



BEFORE THE GUAM PUBLIC UTILITIES COMMISSION

) GWA DOCKET 13-01
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) ALJ STATUS REPORT
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This matter comes before the Guam Public Utilities Commission (the “PUC”) pursuant to the Petition for approval of a \$3.199 million increase in the Program Management Office (“PMO”) contract with Brown & Caldwell, filed by the Guam Waterworks Authority (“GWA”) on April 1, 2014.

BACKGROUND

On January 11, 2012, the PUC approved the original PMO contract between GWA and Brown & Caldwell, which was capped at \$3.2 million. On December 11, 2012, the PUC approved GWA’s request for a \$1.2 million increase in the subject contract, conditioned on GWA’s submission of certain work orders and work authorizations to the PUC.

On April 30, 2013, the PUC fully approved GWA’s request for a \$1.2 million increase in the PMO contract. GWA, however, was required to submit the following: (a) a detailed explanation of GWA’s proposed immediate and long-range plans for use of the PMO, including the remainder of the fiscal year and over the next five years and beyond; (b) a discussion of the need for a PMO; (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 plans there are in effect; (d) provision of copies of staff development and process improvement plans proposed and executed by the PMO, and portions of the GWA-Brown &

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Caldwell contract specifying how the PMO will optimize the skills of GWA employees; (e) an outline of the major accomplishments of the PMO; and (f) a description of the steps to date that the PMO has taken to develop the skills of GWA employees.

On May 24, 2013, the Administrative Law Judge of the PUC (the "ALJ") filed an ALJ Report detailing his review of GWA's submission, and recommended that the PUC determine that GWA had substantially complied with the April 30, 2013 Order. Thereafter, on May 28, 2013, the PUC issued an Order finding that GWA substantially complied with its April 30, 2013 Order, but that GWA was required to submit additional information related to the contract. On July 26, 2013, the ALJ issued a report indicating that GWA had again substantially complied with the May 28, 2013 Order, but advised that GWA should continue to provide the PUC with monthly reports generated by Brown & Caldwell tracking its performance.

On July 30, 2013, GWA requested a \$2.16 million increase in the subject contract. On December 30, 2013, after review by the ALJ and the PUC's consultants, Lummus Consultants International Inc. ("Lummus"), the PUC approved GWA's request for the additional increase.

DISCUSSION

In the instant Petition, GWA maintains that it "continues to be faced with compliance of Court Ordered requirements, PUC Stipulated orders, Findings of Significant Deficiencies in the Water System, U.S. E.P.A. Administrative Orders on Umatac-Merizo WWTP, and NPDES permit requirements to upgrade the wastewater systems to secondary treatment."¹ "GWA's low current Planning and Engineering

¹ Petition, p. 2.

staffing levels necessitates support by the PMO in these above areas to make sure that GWA meets the Court” deadlines.²

Thus, GWA submits that the added increase to the contract cost is needed so that the PMO may continue to assist GWA in maintaining compliance with mandated requirements and deadlines discussed above. For instance, GWA maintains that the PMO brings “technical resources, subject matter knowledge, and seasoned management from a pool of national experts”; and “assists GWA with identifying project needs, planning the work, executing the work, assisting GWA in the technical evaluation of other consultant’s work products, and coordinating with other Government of Guam agencies as required”³

GWA further submits that “[t]he PMO assists GWA in developing scopes of work and work plans for CIP projects, PUC Stipulated Order projects and Court Order projects as required include preparation of work authorizations”⁴ The PMO also “effectively manages project team members and performs administrative tasks for the projects to obtain a quality product within budget and schedule.”⁵

The Petition indicates that “[t]he next series of Work Authorizations to the PMO must be expedited to meet intensified U.S. E.P.A. mandates, especially for upcoming court ordered deadlines.”⁶ The Petition further maintains that “GWA’s management believes the aforementioned projects are necessary for GWA to comply

² Petition, p. 2.

³ Petition, p. 2.

⁴ Petition, p. 2.

⁵ Petition, p. 3.

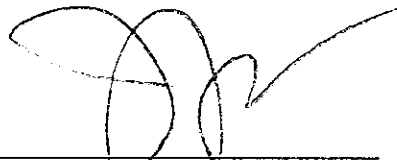
⁶ Petition, p. 3.

with the November 10, 2011 Order . . .” and that the “additional amount is required since GWA’s approved PMO funding for certification purposes must be consistent with the effort required to meet the Court Order.”⁷

The Petition is supported by Resolution No. 07-FY2014 (“Resolution”) issued by the Consolidated Commission on Utilities on January 28, 2014. The Resolution authorizes GWA to amend the PMO contract with Brown & Caldwell for an additional amount capped at \$3,199,493.00. The Petition is also supported by certain Brown & Caldwell work authorizations submitted by GWA.

To aid in this regulatory review, the ALJ has authorized Lummus, the PUC’s consultants for water and wastewater matters, to examine GWA’s request. Accordingly, a copy of the Petition has been transmitted to Lummus for its review. Lummus has already provided GWA with requests for information to begin its review.

Respectfully submitted this 21st day of April, 2014.



JOEPHET R. ALCANTARA
Administrative Law Judge

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⁷ Petition, p. 3.