

**BEFORE THE GUAM PUBLIC UTILITIES COMMISSION**

<b>IN RE: PETITION FOR APPROVAL</b>	)	<b>GWA DOCKET 13-03</b>
<b>OF GWA’S BID AND THE</b>	)	
<b>PROPOSED CONTRACT FOR</b>	)	
<b>LAB SERVICES WITH</b>	)	<b>ORDER</b>
<b>EUROFINS EATON</b>	)	
<b>ANALYTICAL INC.</b>	)	
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**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 . . . .”<sup>1</sup> 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.”<sup>2</sup>

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

<sup>2</sup> GWA CRP, p. 4.

In addition, GWA's Contract Review Protocol further requires, *inter alia*, that GWA submit documentation indicating "[t]he projected source of funding for the project with appropriate justification and documentation."<sup>3</sup>

On July 26, 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 found that GWA failed to indicate any "projected source of funding for the project with appropriate justification and documentation."<sup>4</sup> The ALJ further expressed that such information could not be gleaned from any documentation GWA provided to the PUC to support its petition. Accordingly, the ALJ recommended that the PUC require GWA to furnish to the PUC, in compliance with Paragraph 6 of GWA's Contract Review Protocol, information regarding its projected source of funding for the extended Eurofins contract.

The Commission hereby adopts the findings contained in the July 26, 2013 ALJ Report and, therefore, issues the following:

#### **ORDERING PROVISIONS**

Upon careful consideration of the record herein, the July 26, 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 provide the PUC with "the projected source of funding for the project

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<sup>3</sup> GWA CRP, p. 4.

<sup>4</sup> GWA CRP, p. 4.

with appropriate justification and documentation,” in compliance with Paragraph 6 of GWA’s Contract Review Protocol.

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 30<sup>th</sup> day of July, 2013.

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**JEFFREY C. JOHNSON**  
Chairman

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**JOSEPH M. MCDONALD**  
Commissioner

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**ROWENA E. PEREZ**  
Commissioner

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**MICHAEL A. PANGELINAN**  
Commissioner

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**PETER MONTINOLA**  
Commissioner