



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

IN RE: PETITION FOR APPROVAL) GWA DOCKET 13-03
OF GWA'S BID AND THE)
PROPOSED CONTRACT FOR) ORDER
LAB SERVICES WITH)
EUROFINS EATON)
ANALYTICAL INC.)

INTRODUCTION

This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the June 6, 2013 Petition for approval of a multi-year contract for laboratory services provided by Eurofins Eaton Analytical, Inc. (“Eurofins”), filed by the Guam Waterworks Authority (“GWA”). In the petition, GWA seeks PUC approval to enter into a multi-year laboratory services contract with Eurofins.

DETERMINATIONS

Pursuant to 12 G.C.A. §12004, GWA may not enter into any contractual agreements or obligations which could increase rates and charges without the PUC’s express approval. Additionally, pursuant to GWA’s Contract Review Protocol issued in Administrative Docket 00-04, “[a]ll professional service procurements in excess of \$1,000,000” require “prior PUC approval under 12 G.C.A. §12004, which shall be obtained before the procurement process is begun”¹ With respect to “multi-year contracts,” “[t]he test to determine whether a procurement exceeds the \$1,000,000 threshold for PUC review and approval (the review threshold) is the total estimated cost of the procurement, including cost incurred in any renewal options.”²

¹ GWA’s Contract Review Protocol (“GWA CRP”), Administrative Docket 00-04, p. 1 (Oct. 27, 2005).

² GWA CRP, p. 4.

On August 23, 2013, the Administrative Law Judge of the PUC (the “ALJ”) filed an ALJ Report detailing his review of GWA’s request to enter into a multi-year laboratory services contract with Eurofins. In the Report, the ALJ considered both the procurement, as well as the resulting contract award to Eurofins, which would permit GWA to extend its current contract for laboratory services with Eurofins for another four (4) years.

Additionally, the ALJ found the procurement to be reasonable, particularly for services of a U.S. E.P.A. certified lab to analyze the water and wastewater samples GWA provides to the Guam Environmental Protection Agency, considering that such testing is required under Guam’s Safe Drinking Water Act and the Guam Primary and Secondary Drinking Water Regulations.

The ALJ further found that GWA is “required to have water and wastewater samples tested by a lab certified by the U.S. E.P.A.”; that “no reasonable alternatives to such services” exist; and that such service will be required “for a long period of time.” Moreover, the ALJ found that the estimated annual amount of \$568,185.00 for laboratory services is reasonable under these circumstances.

The Commission hereby adopts the findings contained in the August 23, 2013 ALJ Report and, therefore, issues the following:

ORDERING PROVISIONS

Upon careful consideration of the record herein, the August 23, 2013 ALJ Report, and for good cause shown, on motion duly made, seconded and carried by the affirmative vote of the undersigned Commissioners, the Commission hereby ORDERS the following:

1. That, with respect to the proposed extension of the Eurofins contract, GWA is authorized to enter into a multi-year contract with Eurofins for laboratory services, for the full five years, not to exceed the amount of Two Million Eight Hundred Forty Thousand Nine Hundred Twenty-Five Dollars (\$2,840,925.00).

2. GWA is further ordered to pay the Commission's regulatory fees and expenses, including, without limitation, consulting and counsel fees and the fees and expenses associated with the instant contract review. Assessment of the PUC's regulatory fees and expenses is authorized pursuant to 12 G.C.A. §§12002(b), 12024(b), and Rule 40 of the Rules of Practice and Procedure before the Public Utilities Commission.

SO ORDERED this 27th day of August, 2013.



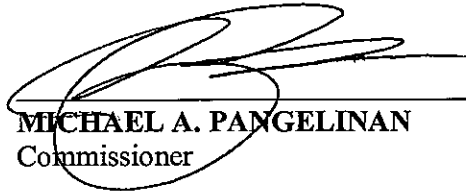
JEFFREY C. JOHNSON
Chairman



JOSEPH M. MCDONALD
Commissioner



ROWENA E. PEREZ
Commissioner



MICHAEL A. PANGELINAN
Commissioner



PETER MONTINOLA
Commissioner

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