



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN THE MATTER OF:

) GPA Docket 11-02

)  
)  
) The Application of the Guam Power Authority requesting Approval of the Procurement of an Integrated Program Management Office (PMO)  
)  
)  
)

) ORDER

INTRODUCTION

This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of the Guam Power Authority ["GPA"] for Contract Review for Approval of the procurement of an Integrated Program Management Office Contract (PMO).<sup>1</sup>

BACKGROUND

1. GPA and GWA seek to procure an "Integrated Program Management Office" to address plant Capital Improvement Projects, significant Military Build-Up requirements, and ongoing Operational Requirements.<sup>2</sup>
2. The Consolidated Commission on Utilities has approved procurement for an integrated PMO.<sup>3</sup>
3. The purpose of the PMO is to provide "professional/technical staff in support of existing GPA and GWA staff to manage the overall development of the utilities' infrastructure program; development of a PMO office will improve operational efficiencies and promote employee development."<sup>4</sup>
4. The proposed Request for Proposals will award separate contracts to GPA and GWA from different qualified offerors. It is anticipated that GPA and GWA will

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<sup>1</sup> GPA Petition for Contract Review, Approval of the Procurement of an Integrated Program Management Office Contract (PMO), GPA Docket 11-02, filed January 18, 2011.

<sup>2</sup> Id. at pgs. 1-2.

<sup>3</sup> CCU Resolution No. 2011-03, issued January 11, 2011.

<sup>4</sup> Id. at p. 1.

fund the PMO “through project management costs included in the various project budgets...”<sup>5</sup>

5. On February 14, 2011, PUC Counsel issued his Report which details the responsibilities of the PMOs, which Report includes the Scope of Work for the PMOs.<sup>6</sup> Counsel recommends that GPA be authorized to procure PMOs on behalf of itself and GWA.
6. On March 7, 2011, GPA made a presentation to certain Commissioners at GPA concerning the justification for the PMO. A copy of the written presentation is attached hereto as Exhibit “1”.

#### DETERMINATIONS

1. GPA has offered a justification for procuring PMOs for itself and GWA. The current managerial and personnel resources of GPA and GWA are not sufficient, by themselves, to process the large volume of anticipated projects with respect to the military buildup.<sup>7</sup>
2. The PUC previously authorized funding for a PMO for the Smart Grid Project in an amount up to \$3,277,902.<sup>8</sup> GPA has apparently indicated that the PMO for the Smart Grid will also perform other duties and responsibilities related to capital improvement projects and military buildup projects.
3. GPA should be authorized to procure a PMO for a five year contract term with an option to extend the contract for two 2-year periods, subject to the availability of funds and mutual written agreement.<sup>9</sup>

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<sup>5</sup> Id.

<sup>6</sup> PUC Counsel Report issued February 14, 2011.

<sup>7</sup> See GPA Program Management Office Explanation, submitted by GPA AGMO on February 14, 2011.

<sup>8</sup> PUC Order In the Matter of GPA Petition for Use of 2010 Bond Funds, GPA Docket 10-01, issued July 27, 2010 at p. 2.

<sup>9</sup> Request for Proposal Attached to GPA Petition for Contract Review, GPA Docket 11-02, filed January 18, 2011, at p. 30 (Section II – Contract Period).

4. The Program Management Office will contribute to the efficient operation of GPA and GWA, and is reasonable, prudent and necessary.

### ORDERING PROVISIONS

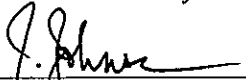
After careful review and consideration of the above determinations, the Report of PUC Counsel, the written presentation of GPA and the record herein, for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

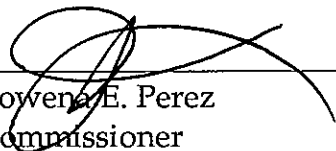
1. GPA's request to proceed with the Procurement of an Integrated Program Management Office (PMO) Contract for both GPA and GWA to address planned Capital Improvement Projects, significant Military Build-up requirements, and ongoing operational requirements, is hereby approved.
2. At this time the PUC is not in a position to approve any specific funding for the PMOs, due to uncertainties as to the amounts required or the funding sources.
3. Once GPA has selected appropriate PMOs for GPA and GWA, it shall seek approval from the PUC for any award and contract for PMOs. Such filing shall detail (1) current and AS comprehensive information as possible concerning the cost of the PMO services and funds from which said services will be paid; (2) the timeline, schedule and milestones for performance of services by the PMO; and (3) further explanation of the division of responsibilities and duties between GPA/GWA and the PMO.
4. PUC desires to ensure that the engineering and other competency skills possessed by the PMOs are institutionalized within GPA and passed on to its employees. The proposed contract requires that the PMOs execute a staff development and process improvement plan for GPA and GWA. The final contract awarded to the PMOs shall specify in detail precisely how the PMO will optimize the skills of GPA employees. The elements of the staff development and process improvement plans shall be set forth specifically and in detail in the contract(s). GPA shall file a report with PUC on or before the 15<sup>th</sup> day of December for each year that the PMO contracts are in effect as to what steps the PMO has taken to develop the skills of GPA employees and what actual improvements have occurred in the skill levels of

such employees.


5. GPA is ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses of conducting the hearing proceedings. Assessment of PUC's regulatory fees and expenses is authorized pursuant to 12 GCA §§12002(b) and 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

Dated this 21<sup>st</sup> day of March, 2011.

  
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Jeffrey C. Johnson  
Chairman

  
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Rowena E. Perez  
Commissioner

  
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Joseph M. McDonald  
Commissioner

  
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Filomena M. Cantoria  
Commissioner

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Michael A. Pangelinan  
Commissioner