

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

<b>IN RE:</b>	)	
	)	<b>GPA Docket 11-02</b>
	)	
<b>REQUEST BY GUAM WATERWORKS</b>	)	
<b>AUTHORITY FOR APPROVAL OF A</b>	)	<b>ORDER</b>
<b>\$1.2M INCREASE IN GWA'S</b>	)	
<b>PROGRAM MANAGEMENT OFFICE</b>	)	
<b>CONTRACT WITH BROWN &amp;</b>	)	
<b>CALDWELL</b>	)	
	)	
	)	
	)	

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**INTRODUCTION**

1. This matter comes before the Guam Public Utilities Commission ["PUC"] upon the Petition of Guam Waterworks Authority ["GWA"] for approval of a \$1.2M increase in GWA's Program Management Office ["PMO"] Contract with Brown & Caldwell.<sup>1</sup>

**BACKGROUND**

2. In its Order dated December 11, 2012, issued herein, the PUC "conditionally" approved GWA's request for a \$1.2M increase in GWA's PMO Contract with Brown & Caldwell.<sup>2</sup>
3. The PUC found that GWA had failed to submit proper work authorizations and other documentation required by Paragraph 6 of the Contract Review Protocol between GWA and PUC.<sup>3</sup> The request for the increase in PMO funding was not properly justified.
4. PUC Legal Counsel was instructed to certify compliance when GWA had filed appropriate documentation pursuant to Paragraph 14 of the order, which included Work Authorizations for the additional projects with appropriate descriptions of the projects, including timeframes and deadlines, and cost estimates with explanations.<sup>4</sup>

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<sup>1</sup> GWA Petition for Approval of a \$1.2M Increase in GWA's Program Management Office Contract with Brown & Caldwell, GPA Docket 11-02, filed November 13, 2012.

<sup>2</sup> PUC Order, GPA Docket 11-02, dated December 11, 2012.

<sup>3</sup> Id. at p. 4.

<sup>4</sup> Id. at p. 3.

5. On April 23, 2013, PUC Legal Counsel submitted his CERTIFICATION OF COMPLIANCE BY PUC LEGAL COUNSEL, certifying that GWA had produced the appropriate documentation required by the December 11, 2012 Order.

### DETERMINATIONS

6. In accordance with the CERTIFICATION OF COMPLIANCE filed by PUC Legal Counsel, the Commission finds that GWA has submitted the appropriate Work Authorizations and other documentation in accordance with the December 11, 2012 Order.
7. Since appropriate project descriptions, timeframes and deadlines, and cost estimates have now been provided, final approval should be granted for the requested \$1.2M increase in the PMO Contract of Brown & Caldwell, as well as the proposed projects.
8. However, the PUC in accordance with prior Orders, should require a further report and explanation from GWA as to its long range plans for utilization of the PMO and efforts to date PMO has taken to develop the skills of GWA employees for performance of the tasks and duties presently performed by the PMO.

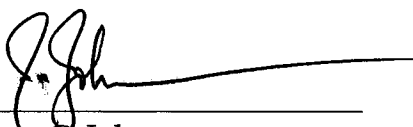
### ORDERING PROVISIONS

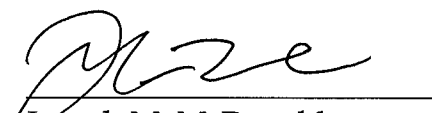
After careful review and consideration of the record herein, the above determinations, the Work Authorizations submitted by GWA, the PUC COUNSEL CERTIFICATION OF COMPLIANCE, and for good cause shown, on motion duly made, seconded and carried by the undersigned Commissioners, the Guam Public Utilities Commission **HEREBY ORDERS** that:

1. GWA's Petition for Approval of a \$1.2M increase in GWA's Program Management Office Contract with Brown & Caldwell is hereby approved.
2. Within 60 days from the date of issuance of this Order, GWA shall submit to the PUC a detailed report which includes the following information:
  - (a) A detailed explanation of GWA's proposed immediate and long range plans for use of the PMO, including the remainder of this fiscal year and over the next five years and beyond. Such explanation should include general tasks proposed and general scopes of work;

- (b) A discussion of the need for a PMO; a PMO was not utilized by GWA to handle Stipulated Order Projects from 2003 through 2011; what is the justification for the use of a PMO now? When the PMOs were approved by the PUC initially, the justification was the need created by the large number of military buildup projects. Is a PMO necessary in light of the delay in the military buildup? It now appears that the PMO is intended to perform the ongoing sewer and water projects of GWA;
  - (c) A discussion of how the PMO plans to institutionalize and pass on its skills to employees, what has been done to date, and what specific staff development and process improvement plan there are in effect;
  - (d) Provision by GWA to the PUC of copies of staff development and process improvement plan proposed and executed by PMO Brown & Caldwell, and portions of the GWA-Brown & Caldwell contract which specifies in detail precisely how the PMO will optimize the skills of GWA employees;
  - (e) A brief Outline of the major accomplishments of the PMO; and
  - (f) A description of the steps to date that the PMO taken to develop the skills of GWA employees.
3. 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.

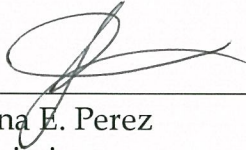
Dated this 30<sup>th</sup> day of April, 2013.

  
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Jeffrey C. Johnson  
Chairman

  
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Joseph M. McDonald  
Commissioner

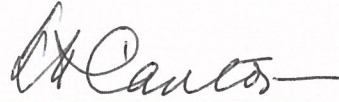
Order  
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Increase in PMO Contract  
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April 30, 2013

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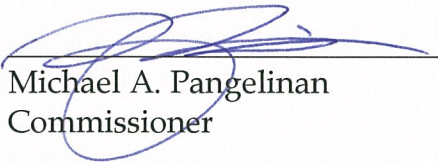
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Rowena E. Perez  
Commissioner




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Filomena M. Cantoria  
Commissioner



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Michael A. Pangelinan  
Commissioner



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Peter Montinola  
Commissioner