGRF denied GWRS' Protest. See Procurement
18 Protest Decision dated June 1, 2007 attached herein as Exhibit G.

19
20 **GROUND FOR APPEAL**

21 **a. GWRS is the most qualified offer and its fee of .27% of plan assets is fair and**
22 **reasonable given the estimated value, scope, complexity and professional nature of the**
23 **services to be rendered in accordance with RFP:** Award shall be made to the best qualified
24 offeror and negotiation of compensation determined to be fair and reasonable. 5 G.C.A. §5216(e)
25 and 2 G.A.R., Div. 4, Chap. 3, §3114(k). As stated above, GGRF selected GWRS as the most
26 qualified offeror. Further, based on GWRS's prior price quotations and contract prices, and
27 prices available on the open market, GWRS fee of .27% of plan assets is fair and reasonable.
28

4 Thus, GGRF's arbitrary and capricious decision to terminate negotiations with GWRS violates
5 Guam Procurement Law and Regulations.

6 **b. GGRF refused to negotiate fair and reasonable compensation with GWRS for**
7 **the services required by the RFP:** The head of the agency conducting the procurement or a
8 designee of the same shall negotiate a contract with the best qualified offeror for the required
9 services at compensation determined in writing to be fair and reasonable. 5 G.C.A. §5216(e) and
10 2 G.A.R., Div. 4, Chap. 3, §3114(k). Such negotiation must include an exchange of information
11 during which the offeror and the purchasing agency may alter or otherwise change the
12 conditions, terms, and price of the proposed contract. 2 G.A.R., Div. 4, Chap. 3, §3101(4).
13 Further, such negotiation must be directed toward agreeing upon compensation which is fair and
14 reasonable taking into account the estimated value of the services, and the scope, complexity,
15 and nature of such services. 2 G.A.R. Div. 4, Chap. 3, §3114(l)©. Here, GGRF did not
16 negotiate with GWRS as required by Guam Procurement Law and Statutes and instead arbitrarily
17 and capriciously demanded that GWRS accept GGRF's unfair and unreasonable "take it or
18 leave" price of .25% of total assets as GGRF's fee. Further, GGRF refused to exchange any
19 information with GWRS to show that GGRF's price of .25% was fair and reasonable. Thus,
20 GGRF arbitrarily and capriciously refused to negotiate a fair and reasonable price with GWRS in
21 violation of Guam Procurement Law and Regulations.

22 **c. GGRF failed or arbitrarily or capriciously refused to conduct a proper cost or**
23 **price analysis of GWRS' fee of .027% of total plan assets.** An offeror's submission of cost or
24 pricing data is made in accordance with 2 G.A.R., Div. 4, Chap. 3, §3118. 2 G.A.R., Div. 4,
25 Chap. 3, §3114(k). Here, GGRF did not make any specific finding that the cost and pricing data
26 submitted by GWRS, to include but not limited to GWRS's fee of .27% of total plan assets was
27 overstated or defective because it was inaccurate, incomplete, or noncurrent. 2 G.A.R., Div. 4,
28 Chap. 3, §3118(f). Further, GGRF refused to evaluate prices for the same or similar services, to

4 include the evidence of fees for comparable services and open market prices for similar services
5 provided by GWRS, to determine whether GWRS's fee of .27% of plan assets was fair and
6 reasonable. 2 G.A.R., Div. 4, Chap. 3, §3118(g). Instead, GGRF attempted to force GWRS to
7 accept a .25% fee and exchanged no information with GWRS showing that said fee was fair and
8 reasonable.

9 **d. GGRF failed to provide a written record stating the reasons compensation,**
10 **contract requirements, or contract documents cannot be agreed upon with GWRS and**
11 **GGRF failed to notify GWRS of its decision to terminate negotiations within three (3) days.**

12 If compensation, contract requirements, or contract documents cannot be agreed upon with the
13 best qualified offeror, a written record stating the reasons therefore shall be placed in the file and
14 the head of the purchasing agency or designee shall advise such offeror of the termination of
15 negotiations within three days. 2 G.A.R. Div. 4, Chap. 3, §3114(l)(4)(B). Here, GGRF failed to
16 provide the written record required by the said regulation and it failed to give GWRS notice of
17 the termination of the negotiations within three (3) days.

18 **e. GGRF failed to act in good faith:** All parties involved in the negotiation of contracts
19 shall act in good fath. 5 G.C.A. §5003. Here, as stated above, GGRF failed to negotiate with
20 GWRS, GGRF failed or refused to conduct a proper cost or price analysis of GWRS .27% fee,
21 and GGRF failed to provide GWRS with a written record of the reasons GGRF terminated its
22 negotiations with GWRS as required by Guam Procurement Regulations. Thus, GGRF failed to
23 act in good faith in violation of Guam Law.

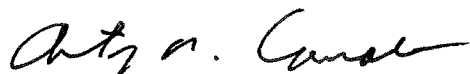
24 **f. GWRS hereby asserts any violation of Guam Law or Regulations that it does not**
25 **now know due but could know after it has been given access to the records in the possession**
26 **or control of GGRF.**

- 27 3. Supporting Exhibits are as follows:
28 a. Exhibit A: Letter by Paula Blas dated March 6, 2007

- 4 b. Exhibit B: Letter by Gregory E. Seller dated March 12, 2007
5 c. Exhibit C: Letter by Paula M. Blas dated March 18, 2007
6 d. Exhibit D: Letter by Gregory E. Seller dated March 21, 2007
7 e. Exhibit E: Letter by Debbie I. Ulloa Dated April 27, 2007
8 f. Exhibit F: Procurement Protest Letter dated May 9, 2007
9 g. Exhibit G: Procurement Protest Decision dated June 1, 2007
10 h. Any exhibit that GWRS may have after being given access to the records in the
11 possession or control of GGRF.

12 **DECLARATION RE COURT ACTION:** GWRS does hereby confirm that to the best of its
13 knowledge, no case or action concerning the subject of this appeal has been commenced in court.
14 All parties are required to and GWRS agrees to notify the Office of the Public Auditor within 24
15 hours if court action commences regarding this Appeal or the underlying procurement action.

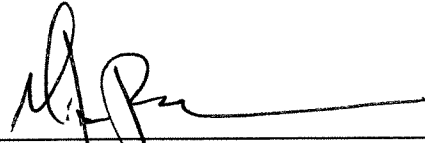
16
17 **RESPECTFULLY SUBMITTED** this 22st day of June, 2007

18
19
20 By: 
21 ANTHONY R. CAMACHO, ESQ.
22 Attorney for Appellant Great-West Retirement Services
23
24
25
26
27
28

4
5 **VERIFICATION**

6 I, the undersigned, being first duly sworn, declare that I am Appellant's duly authorized
7 representative in the above-entitled action, and that the foregoing Appeal is true of my own
8 knowledge, except as to such matters as are stated to be upon information and belief, and as to
9 those matters I believe them to be true.

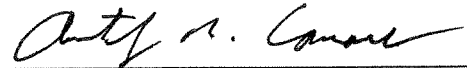
10
11 **DATED** this 22nd day of June, 2007.

12
13
14 

15
16 **MICHAEL J. PEREZ**
17 Duly Authorized Representative for Appellant
18 Great West Retirement Services

19 ISLAND OF GUAM)
20 CITY OF HAGÁTÑA) ss:

21
22 SWORN AND SUBSCRIBED to before me this 22nd day of June, 2007 by:

23
24 

25 **NOTARY PUBLIC**



ANTHONY R. CAMACHO, ESQ.
NOTARY PUBLIC
In and for Guam, U.S.A.
My Commission Expires: Dec. 01, 2010
Suite 500T, 5th Floor GCIC Building
414 West Soledad Ave., Hagatna, Guam 96910

27



GOVT. OF GUAM
RETIREMENT FUND

2007 JUN 22 PM 4: 58

OFFICE OF THE PUBLIC AUDITOR

VIA FACSIMILE 475-8922

RECEIVED

June 22, 2007

Ms. Paula M. Blas
Director
Government of Guam Retirement Fund
424 Route 8
Maite, Guam 96910

Re: Receipt of Notice of Appeal from Great-West Retirement Services - A Division of Great-West Life & Annuity Insurance Company re RFP No. GGRF-028-06-Investment Management and Plan Administration Services related to the 401 (a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan
File NO. OPA-PA-07-006

Dear Ms. Blas:

Please be advised that Great-West Retirement Services - A Division of Great-West Life & Annuity Insurance Company through its Attorney, Anthony R. Camacho, filed on June 22, 2007 at 12:35 p.m., an appeal with the Office of the Public Auditor of your protest decision on the above-stated procurement action. Immediate action is required of your office pursuant to the Rules of Procedure for Procurement Appeals, found in Chapter 12 of Title 2 of the Guam Administrative Regulations. Copies of the Rules and the appeal are available at our office and on our website www.guamopa.org. The front page of the appeal is enclosed for your reference.

Please provide the required notice of this appeal to the required parties with instructions that they should communicate directly with OPA regarding the appeal. You are also responsible for giving notice to the Attorney General or other counsel for your agency. Please provide OPA with the identities and addresses of interested parties and a formal entry of appearance by your counsel.

Please submit one complete copy of the procurement record to OPA within five working days of receiving notice of the appeal. When filing other required documents with our office, please provide an original and two copies for OPA, and serve a copy on the attorney for the Appellant.

Thank you for your prompt attention to this matter. Please contact OPA if you have any questions regarding this notice.

Sincerely,

DORIS FLORES BROOKS, CPA, CGFM
PUBLIC AUDITOR

Enclosure: Front Page of Appeal OPA-PA-07-006

cc: Anthony R. Camacho, Attorney for Appellant
Claudia Acfalle, Chief Procurement Officer, GSA

GOVT. OF GUAM
RETIREMENT FUND

2007 JUN 22 PM 4: 58

RECEIVED

1235 pm
07-006

1 **LAW OFFICE OF ANTHONY R. CAMACHO, ESQ.**
Suite 500T, 5th Floor GCIC Building
2 414 West Soledad Ave.
Hagatna, Guam, 96913
3 Telephone: (671) 477-1389
Fax: (671) 477-1077
4 E-Mail: arcesq@hotmail.com

5 **ATTORNEY FOR APPELLANT**
Great-West Retirement Services
6

7 **OFFICE OF THE PUBLIC AUDITOR**

8 **GUAM**

9
10 IN THE APPEAL OF) Appeal No. _____
11 GREAT-WEST RETIREMENT)
SERVICES,)
12) **NOTICE OF APPEAL**
13 Appellant.)
_____)

14 **COMES NOW**, Appellant GREAT-WEST RETIREMENT SERVICES (GWRS), by
15 and through its counsel of record, ANTHONY R. CAMACHO, ESQ., and, pursuant to 2 GAR
16 §12201, does hereby submit its appeal of the Government of Guam Retirement Fund's (GGRF)
17 Procurement Protest Decision in RFP No. GGRF-028-06. Said appeal is as follows:
18

19 **APPELLANT INFORMATION**

20
21 Name: Great-West Retirement Services
A Division of Great-West Life & Annuity Insurance Company
22 Mailing Address: 18111 Von Karman Avenue, Suite 560
23 Irvine, CA 92612
24 Business Address: 424-B, Route 8
Hagatna, Guam, 96910-2010
25 Daytime Contact No: 475-8957/8958
26

27 **APPEAL INFORMATION**

28 A) Purchasing Agency: Government of Guam Retirement Fund

COPY

28

R
GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

June 22, 2007

Ms. Michelle Scott
Regional Vice President
LINCOLN FINANCIAL GROUP/ BANK OF HAWAII
1300 South Clinton Street
Fort Wayne, IN. 46802


Re: RFP No. GGRF-028-06 – Investment Management and Plan
Administration Services related to the 401(a) Defined
Contribution Plan, 457 Deferred Compensation Plan and
Welfare Benefit Plan: Notice of Appeal

Dear Ms. Scott:

Please be advised that on June 22, 2007, Great-West Retirement Services filed a Notice of Appeal on the above subject Request for Proposal. Please communicate directly with the Office of the Public Auditor regarding the status of the Appeal. Also, be advised that the procurement process for RFP No. GGRF-028-06 is stayed until resolution of Great-West Retirement Services' appeal.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director

R
GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

June 22, 2007

Mr. Gregory E. Seller
Senior Vice President, Government Markets
GREAT-WEST RETIREMENT SERVICES
18111 Von Karman Avenue, Suite 560
Irvine, CA. 92612


Re: RFP No. GGRF-028-06 – Investment Management and Plan
Administration Services related to the 401(a) Defined
Contribution Plan, 457 Deferred Compensation Plan and
Welfare Benefit Plan: Notice of Appeal

Dear Mr. Seller:

Please be advised that on June 22, 2007, Great-West Retirement Services filed a Notice of Appeal on the above subject Request for Proposal. Please communicate directly with the Office of the Public Auditor regarding the status of the Appeal. Also, be advised that the procurement process for RFP No. GGRF-028-06 is stayed until resolution of Great-West Retirement Services' appeal.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director

R
GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

June 22, 2007

Mr. David J. John
President
ASC TRUST CORPORATION
Capitol Plaza, Suite 110
120 Father Duenas Avenue
Hagåtña, Guam 96910

Re: RFP No. GGRF-028-06 – Investment Management and Plan
Administration Services related to the 401(a) Defined
Contribution Plan, 457 Deferred Compensation Plan and
Welfare Benefit Plan: Notice of Appeal

Dear Mr. John:

Please be advised that on June 22, 2007, Great-West Retirement Services filed a Notice of Appeal on the above subject Request for Proposal. Please communicate directly with the Office of the Public Auditor regarding the status of the Appeal. Also, be advised that the procurement process for RFP No. GGRF-028-06 is stayed until resolution of Great-West Retirement Services' appeal.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director

29

Paula M. Blas

From: "Paula M. Blas" <pmbblas@ite.net>
To: "David John" <david.john@ascpac.com>
Sent: Monday, June 25, 2007 8:18 AM
Attach: Notice of Appeal - ASC 06.22.07.pdf
Subject: GWRS Notice of Appeal 06.22.07

David,

In the interest of time, please take note of the attached. Original letter was mailed to you.

Regards,

Paula M. Blas
Director
GOVERNMENT OF GUAM RETIREMENT FUND
Tel: 671.475.8900/01
Fax: 671.475.8922
Email: pmbblas@ite.net

Paula M. Blas

From: "Paula M. Blas" <pmblas@ite.net>
<mscott@inc.com>; <racquino@boh.com>
Cc: "Marilyn Megofna" <mmegofna@boh.com>
Sent: Monday, June 25, 2007 8:24 AM
Attach: Notice of Appeal - Lincoln BOH 06.22.07.pdf
Subject: GWRS Notice of Appeal 06.22.07

Michelle,

In the interest of time, please take note of the attached. Original letter was mailed to you.

Regards,

Paula M. Blas
Director
GOVERNMENT OF GUAM RETIREMENT FUND
Tel: 671.475.8900/01
Fax: 671.475.8922
Email: pmblas@ite.net

Paula M. Blas

From: "Paula M. Blas" <pmbblas@ite.net>
To: "Seller, Gregg" <gregory.seller@gwl.com>
Sent: Monday, June 25, 2007 8:25 AM
Attach: Notice of Appeal - GWRS 06.22.07.pdf
Subject: GWRS Notice of Appeal 06.22.07

Greg,

In the interest of time, please take note of the attached. Original letter was mailed to you.

Regards,

Paula M. Blas
Director
GOVERNMENT OF GUAM RETIREMENT FUND
Tel: 671.475.8900/01
Fax: 671.475.8922
Email: pmbblas@ite.net

Paula M. Blas

From: "David John" <david.john@ascpac.com>
To: "Paula M. Blas" <pmbblas@ite.net>
Sent: Monday, June 25, 2007 9:13 AM
Subject: Re: GWRS Notice of Appeal 06.22.07

Paula

Noted. Thanks for the update.

DJJ

----- Original Message -----

From: Paula M. Blas
To: David John
Sent: Monday, June 25, 2007 8:18 AM
Subject: GWRS Notice of Appeal 06.22.07

David,

In the interest of time, please take note of the attached. Original letter was mailed to you.

Regards,

Paula M. Blas
Director
GOVERNMENT OF GUAM RETIREMENT FUND
Tel: 671.475.8900/01
Fax: 671.475.8922
Email: pmbblas@ite.net

Confirmation Report - Memory Send

Page : 001
Date & Time: Jun-25-07 10:07am
Line 1 : +6714779491
Machine ID : Gov Guam Retirement Employee

Job number : 999
Date : Jun-25 10:05am
To : 84772729
Number of pages : 002
Start time : Jun-25 10:07am
End time : Jun-25 10:07am
Pages sent : 002
Status : OK

Job number : 999

*** SEND SUCCESSFUL ***

424 Route 8
Maite, Guam 96910
Tel: 671.475.8951/52
Fax: 671.475.8922



Fax Transmittal

| | | | |
|--|--|---|---------------------------------------|
| To: | David J. John ASC Trust Corporation | From: | Debbie Ulloa |
| Fax: | 671.477.2729 | Date: | June 25, 2007 |
| Phone: | 671.477.2724 | No. of Pages: | Two (2) |
| Re: | RFP No. GGRF-028-06: Notice of Appeal | | |
| <input checked="" type="checkbox"/> Urgent | <input checked="" type="checkbox"/> For Review | <input type="checkbox"/> Please Comment | <input type="checkbox"/> Please Reply |

● **Message:**

Dear Mr. John:

Please find copy of letter dated June 22, 2007, regarding Notice of Appeal in relation to RFP No. GGRF-028-06 for Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan. Original letter will be mailed to your office.

Thank You,

Debbie Ulloa
Administrative Assistant

NOTICE: THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE. If the reader of this message is not the intended recipient or an employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication by error, please notify us immediately by telephone and discard the original message.

R
GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

June 22, 2007

Mr. David J. John
President
ASC TRUST CORPORATION
Capitol Plaza, Suite 110
120 Father Duenas Avenue
Hagåtña, Guam 96910

Re: RFP No. GGRF-028-06 – Investment Management and Plan
Administration Services related to the 401(a) Defined
Contribution Plan, 457 Deferred Compensation Plan and
Welfare Benefit Plan: Notice of Appeal

Dear Mr. John:

Please be advised that on June 22, 2007, Great-West Retirement Services filed a Notice of Appeal on the above subject Request for Proposal. Please communicate directly with the Office of the Public Auditor regarding the status of the Appeal. Also, be advised that the procurement process for RFP No. GGRF-028-06 is stayed until resolution of Great-West Retirement Services' appeal.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director

Confirmation Report - Memory Send

Page : 001
Date & Time: Jun-25-07 10:15am
Line 1 : +6714779491
Machine ID : Gov Guam Retirement Employee

Job number : 001
Date : Jun-25 10:06am
To : 8101648312604555113
Number of pages : 002
Start time : Jun-25 10:07am
End time : Jun-25 10:15am
Pages sent : 002
Status : OK

Job number : 001

*** SEND SUCCESSFUL ***

424 Route 8
Maite, Guam 96910
Tel: 671.475.8951/52
Fax: 671.475.8922



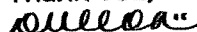
Fax Transmittal

| | | | |
|---|---|----------------------|---------------|
| To: | Michelle Scott Lincoln Financial Group | From: | Debbie Ulloa |
| Fax: | 260.455.5113 | Date: | June 25, 2007 |
| Phone: | | No. of Pages: | Two (2) |
| Re: | RFP No. GGRF-028-06: Notice of Appeal | | |
| <input checked="" type="checkbox"/> Urgent <input checked="" type="checkbox"/> For Review <input type="checkbox"/> Please Comment <input type="checkbox"/> Please Reply | | | |

● **Message:**

Dear Ms. Scott:

Please find copy of letter dated June 22, 2007, regarding Notice of Appeal in relation to RFP No. GGRF-028-06 for Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan. Original letter will be mailed to your office.

Thank You,

Debbie Ulloa
Administrative Assistant

NOTICE: THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE. If the reader of this message is not the intended recipient or an employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication by error, please notify us immediately by telephone and discard the original message.

424 Route 8
Maite, Guam 96910
Tel: 671.475.8951/52
Fax: 671.475.8922



Fax Transmittal

| | | | |
|------------|----------------|--------------|--------------|
| To: | Michelle Scott | From: | Debbie Ulloa |
|------------|----------------|--------------|--------------|

Lincoln Financial Group

| | | | |
|-------------|--------------|--------------|---------------|
| Fax: | 260.455.5113 | Date: | June 25, 2007 |
|-------------|--------------|--------------|---------------|

| | | | |
|---------------|--|----------------------|---------|
| Phone: | | No. of Pages: | Two (2) |
|---------------|--|----------------------|---------|

| | | | |
|------------|---------------------------------------|--|--|
| Re: | RFP No. GGRF-028-06: Notice of Appeal | | |
|------------|---------------------------------------|--|--|

| | | | |
|---|---|--|--|
| <input checked="" type="checkbox"/> Urgent | <input checked="" type="checkbox"/> For Review | <input type="checkbox"/> Please Comment | <input type="checkbox"/> Please Reply |
|---|---|--|--|

● **Message:**

Dear Ms. Scott:

Please find copy of letter dated June 22, 2007, regarding Notice of Appeal in relation to RFP No. GGRF-028-06 for Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan. Original letter will be mailed to your office.

Thank You,

Debbie Ulloa
Administrative Assistant

NOTICE: THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE. If the reader of this message is not the intended recipient or an employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication by error, please notify us immediately by telephone and discard the original message.

R
GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

June 22, 2007

Ms. Michelle Scott
Regional Vice President
LINCOLN FINANCIAL GROUP/ BANK OF HAWAII
1300 South Clinton Street
Fort Wayne, IN. 46802


Re: RFP No. GGRF-028-06 – Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan: Notice of Appeal

Dear Ms. Scott:

Please be advised that on June 22, 2007, Great-West Retirement Services filed a Notice of Appeal on the above subject Request for Proposal. Please communicate directly with the Office of the Public Auditor regarding the status of the Appeal. Also, be advised that the procurement process for RFP No. GGRF-028-06 is stayed until resolution of Great-West Retirement Services' appeal.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director

Confirmation Report - Memory Send

Page : 001
Date & Time: Jun-25-07 10:10am
Line 1 : +6714779491
Machine ID : Gov Guam Retirement Employee

Job number : 002
Date : Jun-25 10:06am
To : 8101648318085384436
Number of pages : 002
Start time : Jun-25 10:09am
End time : Jun-25 10:10am
Pages sent : 002
Status : OK

Job number : 002

*** SEND SUCCESSFUL ***

424 Route 8
Malte, Guam 96910
Tel: 671.475.8951/52
Fax: 671.475.8922



Fax Transmittal

| | | | |
|--|--|---|---------------------------------------|
| To: | Rose Aquino | From: | Debbie Ulloa |
| | Bank of Hawaii | | |
| Fax: | 808.538.4436 | Date: | June 25, 2007 |
| Phone: | 808.538.4368 | No. of Pages: | Two (2) |
| Re: | RFP No. GGRF-028-06: Notice of Appeal | | |
| <input checked="" type="checkbox"/> Urgent | <input checked="" type="checkbox"/> For Review | <input type="checkbox"/> Please Comment | <input type="checkbox"/> Please Reply |

● Message:

Dear Ms. Aquino:

Please find copy of letter dated June 22, 2007, regarding Notice of Appeal in relation to RFP No. GGRF-028-06 for Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan. Original letter will be mailed to your office.

Thank You,
Debbie Ulloa
Debbie Ulloa
Administrative Assistant

NOTICE: THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE. If the reader of this message is not the intended recipient or an employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication by error, please notify us immediately by telephone and discard the original message.

424 Route 8
Maite, Guam 96910
Tel: 671.475.8951/52
Fax: 671.475.8922



Fax Transmittal

| | | | |
|---------------|---------------------------------------|----------------------|---------------|
| To: | Rose Aquino | From: | Debbie Ulloa |
| | Bank of Hawaii | | |
| Fax: | 808.538.4436 | Date: | June 25, 2007 |
| Phone: | 808.538.4368 | No. of Pages: | Two (2) |
| Re: | RFP No. GGRF-028-06: Notice of Appeal | | |

Urgent **For Review** **Please Comment** **Please Reply**

● **Message:**

Dear Ms. Aquino:

Please find copy of letter dated June 22, 2007, regarding Notice of Appeal in relation to RFP No. GGRF-028-06 for Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan. Original letter will be mailed to your office.

Thank You,

Debbie Ulloa
Administrative Assistant

NOTICE: THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE. If the reader of this message is not the intended recipient or an employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication by error, please notify us immediately by telephone and discard the original message.

R
GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

June 22, 2007

Ms. Michelle Scott
Regional Vice President
LINCOLN FINANCIAL GROUP/ BANK OF HAWAII
1300 South Clinton Street
Fort Wayne, IN. 46802


Re: RFP No. GGRF-028-06 – Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan: Notice of Appeal

Dear Ms. Scott:

Please be advised that on June 22, 2007, Great-West Retirement Services filed a Notice of Appeal on the above subject Request for Proposal. Please communicate directly with the Office of the Public Auditor regarding the status of the Appeal. Also, be advised that the procurement process for RFP No. GGRF-028-06 is stayed until resolution of Great-West Retirement Services' appeal.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director

Confirmation Report - Memory Send

Page : 001
Date & Time: Jun-25-07 10:14am
Line 1 : +6714779491
Machine ID : Gov Guam Retirement Employee

Job number : 003
Date : Jun-25 10:07am
To : 8101648319494741707
Number of pages : 002
Start time : Jun-25 10:13am
End time : Jun-25 10:14am
Pages sent : 002
Status : OK

Job number : 003

*** SEND SUCCESSFUL ***

424 Route 8
Maite, Guam 96910
Tel: 671.475.8951/52
Fax: 671.475.8922



Fax Transmittal

| | | | |
|---|---|----------------------|---------------|
| To: | Gregory E. Seller Great-West Retirement Services | From: | Debbie Ulloa |
| Fax: | 949.474.1707 | Date: | June 25, 2007 |
| Phone: | 800.933.9808 | No. of Pages: | Two (2) |
| Re: | RFP No. GGRF-028-06: Notice of Appeal | | |
| <input checked="" type="checkbox"/> Urgent <input checked="" type="checkbox"/> For Review <input type="checkbox"/> Please Comment <input type="checkbox"/> Please Reply | | | |

● **Message:**

Dear Mr. Seller:

Please find copy of letter dated June 22, 2007, regarding Notice of Appeal in relation to RFP No. GGRF-028-06 for Investment Management and Plan Administration Services related to the 401(a) Defined Contribution Plan, 457 Deferred Compensation Plan and Welfare Benefit Plan. Original letter will be mailed to your office.

Thank You,
Ulloa
Debbie Ulloa
Administrative Assistant

NOTICE: THIS MESSAGE IS INTENDED ONLY FOR THE USE OF THE INDIVIDUAL OR ENTITY TO WHICH IT IS ADDRESSED AND MAY CONTAIN INFORMATION THAT IS PRIVILEGED, CONFIDENTIAL AND EXEMPT FROM DISCLOSURE. If the reader of this message is not the intended recipient or an employee or agent responsible for delivering the message to the intended recipient, you are hereby notified that any dissemination, distribution, or copying of this communication is strictly prohibited. If you have received this communication by error, please notify us immediately by telephone and discard the original message.

R
GOVERNMENT OF GUAM
RETIREMENT FUND
STABILITY · SECURITY · REWARDS

Felix P. Camacho
Governor

Michael W. Cruz, M.D.
Lieutenant Governor

Paula M. Blas
Director

Trustees:

Joe T. San Agustin
Chairman

Wilfred P. Leon Guerrero, Ed.D.
Vice-Chairman
Investment Committee, Chairman

James J. Taylor, Ph.D.
Secretary
Investment Committee, Vice-Chairman

Gerard A. Cruz
Treasurer
Audit & Operations Committee,
Chairman

George A. Santos
Members' & Benefits Committee,
Chairman

Katherine T.E. Taitano
Trustee

June 22, 2007

Mr. Gregory E. Seller
Senior Vice President, Government Markets
GREAT-WEST RETIREMENT SERVICES
18111 Von Karman Avenue, Suite 560
Irvine, CA. 92612

Re: RFP No. GGRF-028-06 – Investment Management and Plan
Administration Services related to the 401(a) Defined
Contribution Plan, 457 Deferred Compensation Plan and
Welfare Benefit Plan: Notice of Appeal

Dear Mr. Seller:

Please be advised that on June 22, 2007, Great-West Retirement Services filed a Notice of Appeal on the above subject Request for Proposal. Please communicate directly with the Office of the Public Auditor regarding the status of the Appeal. Also, be advised that the procurement process for RFP No. GGRF-028-06 is stayed until resolution of Great-West Retirement Services' appeal.

Thank you for your cooperation.

Sincerely,


PAULA M. BLAS
Director

30

CARLSMITH BALL LLP

ELYZE J. McDONALD
Bank of Hawaii Bldg., Suite 401
134 West Soledad Avenue, P.O. Box BF
Hagåtña, Guam 96932-5027
Tel No. 671.472.6813

Attorneys for Appellee
Government of Guam Retirement Fund

OFFICE OF THE PUBLIC AUDITOR
GUAM

RECEIVED
JUN 27 PM 2:22
GOVT OF GUAM
RETIREMENT FUND
210gn
07-006

IN THE APPEAL OF
GREAT-WEST RETIREMENT SERVICES,
Appellant.

CIVIL CASE NO. OPA-PA-07-006
APPELLEE'S STATEMENT OF
INTERESTED PARTIES

Pursuant to 2 GAR 12104(c), Appellee Government of Guam Retirement Fund states that the following are Interested Parties, as defined in 2 GAR 12102, in the above-referenced matter:

1. **LINCOLN FINANCIAL GROUP/ BANK OF HAWAII**
1300 South Clinton Street
Fort Wayne, IN. 46802

Attn: Ms. Michelle Scott
Regional Vice President
LINCOLN FINANCIAL GROUP
Email address: mScott@lnc.com
Fax: (260) 455-5113

Ms. Rosemarie E. Aquino
Vice-President
BANK OF HAWAII
Email address: raquino@boh.com
Fax: (808) 538-4436

Ms. Marilyn P. Megofna
Client Services Officer

BANK OF HAWAII
Email address: mmegofna@boh.com


2. **ASC TRUST CORPORATION**

Capitol Plaza, Suite 110
120 Father Duenas Avenue
Hagåtña, Guam 96910

Attn: David J. John
President
Email address: david.john@ascpac.com
Fax: (671) 477-2729

DATED: Hagåtña, Guam, June 24, 2007.

CARLSMITH BALL LLP



ELYZE J. MCDONALD
Attorneys for Appellee
Government of Guam Retirement Fund

CARLSMITH BALL LLP

ELYZE J. McDONALD
Bank of Hawaii Bldg., Suite 401
134 West Soledad Avenue, P.O. Box BF
Hagåtña, Guam 96932-5027
Tel No. 671.472.6813

Attorneys for Appellee
Government of Guam Retirement Fund

RECEIVED
OFFICE OF THE PUBLIC AUDITOR
JUN 27 2007
TIME: 2:10 PM
BY: [Signature]
FILE No. OPA-PA 07-006

OFFICE OF THE PUBLIC AUDITOR
GUAM

RECEIVED
2007 JUN 27 PM 2:22
GOVT. OF GUAM
RETIREMENT FUND

IN THE APPEAL OF
GREAT-WEST RETIREMENT SERVICES,
Appellant.

CIVIL CASE NO. OPA-PA-07-006
ENTRY OF APPEARANCE

PLEASE TAKE NOTICE that the Government of Guam Retirement Fund ("GGRF"), by and through undersigned counsel, has entered an appearance, as Appellee, in the above-entitled matter.

It is further requested that notice of all hearings, motions, and any other pleadings filed in the above-entitled matter be served upon GGRF through the law firm of Carlsmith Ball LLP, Attention: Elyze J. McDonald.

DATED: Hagåtña, Guam, June 27, 2007.

CARLSMITH BALL LLP

Elyze J. McDonald
ELYZE J. MCDONALD
Attorneys for Appellee
Government of Guam Retirement Fund

COPY